

Charity registration number: 203402

The Dartmouth Trust

Annual Report and Financial Statements
for the Year Ended 30 September 2021

The Dartmouth Trust

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The Dartmouth Trust

Reference and Administrative Details

Ex-Officio Trustees	Reverend Andrew Langley (appointed 21 July 2021)
Nominative Trustees	Mr J H O'Keeffe Ms Dawn Shepherd (appointed 1 April 2021) Mr R Springett (resigned 1 March 2021) Mrs B Fleet (resigned 11 January 2022)
Publically Advertised	Mr D Flowerday (resigned 26 April 2021) Mr J Ellwood Mr R Goodall Mr A Jarrold Mr J Sutton-Scott-Tucker Mr G Lucas (appointed 26 April 2021)
Charity Registration Number	203402
Principal Office	First Floor 3 The Quay Dartmouth Devon TQ6 9PS
Auditor	Thompson Jenner LLP 1 Colleton Crescent Exeter Devon EX2 4DG
Solicitors	Foot Anstey LLP 2 Glass Wharf Bristol BS2 0FR
Bankers	National Westminster Bank plc Paignton 15 Victoria St Paignton Devon TQ4 5DE

The Dartmouth Trust

Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 30 September 2021.

Overview

This report and accounts covers the activities of The Dartmouth Trust. It's worth starting by explaining what Dartmouth Trust is, and its relationship with the 3 related charities with which it is frequently confused.

Dartmouth Trust is the custodian of an historic endowment, currently worth about £12.2m. This endowment owes its origins to a Trust established in 1559 to hold the wealth taken over from the Roman Catholic Church in the reformation.

Dartmouth Trust is governed by a "scheme" set out by the Charity Commission in 1988, being an evolution of arrangements first set out a century earlier.

Under these arrangements Dartmouth Trust is the custodian of the endowment, and is obliged to manage the endowment for the benefit of 3 other charities, two of which have somewhat curious names:

- Dartmouth United Charities,
- The Ecclesiastical Share of the Dartmouth Trust
- The Public Purposes Share of The Dartmouth Trust

These 3 charities support those in need in Dartmouth through almshouse provision and grants; help maintain the fabric of St Saviours Church; and apply charitable purposes for the general benefit of the inhabitants of Dartmouth.

These accounts and report relate only to The Dartmouth Trust – the custodian of the investments. Half of the net income is payable each year to Dartmouth United Charities, a third to "The Ecclesiastical Share" and a sixth to "The Public Purposes Share".

The endowment is what is called a permanent endowment – this means that the beneficiaries are only entitled to the income. The capital is thus maintained to provide an enduring benefit to the town over the centuries ahead.

The Dartmouth Trust's task as the custodian of the endowment is to manage the investment portfolio for the benefit of the 3 named charities. This requires the charity to invest efficiently and commercially, producing a stable income for the beneficiaries, if possible growing at least in line with inflation.

Putting this all more simply Dartmouth Trust's responsibility is simply investing the endowment for the benefit of the other 3 charities. Dartmouth trust cannot itself engage in charitable acts – that is the role of the other 3 charities.

The charity invests the endowment in a mix of commercial property, residential property and financial investments. Over the decades the proportions of these three different investments has varied – thirty years ago the proportion of residential property was much higher than it now is, and earlier still a significant proportion was invested in bonds.

The present value of the endowment is some £12.2 million. Over the last few years this has given rise to an annual income stream for the three beneficiaries of over half a million pounds. This annual contribution to sustaining Dartmouth is a major benefit to the town.

The Dartmouth Trust

Trustees' Report

Chairman's Statement

The Charity continues to experience the effects of Covid-19 in line with the wider economy. This has led to a second difficult year for generating income. However I am pleased to report £608,792 is payable to our beneficiaries from our 2020/21 activities.

I would like to record my grateful thanks to the hard working staff, my fellow Trustees, and our Professional advisers.

During the year David Flowerday and Robin Springett retired from The Trustee Board, both of whom made valuable contributions to the charity. Special thanks to David for his strong Chairmanship over the last 3 years which has helped the Charity make great strides in moving forward.

Although the income is a decrease on the previous year, overall and after discounting the rental holidays awarded to some of our high street tenants the upward trend of the past 10 years continues. 2020 has seen economic disruption caused by Covid 19 and in particular the difficulties faced by commercial retail which forms a significant part of the Trust's endowment and a large percentage of our income.

The Trust is administered by a small team, shared with Dartmouth United Charities, and led by Sarah Massey. The team strive continuously to enhance the efficiency of the administration, so that as much of the gross income as possible flows to the beneficiaries.

The Trust continues to evaluate the investment portfolio to enhance the stable income for the beneficiary charities.

Financial review

1. The year's figures

The table below simplifies the data in the accounts:

	2021	2020
	£000	£000
Gross property income received	520	561
Income from other investments	229	179
Benefit from dilapidation claim	-	40
Grant income, other income	5	6
Expenditure on operational overheads and governance	(170)	(169)
Transfers and expenditure funded by other reserves	25	37
Net income, payable to beneficiaries	609	654

The gross property income shows a substantial year on year reduction, largely reflecting rent holidays during the COVID pandemic.

Income from other investments was less impacted.

Expenses are dominated by service charges, property repairs and maintenance.

The net income, expressed as a percentage of the endowment is similar to that of other charities with a mixture of property and other investments.

The Dartmouth Trust

Trustees' Report

The charity holds reserves for particular potential expenditures. We have designated reserves for repairs to the Trust's properties of £249,150. We also hold a reserve of £30,000 to cover three months' general expenditure.

At the year end the charity held cash balances of £422,000, principally relating to amounts shortly to be paid to beneficiaries.

2. Longer term issues

It's important to our beneficiaries that the value of their income is sustained in real terms over the long term – that is, that it at least keeps pace with inflation.

We aim to generate from the endowment a stable and growing income. We have a duty to adjust the portfolio of investments to sustain and if possible enhance the income. The charity's investments are intended to be only in those broad asset categories that are generally expected to sustain their income over the long term.

There is much talk in the press of the difficulties faced by high street retailers. The likelihood is that retail rents will fail to keep up with inflation over the coming years, and consequently the real terms income for our beneficiaries is likely to reduce. The Trustees are considering whether the high concentration of the endowment in retail property is in the best interest of the beneficiaries.

Our property portfolio is valued by professional valuers every 5 years, with the Trustees estimating value changes in between these valuations. The properties were professionally valued in October 2016 – with the value being essentially unchanged from the valuation 5 years previously. Due to the considerable uncertainty in the future of the High Street as a result of the increasing online trend exasperated by both COVID and BREXIT the Board decided that an expensive external valuation would not add value to the Trust. Alternatively, the property committee, which includes experienced professionals, undertook an in-house analysis and presented an internally assessed valuation to the Board which was accepted.

The charity sector investment funds are principally a mix of global equities and commercial property. As with our direct property investment our objective is to receive a satisfactory income that is at least sustained in real terms over the long term. The capital value of these investments will fluctuate with market conditions, rising in some years, easing back in others.

The Trust has increased the diversification of its investments somewhat, and may continue to do so.

Structure, Governance and Management

Constitution

The Dartmouth Trust is administered under a Scheme of the High Court made in 1890 and as amended in 1909, 1952, 1955, 1988, 2014 and 2019 in arrangement with the Charity Commission.

The charity's available net income is applied to the three beneficiaries, namely Dartmouth United Charities (Charity no. 203399) 1/2, The Public Purposes Share of the Dartmouth Trust (Charity no. 800243) 1/6 and The Ecclesiastical Share of the Dartmouth Trust (Charity no. 800242) 1/3.

The Trustees have fulfilled their obligation to take account of the Charity Commission's guidance on public benefit. This requires the activities of the charity to have public benefit, and to avoid providing benefit other than public benefit.

Trustee appointment or election, and Trustee training

The governing documents set out the Trustee appointment regime. There are five publically nominated Trustees, one ex-officio Trustee, and three Trustees nominated by the beneficiaries.

On appointment all Trustees participate in an induction programme.

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Trustees' Report

Organisational Structure and decision making

The Trustees meet quarterly and are responsible for the strategic direction and policies of the charity.

The Trustees delegate the day to day responsibility for the management to the Manager.

The Manager, who is responsible for the day to day operational management, also attends meetings but has no voting rights.

The Trustees are considered the charity's key management personnel and do not receive any remuneration for their roles as Trustees or otherwise.

Risk management

The Trustees have assessed the risks to which the charity is exposed, which principally arise from the ownership of buildings. The charity maintains insurance cover for both full re-instatement and for possible loss of income. The charities income is also exposed to a concentration risk, with the majority of its assets being high street retail properties.

Information of Fundraising Practices

The Dartmouth Trust does not carry out any fundraising activities

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 annual report was approved by the trustees of the charity on 9-2-22 and signed on its behalf by:



.....
Mr J Sutton-Scott-Tucker
Trustee

The Dartmouth Trust

Statement of Trustees' Responsibilities

The trustees 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.

The law applicable to charities 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 of the charity for that period. 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 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 9.2.22 and signed on its behalf by:



Mr J Sutton-Scott-Tucker
Trustee

The Dartmouth Trust

Independent Auditor's Report to the Members of The Dartmouth Trust

Opinion

We have audited the financial statements of The Dartmouth Trust (the 'charity') for the year ended 30 September 2021, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, 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 30 September 2021 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 Charities Act 2011.

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 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.

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.

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Independent Auditor's Report to the Members of The Dartmouth Trust

Matters on which we are required to report by exception

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

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

- 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 6), 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.

Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the charity and property sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011, the Charities SORP (FRS102), taxation legislation, data protection, anti-bribery, employment law and health and safety legislation;

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Independent Auditor's Report to the Members of The Dartmouth Trust

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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Independent Auditor's Report to the Members of The Dartmouth Trust

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mr Dave Tucker (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

1 Colleton Crescent
Exeter
Devon
EX2 4DG

Date: 5th April 2022

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Statement of Financial Activities for the Year Ended 30 September 2021

	Note	Unrestricted £	Endowment £	Total 2021 £
Income and Endowments from:				
Grant income	2	2,058	-	2,058
Rental income	3	520,387	-	520,387
Investment income	4	229,365	-	229,365
Other income		3,595	-	3,595
Total income		<u>755,405</u>	<u>-</u>	<u>755,405</u>
Expenditure on:				
Operational overheads	5	(166,738)	-	(166,738)
Appropriation to beneficiaries	6	(608,792)	-	(608,792)
Governance	7	(4,875)	-	(4,875)
Total expenditure		<u>(780,405)</u>	<u>-</u>	<u>(780,405)</u>
Gains/losses on investment assets		<u>57,688</u>	<u>1,103,622</u>	<u>1,161,310</u>
Net movement in funds		32,688	1,103,622	1,136,310
Reconciliation of funds				
Total funds brought forward		<u>407,262</u>	<u>11,122,205</u>	<u>11,529,467</u>
Total funds carried forward	17	<u><u>439,950</u></u>	<u><u>12,225,827</u></u>	<u><u>12,665,777</u></u>

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Statement of Financial Activities for the Year Ended 30 September 2021

Comparative of the Statement of Financial Activities for the Year Ended 30 September 2020

	Note	Unrestricted £	Endowment £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	6,196	-	6,196
Rental income	3	560,581	-	560,581
Investment income	4	178,866	-	178,866
Other income		40,032	-	40,032
Total income		<u>785,675</u>	<u>-</u>	<u>785,675</u>
Expenditure on:				
Operational overheads	5	(164,404)	-	(164,404)
Appropriation to beneficiaries	6	(653,645)	-	(653,645)
Governance	7	(4,575)	-	(4,575)
Total expenditure		<u>(822,624)</u>	<u>-</u>	<u>(822,624)</u>
Gains/losses on investment assets		<u>11,460</u>	<u>(689,493)</u>	<u>(678,033)</u>
Net expenditure		(25,489)	(689,493)	(714,982)
Gross transfers between funds		<u>16,099</u>	<u>(16,099)</u>	<u>-</u>
Net movement in funds		(9,390)	(705,592)	(714,982)
Reconciliation of funds				
Total funds brought forward		<u>416,652</u>	<u>11,827,797</u>	<u>12,244,449</u>
Total funds carried forward	17	<u><u>407,262</u></u>	<u><u>11,122,205</u></u>	<u><u>11,529,467</u></u>

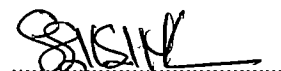
All of the charity's activities derive from continuing operations during the above two periods.

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(Registration number: 203402)
Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	57,199	57,199
Investments	13	<u>12,741,448</u>	<u>11,531,288</u>
		<u>12,798,647</u>	<u>11,588,487</u>
Current assets			
Debtors	14	180,258	235,996
Cash at bank and in hand		<u>422,000</u>	<u>317,997</u>
		602,258	553,993
Creditors: Amounts falling due within one year	15	<u>(735,128)</u>	<u>(613,013)</u>
Net current liabilities		<u>(132,870)</u>	<u>(59,020)</u>
Net assets		<u>12,665,777</u>	<u>11,529,467</u>
Funds of the charity:			
Endowment funds		12,225,827	11,122,205
Unrestricted income funds			
Unrestricted funds		<u>439,950</u>	<u>407,262</u>
Total funds	17	<u>12,665,777</u>	<u>11,529,467</u>

The financial statements on pages 11 to 28 were approved by the trustees, and authorised for issue on 9.2.22 and signed on their behalf by:



Mr J Sutton-Scott-Tucker (Chair)
Trustee

The Dartmouth Trust

Cash Flow Statement for the Year Ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income/(expenditure)		1,136,309	(714,982)
Adjustments to cash flows			
Investment income	4	(229,365)	(178,866)
Profit on disposal of investments		(336,322)	(212,470)
Revaluation of investments		<u>(824,987)</u>	<u>890,502</u>
		(254,365)	(215,816)
Working capital adjustments			
Decrease in debtors	14	55,738	29,555
Increase/(decrease) in creditors	15	<u>122,115</u>	<u>(38,835)</u>
Net cash flows from operating activities		<u>(76,512)</u>	<u>(225,096)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	229,365	178,866
Purchase of investments	13	(2,056,595)	(371,171)
Sale proceeds of investments		<u>2,007,745</u>	<u>437,270</u>
Net cash flows from investing activities		<u>180,515</u>	<u>244,965</u>
Net increase in cash and cash equivalents		104,003	19,869
Cash and cash equivalents at 1 October		<u>317,997</u>	<u>298,128</u>
Cash and cash equivalents at 30 September		<u><u>422,000</u></u>	<u><u>317,997</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

The Dartmouth Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trustees have considered the impact of COVID-19 and do not consider it to have a material impact on the balances included within the financial statements.

In addition, the trustees do not consider it to cast any significant doubt upon the charity's ability to continue to operate as a going concern.

The trustees have taken both reactive and proactive measures in order to mitigate any risks associated with COVID-19 including managing cash flow to ensure that debts can be paid when they fall due, managing staffing levels and monitoring key customer and supplier activity.

The trustees have implemented a robust system of procedures and controls in order to deal with any associated risks.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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 income receivable can be measured reliably.

For legacies, entitlement is taken at the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

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Notes to the Financial Statements for the Year Ended 30 September 2021

Other income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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. Historically this has also included an element of wages costs, this has been restated to operational overheads in the current and prior year to better reflect the roles undertaken by staff members.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 £2,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment.

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

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:

Asset class	Depreciation method and rate
Freehold property	not depreciated
Fixtures and fittings	depreciated equally over the estimated useful life of 2 years

Depreciation is not provided on freehold buildings as the trustees are of the opinion that the residual values of such properties are not less than cost or valuation, and therefore any depreciation would be immaterial.

Impairment of fixed assets

The Trustees review the freehold properties for impairment at the end of each reporting period.

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined by external valuers and updated annually by the trustees. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

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 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.

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.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at their settlement value.

2 Income from grants, donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Grants, including capital grants;			
Furlough grant income	2,058	2,058	6,196
	<u>2,058</u>	<u>2,058</u>	<u>6,196</u>

3 Income from other trading activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Property rental income	520,387	520,387	560,581
	<u>520,387</u>	<u>520,387</u>	<u>560,581</u>

4 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Other income from fixed asset investments	229,365	229,365	178,866
	<u>229,365</u>	<u>229,365</u>	<u>178,866</u>

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

5 Operational overheads

	Total 2021 £	Total 2020 £
Office Costs	4,183	3,884
Professional fees	59,991	44,034
Insurances	20,773	17,649
Irrecoverable VAT	-	-
Property repairs, maintenance and H&S	49,096	51,381
Bank charges	445	379
Wages and Salaries	22,950	26,944
Pension cost	2,688	2,503
Bad debts written off and provision movements	6,612	17,630
	166,738	164,404

Included within Property repairs, maintenance and H&S is expenditure totalling £25,000 (2020: £20,850) relating to the designated property repairs reserve fund movements.

6 Appropriation to beneficiaries

	Total 2021 £	Total 2020 £
Dartmouth United Charities	304,396	326,822
The Ecclesiastical Share of The Dartmouth Trust	202,931	217,882
The Public Purposes Share of The Dartmouth Trust	101,465	108,941
	608,792	653,645

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

7 Analysis of governance costs

Governance costs

	Unrestricted	Endowment	Total	Total
	funds	funds	funds	funds
	2021	2021	2021	2020
	£	£	£	£
Governance Auditors' remuneration	3,000	-	3,000	3,000
Governance Auditors' non audit costs	1,875	-	1,875	1,575
	<u>4,875</u>	<u>-</u>	<u>4,875</u>	<u>4,575</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021	2020
	£	£
Audit fees	3,000	3,000
Other non-audit services	1,875	1,575
Profit on disposal of investments	<u>(229,365)</u>	<u>(178,866)</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.

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	22,950	26,944
Pension costs	<u>2,688</u>	<u>2,503</u>
	<u>25,638</u>	<u>29,447</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Employees	<u>3</u>	<u>3</u>

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

The charity considers the Trustees to be the members of key management personnel. During the year the key management personnel received compensation of £nil.

11 Taxation

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

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 October 2020	<u>57,199</u>	<u>11,578</u>	<u>68,777</u>
At 30 September 2021	<u>57,199</u>	<u>11,578</u>	<u>68,777</u>
Depreciation			
At 1 October 2020	<u>-</u>	<u>11,578</u>	<u>11,578</u>
At 30 September 2021	<u>-</u>	<u>11,578</u>	<u>11,578</u>
Net book value			
At 30 September 2021	<u>57,199</u>	<u>-</u>	<u>57,199</u>
At 30 September 2020	<u>57,199</u>	<u>-</u>	<u>57,199</u>

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

13 Fixed asset investments

	2021 £	2020 £
Investment properties	5,740,001	7,160,671
Other investments	<u>7,001,447</u>	<u>4,370,617</u>
	<u><u>12,741,448</u></u>	<u><u>11,531,288</u></u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2020	7,160,671
Revaluation	250,753
Disposals	<u>(1,671,423)</u>
At 30 September 2021	<u>5,740,001</u>
Net book value	
At 30 September 2021	<u><u>5,740,001</u></u>
At 30 September 2020	<u><u>7,160,671</u></u>

The 2021 valuations were made by the Trustees, on an open market value for existing use basis.

The investment properties were valued in September 2016 by Vickery Holman, qualified valuers, on an open market basis. During the year the Trustees have considered the valuation of the investment properties.

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

Other investments

	Endowed investments £	Non endowed investments £	Total £
Cost or Valuation			
At 1 October 2020	3,854,335	516,282	4,370,617
Revaluation	516,547	57,688	574,235
Additions	2,056,595	-	2,056,595
At 30 September 2021	<u>6,427,477</u>	<u>573,970</u>	<u>7,001,447</u>
Net book value			
At 30 September 2021	<u>6,427,477</u>	<u>573,970</u>	<u>7,001,447</u>
At 30 September 2020	<u>3,854,335</u>	<u>516,282</u>	<u>4,370,617</u>

14 Debtors

	2021 £	2020 £
Trade debtors	101,146	173,855
Prepayments and accrued income	78,275	62,141
Other debtors	837	-
	<u>180,258</u>	<u>235,996</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	17,281	15,398
Other taxation and social security	2,367	8,969
Other creditors	623,928	468,565
Accruals and deferred income	91,552	120,081
	<u>735,128</u>	<u>613,013</u>

	2021 £	2020 £
Deferred income at 1 October 2020	115,849	125,874
Resources deferred in the period	87,321	115,849
Amounts released from previous periods	(115,849)	(125,874)
Deferred income at 30 September 2021	<u>87,321</u>	<u>115,849</u>

Deferred income relates to rental income invoiced in advance.

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

16 Pension and other schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £ 2,404 (2020 - £ 2,503).

Contributions totalling £ 1,073 (2020 - £ 908) were payable to the scheme at the end of the year and are included in creditors

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

17 Funds

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 September 2021 £
Unrestricted funds					
<i>General</i>					
Reserve for admin expenses	30,000	755,405	(755,405)	-	30,000
Unrealised profit on non-endowed funds	103,112	-	-	57,688	160,800
	133,112	755,405	(755,405)	57,688	190,800
<i>Designated</i>					
Property repair reserve	274,150	-	(25,000)	-	249,150
Total unrestricted funds	407,262	755,405	(780,405)	57,688	439,950
Endowment funds					
<i>Permanent</i>					
Endowment funds	11,122,205	-	-	1,103,622	12,225,827
Total funds	11,529,467	755,405	(780,405)	1,161,310	12,665,777

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 30 September 2020 £
Unrestricted funds						
<i>General</i>						
Reserve for admin expenses	30,000	785,675	(801,774)	16,099	-	30,000
Unrealised profit on non-endowed funds	91,652	-	-	-	11,460	103,112
	121,652	785,675	(801,774)	16,099	11,460	133,112
<i>Designated</i>						
Property repair reserve	295,000	-	(20,850)	-	-	274,150
Total unrestricted funds	416,652	785,675	(822,624)	16,099	11,460	407,262
Endowment funds						
<i>Permanent</i>						
Endowment funds	11,827,797	-	-	(16,099)	(689,493)	11,122,205
Total funds	12,244,449	785,675	(822,624)	-	(678,033)	11,529,467

Transfers made during the year relate to reimbursements of costs specifically relating to the endowment funds previously expended through the unrestricted funds.

Designated funds are towards future costs for the stabilisation of 4 The Quay and to fund emergency repairs for other charity buildings.

General funds are those held without any designation or restriction upon them.

Endowment funds are properties and investments that have been given to or purchased by the charity that are held as endowments.

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

18 Analysis of net assets between funds

	Unrestricted General £	Endowment Permanent £	2021 Total funds £
Tangible fixed assets	-	57,199	57,199
Investment property	-	5,740,001	5,740,001
Fixed asset investments	573,970	6,427,477	7,001,447
Current assets	601,108	1,150	602,258
Current liabilities	(735,128)	-	(735,128)
Total net assets	<u>439,950</u>	<u>12,225,827</u>	<u>12,665,777</u>
	Unrestricted General £	Endowment Permanent £	2020 Total funds £
Tangible fixed assets	-	57,199	57,199
Investment property	-	7,160,671	7,160,671
Fixed asset investments	516,282	3,854,335	4,370,617
Current assets	503,993	50,000	553,993
Current liabilities	(613,013)	-	(613,013)
Total net assets	<u>407,262</u>	<u>11,122,205</u>	<u>11,529,467</u>

19 Analysis of net funds

	At 1 October 2020 £	Cash flow £	At 30 September 2021 £
Cash at bank and in hand	<u>317,997</u>	<u>104,003</u>	<u>422,000</u>
Net debt	<u>317,997</u>	<u>104,003</u>	<u>422,000</u>
	At 1 October 2019 £	Cash flow £	At 30 September 2020 £
Cash at bank and in hand	<u>298,128</u>	<u>19,869</u>	<u>317,997</u>
Net debt	<u>298,128</u>	<u>19,869</u>	<u>317,997</u>

The Dartmouth Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

20 Related party transactions

Dartmouth United Charities

Mr J H O'Keeffe, Mr R Spingett and Mrs B Fleet were also Trustees of Dartmouth United Charities during the year. Dartmouth United Charities received appropriation income from The Dartmouth Trust that amounted to £304,396 (2020: £326,822), of which £304,396 (2020: £220,622) is included in other creditors.

The Dartmouth Trust also charged £33,812 (2020: £32,425) for wages and other expenses that were incurred on its behalf by The Dartmouth Trust. At the year end the charity owed £999 (2020: £4,290) to Dartmouth United Charities which is included in other creditors.

The Ecclesiastical Share of The Dartmouth Trust

Mr J H O'Keeffe was also a Trustee of The Ecclesiastical Share of The Dartmouth Trust during the year. The Ecclesiastical Share of The Dartmouth Trust received appropriation income from The Dartmouth Trust that amounted to £202,931 (2020: £217,882) of which £202,931 (2020: £147,082) is included in other creditors.

The Public Purposes Share of The Dartmouth Trust

Ms D Shepherd was also a Trustee of The Public Purposes Share of The Dartmouth Trust during the year. The Public Purposes Share of The Dartmouth Trust received appropriation income from The Dartmouth Trust that amounted to £101,465 (2020: £108,941) of which £101,465 (2020: £73,541) is included in other creditors.