

THE DACON TRUST LIMITED

England & Wales · Charity number 260380

Details

Other names DACON TRUST FOR HANDICAPPED CHILDREN LIMITED

Status Registered

Legal form Charitable company

Company number [00968662](#)

Registered 1970-01-30

Register [View on the Charity Commission register](#)

Contact

Address 26 St John's Street
Colchester
Essex
CO2 7HB

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Email levelbest@dacontrust.co.uk

Website www.levelbestenterprises.co.uk

Activities

Objects: for the public benefit to provide education, life skills, development activities, learning opportunities and such other services as the trustees may determine from time to time, to adults and young people with learning disabilities.

Activities: Provision of day services to adults with learning disability

Classification

- **How:** Provides Services
- **What:** Disability
- **Who:** People With Disabilities

Geography

- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£480,312	£682,064	-	-
2023-12-31	£425,044	£645,359	-	-
2022-12-31	£332,235	£433,583	-	-
2021-12-31	£346,109	£363,634	-	-
2020-12-31	£447,000	£420,000	-	-

Trustees

Name	Role	Appointed
Katie Hyde	Chair	2016-04-28
Alex Dray		2025-06-11
Daniel Godfrey		2021-07-21
Gareth Mitchell		2023-08-10
Shirley Anne Croft		2021-05-13
Simon King		2025-09-16

THE DACON TRUST LIMITED

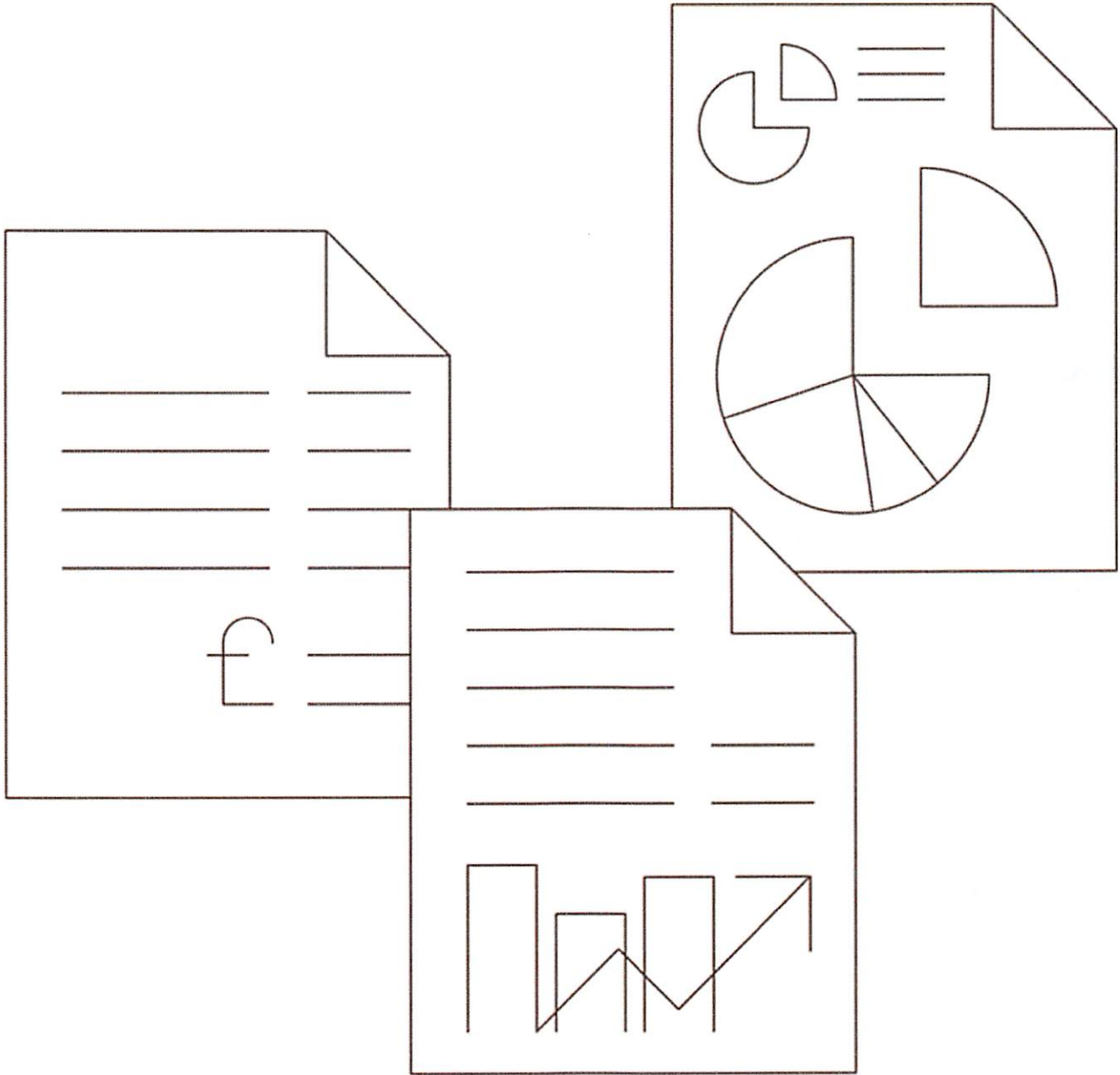
England & Wales - Charity number 260380

Accounts



The Dacon Trust Limited Financial Statements

For the Year Ended: 31 December 2024
Registered Company No: 00968662
Registered Charity No: 260380



THE DACON TRUST LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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THE DACON TRUST LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2024**

TRUSTEES	Mr D Flynn (resigned 17/2/25) Mrs K Hyde Mrs S A Croft Mr D Godfrey Mr G E Mitchell Mrs E L Wadforth (appointed 10/12/24)
COMPANY SECRETARY	Mrs S A Croft
REGISTERED OFFICE	26 St Johns Street Colchester Essex CO2 7HB
REGISTERED COMPANY NUMBER	00968662
REGISTERED CHARITY NUMBER	260380
AUDITORS	TC Group Town Wall House Balkerne Hill Colchester Essex CO3 3AD
BANKERS	Barclays Bank PLC 9 High Street Colchester Essex CO1 1DD

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees who are also directors of the charity for the purpose of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The objectives of the Charity are to support the education and development of life and employment skills for adults and young people with learning disabilities.

Activities and Achievements

The Charity's main activity remains the provision of day services at the Level Best Enterprises Hub in Colchester. Level Best is made up of four enterprises - Level Best Café, Level Best Art and Gallery, Level Best Seasonal and Level Best Gardening.

The charity has the capacity to deliver over 230 work skills training sessions per week. In addition to this, occasional workshops are delivered at the Level Best hub and at external locations. In 2024 these included film making with Jelly Fielder studios, 'Create with Clay' at local creative venue 'Makers Space', Christmas Wreath making, Healthy Relationship course and a variety of Art workshops delivered by local artists. 2024 also saw the introduction of weekly theatre workshops for Trainees at The Mercury Theatre.

In 2024 Level Best was recognised nationally in both the National Diversity Awards and the National Learning Disabilities and Autism Awards. Closer to home, Level Best were proud to take home Highly Commended in both the Colchester Business Awards and the Essex Countywide Business Awards.

Level Best Café:

Customer numbers in the Café have continued to grow over 2024 and we have seen growth in buffet and external cakes supplied to local businesses and social enterprises.

In 2024, Level Best Café received the 'Trip Advisor Travellers Choice Award' for being rated among the top 10% of restaurants worldwide. The Café is ranked number 2 out of 95 Cafés in Colchester and has 60 five-star reviews.

Several evening and weekend events were hosted in the Café throughout 2024, including a Christmas Market (in partnership with Made in Colchester), Gallery private views and private hire events for Creative Colchester. In addition to this the Café space was regularly booked as a meeting place for groups including a book club and a coffee morning.

Level Best Art and Gallery:

The new and improved Art Studio and Gallery space at St Johns Street has made a huge difference to the Trainee experience. With more space available in the Art Studio, Trainees can access more activities such as silk printing and sculpture. There is also a designated exhibition space in the Café to showcase, celebrate and sell Trainee artwork.

In February 2024, Level Best were proud to hold an exhibition of Trainee artwork at Colchester's internationally recognised art gallery, Firstsite. The exhibition featured work from the Level Best archives as well as more recent Trainee artworks.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

OBJECTIVES AND ACTIVITIES (continued)

In April, Level Best Art Trainees were facilitated to run a 3 day 'pop up' Art sale at The Minories. This gave Trainees an opportunity to discuss their work with the public, promote their talents and gave them a sense of pride and achievement.

The Level Best Gallery continues to receive interest from local artists and creatives, with exhibition slots booked until 2027. Trainees are involved in the Gallery through administrative tasks (promotion, emailing contracts etc) as well as assisting in curating exhibitions.

Level Best Seasonal:

The Café space has a small 'shop' area for Seasonal goods. As Café numbers have increased, so too has the sale of seasonal produce. Throughout 2024 Seasonal produce was sold at external venues and events including a local eco-friendly shop, a pop-up event at Colchester Arts Centre and The Minories Christmas Market.

Level Best Gardening:

Level Best gardening Trainees worked on both allotment plots through 2024, growing a variety of fruit and vegetables for use in Seasonal produce. In addition to this they enjoyed several trips including Acorn Village for garden tours and workshops, Bourne Mill for garden tours and craft workshops and Highwoods for Pond dipping and exploration.

In May 2024, Level Best ran a 6 week Forest School programme at the Allotment, attended by 6 Trainees. Activities on offer were varied such as clay faces with found leaves, drawing orchard portraits with willow charcoal and learning about tree of the week. Trainees also used identification sheets to learn about flora and fauna.

The park ranger sessions continued with lots of varied activities including, wildflower planting, orchard maintenance, pond clearance, litter picking and flower bed clearing and planting.

Mencap continue to occupy Fitzwalter House providing accommodation for learning disabled adult residents. Discussions continue with potential partners as to how the rest of the land at Great Tey could be used.

The Charity's activities are financed by a combination investment income together with charges made to trainees for attendance which are funded either by local authorities or privately. There is a small reliance on volunteers for day-to-day operations although the members of the Management Committee serve in a voluntary capacity.

The majority of the Charity's investments are managed by CCLA Investment Management Limited who provide a quarterly report and with whom regular meetings are held to review investment strategy.

The board of Trustees has remained broadly consistent throughout the year however the board continue to seek new appointments where they could bring skillsets that will benefit the Charity going forwards.

Alison Ling remains responsible for the day-to-day management of Level Best Enterprises in Colchester and reports to the board on operational progress.

PUBLIC BENEFIT

The trustees of The Dacon Trust Limited have had due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL REVIEW

Financial position

The activities during the year resulted in a deficit of unrestricted funds of £148,984 (2023: £17,963) for the financial year. Included within this deficit is the increase in the market value of investment of £52,768 (2023: £202,352).

At the end of the year the charity has a total of £4,485,854 (2023: £4,634,838) in Unrestricted Funds.

Reserves policy

The Council of Management has considered the financial requirements of the Charity taking into account the current position and future plans. They have taken particular note of the following:

1. The funds received from charitable activities have been and are expected to remain inadequate to meet the costs of providing the services. There will be an ongoing requirement for the Charity to provide substantial resources to subsidise the services.
2. There continues to be some doubt over the level of financial support from Local Authorities to fund attendance fees.
3. There are no contracts with trainees and they are free to stop attending at any time.

In the light of this the Council of Management has made the following decisions:

1. The investments fund (including investment properties) currently totalling £2,532,396 (2023: £2,620,628) should be considered an expendable endowment to provide income to fund the Charity's operations.
2. The Fixed Asset Fund is set at a figure of £1,955,728 (2023: £1,930,032) to reflect the value invested in tangible assets.
3. The Charity should aim to hold a general reserve at least equivalent to 12 months expenditure. The reserve is currently in deficit of £2,270 (2023 Surplus: £84,178).

Going concern

After making appropriate enquiries, the board of trustees have a fair expectation that The Dacon Trust Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

FUTURE PLANS

Since moving to St Johns Street in April 2023, Level Best has continued to see growth across all of its services. As we look to the future we plan to continue this growth in the following ways:

- Introduce new and exciting workshops and short courses for Trainees to enhance their learning and to experience new activities.
- Launch a sponsorship programme in Autumn 2025. The purpose of the programme is to unlock new opportunities for Level Best Trainees, address the well documented lack of funded opportunities for people with learning disabilities, and create a lasting value for local businesses and the wider community.
- Continue to build placement numbers through agreed strategies.
- Develop a programme of inclusive workshops to be held outside of operational hours.
- Run Level Best Supper Clubs and events at least twice yearly with the use of guest chefs to support this.
- Market Level Best as a venue for hire for craft markets and other events, such as catered birthday parties.

In parallel to this, the Trustees will also be giving careful consideration to how best utilise the land in Great Tey.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Dacon Trust Limited is a company limited by guarantee. The charity is governed by its board of trustees operating under the terms of the memorandum and articles of association.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £50, for the debts and liabilities contracted before they ceased to be a member.

Trustees and management

The charity has a Council of Management that manages the business of the Charity. No person who is not a member of the Charity is eligible to hold office as a member of the Council. Where appropriate, duties are delegated to employees of the charity, although the Council maintains overall control for the activities and performance of the charity.

The Council of Management meets quarterly to review the performance of the Charity's work.

The board of trustees have also now formed subcommittees in addition to the quarterly review as mentioned above who are also meeting quarterly.

The recruitment and appointment of the members are set out in the articles and memorandum of association.

Persons who are appointed as trustees or members of the Council will be party to an induction process determined by their present role and knowledge of The Dacon Trust Limited.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Dacon Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, TC Group, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 11th September 2025 and signed on its behalf by:

Mrs K Hyde - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE DACON TRUST LIMITED

Opinion

We have audited the financial statements of The Dacon Trust Limited (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE DACON TRUST LIMITED

Our 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 a Report of the Independent Auditors 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006, The Charities Act 2011, UK GAAP Including Charities SORP (FRS 102)) and the relevant tax compliance regulations in the UK;
- We considered the risk of fraud through management override and in response, we incorporated testing of manual journal entries into our audit approach throughout the financial year;
- We considered the risk of fraud through assumptions and judgements used within the accounting estimates and in response, reviewed and scrutinised these estimates in order to detect possible management bias;
- We considered the risk of fraud associated with the preparation of the financial statements and in response, tested the disclosures prepared against relevant supporting documentation.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

Melinda Simpson (Senior Statutory Auditor)
for and on behalf of TC Group
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Date: 16th September 2025

THE DACON TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Unrestricted funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Attendance fees, cafe and art supplies		373,545	305,801
Letting of non investment property		24,750	33,000
Investment income	2	82,017	86,197
Other income		-	46
Total		480,312	425,044
EXPENDITURE ON			
Raising funds	3	4,415	6,465
Charitable activities			
Attendance fees, cafe and art supplies	4	557,649	638,894
Other – Exceptional item	10	120,000	-
Total		682,064	645,359
Net gains on investments		52,768	202,352
NET INCOME/(EXPENDITURE)		(148,984)	(17,963)
RECONCILIATION OF FUNDS			
Total funds brought forward		4,634,838	4,652,801
TOTAL FUNDS CARRIED FORWARD		4,485,854	4,634,838

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing operations.

The notes form part of these financial statements

THE DACON TRUST LIMITED

**BALANCE SHEET
31 DECEMBER 2024**

	Notes	2024 Unrestricted funds £	2023 Total funds £
FIXED ASSETS			
Tangible assets	11	1,955,728	1,930,032
Investments			
Investments	12	2,232,396	2,320,628
Investment property	13	<u>300,000</u>	<u>300,000</u>
		4,488,124	4,550,660
CURRENT ASSETS			
Debtors	14	49,545	81,117
Cash at bank		<u>36,649</u>	<u>147,095</u>
		86,194	228,212
CREDITORS			
Amounts falling due within one year	15	<u>(88,464)</u>	<u>(144,034)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(2,270)</u>	<u>84,178</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,485,854</u>	<u>4,634,838</u>
NET ASSETS		<u>4,485,854</u>	<u>4,634,838</u>
FUNDS	17		
Unrestricted funds		<u>4,485,854</u>	<u>4,634,838</u>
TOTAL FUNDS		<u>4,485,854</u>	<u>4,634,838</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 11th September 2025 and were signed on its behalf by:

Mrs K Hyde - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

General information and basis of preparation

The Dacon Trust Limited is a company limited by guarantee established in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. All funds of the charity are unrestricted.

Significant judgements and estimates

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported as revenue and expenses during the year. However, the nature of estimations means that the actual outcomes could differ from these estimates. The following item is highlighted as a judgement that has had the most significant effect on amounts recognised in the financial statements and the key source of estimation uncertainty.

Revaluation of Investment Property

The company carries its Investment Property at fair value, with changes in the fair value being recognised in the SoFA. The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

1. ACCOUNTING POLICIES - continued

Income recognition

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure excludes VAT and is reported as part of the expenditure to which it relates. It is categorised under the following headings:

- Costs of generating funds comprise the costs of operation and maintaining the investment income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. Where support costs relate to more than one activity they have been allocated on the basis of staff time and resources consumed by each activity.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold Land & Buildings	- Nil
Tenants Improvements	- 33% On Cost
Plant, Machinery, Fixtures & Fittings	- 15% - 30% On Cost

Freehold Land & Buildings are carried at cost. Freehold property is not depreciated on the grounds that the high residual value renders any depreciation charge immaterial. This is a departure from the Companies Act 2006 in order to give a true and fair view.

Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in net gains / (losses) on investments in the SoFA.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in net gains / (losses) on investments in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

THE DACON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. ACCOUNTING POLICIES - continued

Tax

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

The Dacon Trust has not received a similar exemption in respect of Value Added Tax. The Dacon Trust is a partially exempt organisation for VAT purposes and consequently input tax on its purchases are not fully recoverable.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Financial instruments

The trust 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 measured at their settlement value.

Going concern

The financial statements are prepared on a going concern basis as there are no material uncertainties that the Charity's ability to continue.

2. INVESTMENT INCOME

	2024	2023
	£	£
Income from UK investment properties	18,720	19,885
Income from UK listed investments	62,663	63,708
Deposit account interest	634	2,604
	<u>82,017</u>	<u>86,197</u>

THE DACON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. RAISING FUNDS

Investment management costs

	2024	2023
	£	£
Letting agent fees	<u>4,415</u>	<u>6,465</u>

4. CHARITABLE ACTIVITIES COSTS

	2024	2023
	£	£
Wages and salaries	321,888	298,051
Employer's national insurance	23,508	21,138
Pensions	16,222	13,896
Rent, rates and water	21,239	50,445
Insurance	11,598	14,394
Light and heat	17,160	40,375
Advertising	15,396	15,148
Sundries	12,278	11,053
Repairs and other expenses	6,731	68,605
Motor and travel costs	2,493	2,249
Purchases	52,775	40,544
Staff training	1,731	2,562
Cleaning	12,559	13,611
Telephone and internet	2,452	2,124
Depreciation of tangible fixed assets	8,971	10,160
Support costs (see note 5)	<u>30,648</u>	<u>34,539</u>
	<u>557,649</u>	<u>638,894</u>

For year ending 31 December 2024, Repairs and Other Expenses has been split out further to show the expenditure directly relating to Telephone and Internet. Previously, these expenses were included within Repairs and Other Expenses for year ending 31 December 2023.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

5. SUPPORT COSTS

	2024	2023
	£	£
Accountancy and other non-audit fees	10,918	21,199
Audit fees	7,924	6,615
Legal and professional fees	11,806	6,725
	<u>30,648</u>	<u>34,539</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation - owned assets	8,971	10,160
Surplus on disposal of fixed assets	-	(46)
Auditors' remuneration - audit of the financial statements	7,558	7,150
Auditors' remuneration - over/under accrual	366	(535)
Accountancy and other non-audit services	10,918	12,318
Taxation advisory services	-	8,881
Operating leases - rent	10,500	40,024

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees are deemed to be the key management personnel of the charity. There were no trustees' remuneration or other benefits for the year ended 31 December 2024 or for the year ended 31 December 2023.

Trustees' expenses

There were no trustees' expenses paid for year ended 31 December 2024 or for the year ending 31 December 2023.

THE DACON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	321,888	298,051
Social security costs	23,508	21,138
Other pension costs	<u>16,222</u>	<u>13,896</u>
	<u>361,618</u>	<u>333,085</u>

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

	2024	2023
Full time equivalents	<u>13</u>	<u>12</u>

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

9. TAXATION

No Corporation tax has been provided based on the Company's charitable status.

10. EXCEPTIONAL ITEMS

During the year ended 31 December 2024, the charity paid a settlement to the landlord of £120,000 in surrendering the lease at the property D'Arcy House.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Tenants improvements £	Plant & machinery & Fixtures & Fittings £	Totals £
COST				
At 1 January 2024	1,926,924	24,524	148,315	2,099,763
Additions	34,087	-	580	34,667
Disposals	-	(24,524)	-	(24,524)
At 31 December 2024	<u>1,961,011</u>	-	<u>148,895</u>	<u>2,109,906</u>
DEPRECIATION				
At 1 January 2024	27,200	24,524	118,007	169,731
Charge for year	-	-	8,971	8,971
Eliminated on disposal	-	(24,524)	-	(24,524)
At 31 December 2024	<u>27,200</u>	-	<u>126,978</u>	<u>154,178</u>
NET BOOK VALUE				
At 31 December 2024	<u>1,933,811</u>	-	<u>21,917</u>	<u>1,955,728</u>
At 31 December 2023	<u>1,899,724</u>	-	<u>30,308</u>	<u>1,930,032</u>

The market value of the freehold land and buildings, in the opinion of the trustees, is in excess of the carrying value in the accounts.

The freehold property relates to land and buildings known as Fitzwalter House, Great Tey and St John's Street Building, Colchester. Part of the property at Fitzwalter House, is let to Mencap to provide accommodation for learning disabled adult residents and the rest of the land is used by the Trust. As it is not possible to determine any investment component reliably it is deemed appropriate to disclose the whole of the property known as Fitzwalter House as Freehold land and buildings.

THE DACON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2024	2,320,628
Disposals	(141,000)
Revaluations	<u>52,768</u>
At 31 December 2024	<u>2,232,396</u>
NET BOOK VALUE	
At 31 December 2024	<u>2,232,396</u>
At 31 December 2023	<u>2,320,628</u>

The above market value of fixed asset investments contains base cost of £857,273 (2023: £911,287) and accumulated revaluation gains of £1,375,123 (2023: £1,409,341).

The fixed asset investments were valued on an open market basis on the 31 December 2024 by Churches, Charities and Local Authorities (CCLA) Investment Management Limited. None of these investments were held outside of the United Kingdom.

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2024 and 31 December 2024	<u>300,000</u>
NET BOOK VALUE	
At 31 December 2024	<u>300,000</u>
At 31 December 2023	<u>300,000</u>

The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	10,399	7,957
Other debtors	5,078	6,423
Prepayments and accrued income	<u>34,068</u>	<u>66,737</u>
	<u>49,545</u>	<u>81,117</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	5,204	32,985
Other taxes and social security	5,850	6,345
Other creditors	61,219	58,639
Accruals and deferred income	<u>16,191</u>	<u>46,065</u>
	<u>88,464</u>	<u>144,034</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	-	38,132
Between one and five years	<u>-</u>	<u>106,451</u>
	<u>-</u>	<u>144,583</u>

During the year ended 31 December 2024, the Charity paid a settlement to the landlord surrendering the lease of the property known as D'Arcy House, incurring a cost of £120,000. This has been disclosed as an exceptional item within note 10 of these Financial Statements.

LESSOR AGREEMENTS

	2024	2023
	£	£
Within one year	33,000	33,000
Between one and five years	132,000	132,000
In more than five years	<u>33,000</u>	<u>66,000</u>
	<u>198,000</u>	<u>231,000</u>

The above agreement relates to the lease of Fitzwalter House to Mencap.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

17. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	Transfers between funds £	At 31.12.24 £
Unrestricted funds				
General fund	84,178	(192,781)	106,333	(2,270)
Fixed Asset Fund	1,930,032	(8,971)	34,667	1,955,728
Investment Fund	<u>2,620,628</u>	<u>52,768</u>	<u>(141,000)</u>	<u>2,532,396</u>
	<u>4,634,838</u>	<u>(148,984)</u>	-	<u>4,485,854</u>
TOTAL FUNDS	<u>4,634,838</u>	<u>(148,984)</u>	-	<u>4,485,854</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	480,312	(673,093)	-	(192,781)
Fixed Asset Fund	-	(8,971)	-	(8,971)
Investment Fund	-	-	52,768	52,768
	<u>480,312</u>	<u>(682,064)</u>	<u>52,768</u>	<u>(148,984)</u>
TOTAL FUNDS	<u>480,312</u>	<u>(682,064)</u>	<u>52,768</u>	<u>(148,984)</u>

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	3,245	(210,201)	291,134	84,178
Fixed Asset Fund	1,831,280	(10,114)	108,866	1,930,032
Investment Fund	<u>2,818,276</u>	<u>202,352</u>	<u>(400,000)</u>	<u>2,620,628</u>
	<u>4,652,801</u>	<u>(17,963)</u>	-	<u>4,634,838</u>
TOTAL FUNDS	<u>4,652,801</u>	<u>(17,963)</u>	-	<u>4,634,838</u>

THE DACON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	424,998	(635,199)	-	(210,201)
Fixed Asset Fund	46	(10,160)	-	(10,114)
Investment Fund	-	-	202,352	202,352
	<u>425,044</u>	<u>(645,359)</u>	<u>202,352</u>	<u>(17,963)</u>
TOTAL FUNDS	<u>425,044</u>	<u>(645,359)</u>	<u>202,352</u>	<u>(17,963)</u>

1. The General Fund represents the accumulated surpluses of the Charity and is available for the general purposes of the Charity.
2. The Fixed Asset Fund represents the value invested in Tangible Fixed Assets less accumulated depreciation.
3. The Investment Fund represents the value invested in the fixed asset investments and is available to provide reserves to assist the Charity in carrying out its objective.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2024.

19. SUBSEQUENT EVENTS

Following recent stock market activity, a significant reduction in the market value of listed investments has been seen. If the listed investments were to be revalued as at 18 August 2025, they would have been £2,148,108 (£84,288 reduction).

20. COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee. The trustees are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £50 per member of the charity.

This page does not form part of the statutory financial statements

THE DACON TRUST LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Investment income		
Income from UK investment properties	18,720	19,885
Income from UK listed investments	62,663	63,708
Deposit account interest	<u>634</u>	<u>2,604</u>
	82,017	86,197
Charitable activities		
Letting of non-investment properties	24,750	33,000
Attendance and care fees	267,296	232,562
Café and art sales	106,249	70,349
Grants	<u>-</u>	<u>2,890</u>
	398,295	338,801
Other income		
Gain on sale of tangible fixed assets	<u>-</u>	<u>46</u>
Total incoming resources	480,312	425,044
EXPENDITURE		
Investment management costs		
Letting agent fees	4,415	6,465
Charitable activities		
Wages and salaries	321,888	298,051
Employer's national insurance	23,508	21,138
Pensions	16,222	13,896
Rent, rates and water	21,239	50,445
Insurance	11,598	14,394
Light and heat	17,160	40,375
Advertising	15,396	15,148
Sundries	12,278	11,053
Repairs and other expenses	6,731	68,605
Motor and travel costs	2,493	2,249
Purchases	52,775	40,544
Carried forward	501,288	575,898

This page does not form part of the statutory financial statements

THE DACON TRUST LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Charitable activities		
Brought forward	501,288	575,898
Staff Training	1,731	2,562
Cleaning	12,559	13,611
Telephone and internet	2,452	2,124
Depreciation of tangible fixed assets	<u>8,971</u>	<u>10,160</u>
	527,001	604,355
Other		
Exceptional items – Surrender of lease	120,000	-
Support costs		
Governance costs		
Accountancy fees	10,918	21,199
Audit fees	7,924	6,615
Legal and professional fees	<u>11,806</u>	<u>6,725</u>
	<u>30,648</u>	<u>34,539</u>
Total resources expended	<u>682,064</u>	<u>645,359</u>
Net expenditure before gains and losses	(201,752)	(220,315)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	86,986	231,515
Unrealised gains/(losses) on fixed asset investments	<u>(34,218)</u>	<u>(29,163)</u>
Net expenditure	<u>(148,984)</u>	<u>(17,963)</u>

This page does not form part of the statutory financial statements

THE DACON TRUST LIMITED

England & Wales - Charity number 260380

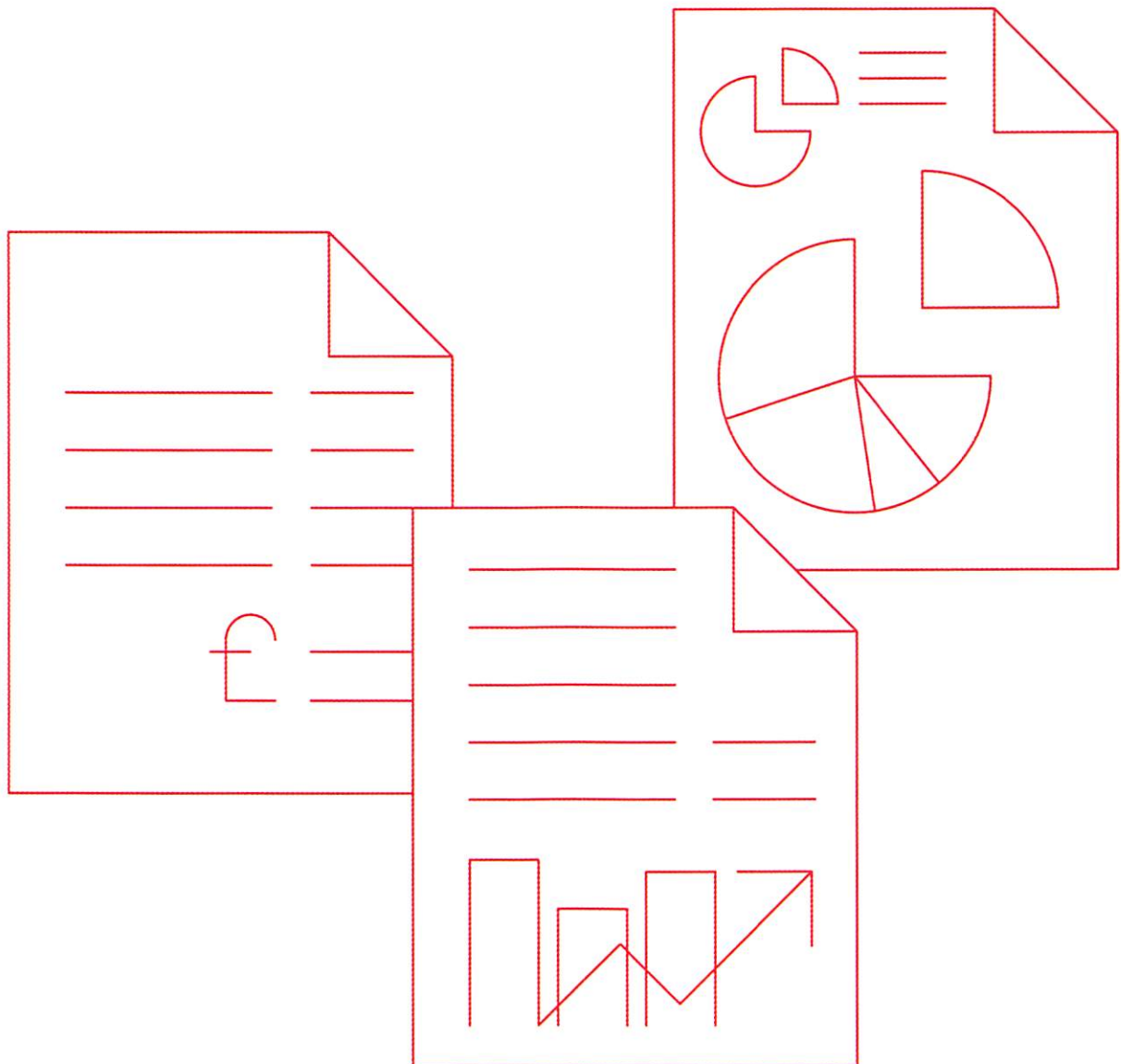
Accounts

The Dacon Trust Limited **Financial Statements**

For the Year Ended 31 December 2023

Company Registration No: 00968662

Charity Registered No: 260380



THE DACON TRUST LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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THE DACON TRUST LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TRUSTEES Ms V S P Godfrey (resigned 9/11/23)
Mr D Flynn
Mrs K Hyde
Mrs S A Croft
Mr D Godfrey
Mr G E Mitchell (appointed 10/8/23)

COMPANY SECRETARY Mrs S A Croft

REGISTERED OFFICE 26 St Johns Street
Colchester
Essex
CO2 7HB

REGISTERED COMPANY NUMBER 00968662

REGISTERED CHARITY NUMBER 260380

AUDITORS Haines Watts
Statutory Auditors
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

BANKERS Barclays Bank PLC
9 High Street
Colchester
Essex
CO1 1DD

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purpose of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The objectives of the Charity are to support the education and development of life and employment skills for adults and young people with mild and moderate learning disabilities.

Activities and Achievements

The Charity's main activity remains the provision of day services at the Level Best Enterprises Hub in Colchester. Level Best is made up of four enterprises - Level Best Café, Level Best Art and Gallery (including digital art and design), Level Best Seasonal and Level Best Gardening (Allotment and Park Rangers).

In April 2023, after 15 years, Level Best operations moved from Darcy House to the new, purpose-built premises on St Johns Street. The move enabled Level Best to increase Trainee session capacity by 30% from 170 sessions a week to 221 a week. The increased space offered by the new premises has also allowed for new workshops to be delivered to Trainees, which in 2023 included Lino Printing, Stop Motion animation and a Gonk Making workshop.

Throughout 2023, Level Best continued to work with PR and Marketing agency TWI with the objective of increasing the Level Best profile in the local community and to generate interest around the opening of St Johns Street. Key achievements from this were the launch of the new Level Best Enterprises website in April 2023 (which has been viewed by 22,900 people), increased social media following (50% Instagram, 80% Facebook) and the launch of the Level Best Enterprises LinkedIn Business page, with the ambition to reach the business community and build engagement for collaboration, sponsorship and volunteering.

Level Best Café:

Since opening in April 2023, the new Café and kitchen space at St Johns Street has become a thriving café and valued community hub. The increased space and new front of house serving area has meant Café session capacity has increased by 40% and has given Trainees opportunities to learn new skills such as making a variety of hot drinks, serving cakes and pastries, using the till and customer service.

Following the move, Café opening hours were increased and a new menu was launched with the intention to attract customers throughout the day. Customer numbers and Café sales exceeded expectations throughout the year. This was also aided by the provision of over 35 buffets ranging from 10 to 200 people and over 450 cakes to order.

Level Best Art and Gallery:

The new and improved Art Studio and Gallery space at St Johns Street has made a huge difference to the Trainee experience. With more space available in the Art Studio, Trainees can access more activities such as silk printing and sculpture. There is also a designated exhibition space in the Café to showcase, celebrate and sell Trainee artwork.

Throughout 2023, Trainee artwork featured in several external exhibitions, including 'A Space to Connect' at the Art of Tattoo, a nature themed exhibit at 'Leaf Gallery', 'We are the Minorities' gallery and 'Artworks Together'.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The new Level Best Gallery was an instant success with local artists and creatives, with exhibition slots booked until 2026. Trainees continue to be involved in the Gallery through administrative tasks (promotion, emailing contracts etc) as well as assisting in curating exhibitions. Trainees were also fortunate enough to work with one of the 2023 exhibiting artists to create weekly performances for the public.

Level Best Seasonal:

Before the move to St Johns Street, the seasonal enterprise shared preparation space with the kitchen and Café, which limited the produce that could be made and sold. With a purpose-built seasonal space, Trainees have room to learn valuable preparation skills and enjoy the seasonal process.

The new Café space has a small 'shop' area for Seasonal goods. As Café numbers have increased, so too has the sale of seasonal produce. Since opening in April 2023, over 900 jars of jams, chutney and marmalade have been sold.

In 2023, Level Best stocked and sold seasonal produce in the Colchester Food Coop, Lavenham Open Gardens, Rice and Spice festival, a private wedding event and an eco-friendly shop in Colchester.

Level Best Gardening:

Level Best secured a second allotment plot, next to the current plot. The new allotment will be used to create a shaded structure, plant more trees and have lots more space for activities and Vegetable beds. Funding was secured from Anglian Community Trust for a compost toilet which was constructed with the help of volunteers on the new allotment plot.

The park ranger sessions continued with lots of varied activities including, wildflower planting, orchard maintenance, pond clearance, litter picking and flower bed clearing/ planting. Level Best and park rangers featured in the Colchester gazette as a part of the Colchester council biodiversity city scheme.

Mencap continue to occupy Fitzwalter House providing accommodation for learning disabled adult residents. Discussions continue with potential partners as to how the rest of the land at Great Tey could be used.

The Charity's activities are financed by a combination investment income together with charges made to trainees for attendance which are funded either by local authorities or privately. There is a small reliance on volunteers for day-to-day operations although the members of the Management Committee serve in a voluntary capacity.

The majority of the Charity's investments are managed by CCLA Investment Management Limited who provide a quarterly report and with whom regular meetings are held to review investment strategy.

The board of Trustees has remained broadly consistent throughout the year however the board continue to seek new appointments where they could bring skillsets that will benefit the Charity going forwards.

Alison Ling remains responsible for the day to day management of Level Best Enterprises in Colchester and is whom reports to the board on operational progress.

PUBLIC BENEFIT

The trustees of The Dacon Trust Limited have had due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW

Reserves policy

The Council of Management has considered the financial requirements of the Charity taking into account the current position and future plans. They have taken particular note of the following:

1. The funds received from charitable activities have been and are expected to remain inadequate to meet the costs of providing the services. There will be an ongoing requirement for the Charity to provide substantial resources to subsidise the services.
2. There continues to be some doubt over the level of financial support from Local Authorities to fund attendance fees.
3. There are no contracts with trainees and they are free to stop attending at any time.

In the light of this the Council of Management has made the following decisions:

1. The investments fund (including investment properties) currently totalling £2,620,628 (2022: £2,818,276) should be considered an expendable endowment to provide income to fund the Charity's operations.
2. The Fixed Asset Fund is set at a figure of £1,930,032 (2022: £1,831,280) to reflect the value invested in tangible assets.
3. The Charity should aim to hold a general reserve at least equivalent to 12 months expenditure. The reserve totals £84,178 (2022: £3,245).

Financial position

The activities during the year resulted in a deficit of unrestricted funds of £17,963 (2022: £472,577) for the financial year. Included within this deficit is the increase in the market value of investment of £202,352 (2022: Decrease £371,229).

At the end of the year the charity has a total of £4,634,838 (2022: £4,652,801) in Unrestricted Funds.

Going concern

After making appropriate enquiries, the board of trustees have a fair expectation that The Dacon Trust Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

FUTURE PLANS

The trustees are excited about the development of St Johns Street which will be a bespoke café with a state of the art industry standard kitchen and art gallery. As well as providing improved facilities, the location has increasing footfall which should provide greater income opportunities, enabling the charity to invest in its own asset to expand its services to more trainees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Dacon Trust Limited is a company limited by guarantee. The charity is governed by its board of trustees operating under the terms of the memorandum and articles of association.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £50, for the debts and liabilities contracted before they ceased to be a member.

Trustees and management

The charity has a Council of Management that manages the business of the Charity. No person who is not a member of the Charity is eligible to hold office as a member of the Council. Where appropriate, duties are delegated to employees of the charity, although the Council maintains overall control for the activities and performance of the charity.

The Council of Management meets quarterly to review the performance of the Charity's work.

The board of trustees have also now formed subcommittees in addition to the quarterly review as mentioned above who are also meeting quarterly.

The recruitment and appointment of the members are set out in the articles and memorandum of association.

Persons who are appointed as trustees or members of the Council will be party to an induction process determined by their present role and knowledge of The Dacon Trust Limited.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Dacon Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

THE DACON TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 4 September 2024 and signed on its behalf by:

Mrs K Hyde - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Opinion

We have audited the financial statements of The Dacon Trust Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE DACON TRUST LIMITED

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors/trustees and management. The most significant were identified as the Companies Act 2006, The Charities Act 2011, UK GAAP including Charity SORP (FRS 102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- We considered the risk of fraud through management override and in response, we incorporated testing of manual journal entries into our audit approach throughout the financial year.
- We also considered the risk of fraud through assumptions and judgements used within the accounting estimates and in response, reviewed and scrutinised these estimates in order to detect possible management bias.
- We also considered the risk of fraud associated with the preparation of the financial statements and in response, tested the disclosures prepared against relevant supporting documentation.

Our audit did not identify any significant matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and by their very nature, any such instances

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

Melinda J Simpson ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditors
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Date: 6 September 2024

THE DACON TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 Unrestricted funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Attendance fees, cafe and art supplies		305,801	196,021
Letting of non investment property		33,000	33,185
Investment income	2	86,197	103,029
Other income		46	-
Total		425,044	332,235
EXPENDITURE ON			
Raising funds	3	6,465	5,732
Charitable activities			
Attendance fees, cafe and art supplies	4	638,894	427,851
Total		645,359	433,583
Net gains/(losses) on investments		202,352	(371,229)
NET INCOME/(EXPENDITURE)		(17,963)	(472,577)
RECONCILIATION OF FUNDS			
Total funds brought forward		4,652,801	5,125,378
TOTAL FUNDS CARRIED FORWARD		4,634,838	4,652,801

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing operations.

The notes form part of these financial statements

THE DACON TRUST LIMITED**BALANCE SHEET
31 DECEMBER 2023**

		2023	2022
		Unrestricted	Total
		funds	funds
		£	£
FIXED ASSETS	Notes		
Tangible assets	10	1,930,032	1,831,280
Investments			
Investments	11	2,320,628	2,518,276
Investment property	12	300,000	<u>300,000</u>
		4,550,660	4,649,556
CURRENT ASSETS			
Debtors	13	81,117	68,924
Cash at bank		147,095	<u>169,062</u>
		228,212	237,986
CREDITORS			
Amounts falling due within one year	14	(144,034)	<u>(234,741)</u>
NET CURRENT ASSETS		84,178	<u>3,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,634,838	4,652,801
NET ASSETS		4,634,838	<u>4,652,801</u>
FUNDS	16		
Unrestricted funds		4,634,838	<u>4,652,801</u>
TOTAL FUNDS		4,634,838	<u>4,652,801</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 4 September 2024 and were signed on its behalf by:

Mrs K Hyde - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

General information and basis of preparation

The Dacon Trust Limited is a company limited by guarantee established in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. All funds of the charity are unrestricted.

Significant judgements and estimates

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported as revenue and expenses during the year. However, the nature of estimations means that the actual outcomes could differ from these estimates. The following item is highlighted as a judgement that has had the most significant effect on amounts recognised in the financial statements and the key source of estimation uncertainty.

Revaluation of Investment Property

The company carries its Investment Property at fair value, with changes in the fair value being recognised in the SoFA. The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

1. ACCOUNTING POLICIES - continued

Income recognition

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure excludes VAT and is reported as part of the expenditure to which it relates. It is categorised under the following headings:

- Costs of generating funds comprise the costs of operation and maintaining the investment income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. Where support costs relate to more than one activity they have been allocated on the basis of staff time and resources consumed by each activity.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold Land & Buildings	- Nil - 5% On Cost
Tenants Improvements	- 33% On Cost
Plant, Machinery, Fixtures & Fittings	- 15% - 30% On Cost

Freehold Land & Buildings are carried at cost. Freehold property is not depreciated on the grounds that the high residual value renders any depreciation charge immaterial. This is a departure from the Companies Act 2006 in order to give a true and fair view.

Assets Under Construction are carried at cost and are not depreciated. Upon completion the carrying value is transferred to Freehold Land and Buildings.

Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES - continued

Tax

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

The Dacon Trust received no similar exemption in respect of Value Added Tax. The Dacon Trust is a partially exempt organisation for VAT purposes and consequently input tax on its purchases are not fully recoverable.

The partial exemption came into effect on 01 April 2023 and for this reason the comparatives are not directly comparable.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Financial instruments

The trust 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 measured at their settlement value.

Going concern

The financial statements are prepared on a going concern basis as there are no material uncertainties that the Charity's ability to continue.

2. INVESTMENT INCOME

	2023	2022
	£	£
Income from UK investment properties	19,885	18,180
Income from UK listed investments	63,708	83,899
Deposit account interest	<u>2,604</u>	<u>950</u>
	<u><u>86,197</u></u>	<u><u>103,029</u></u>

For year ending 31 December 2022, Income from UK listed investments included an element of Deposit account interest. The appropriate split for the prior year has been detailed within note 2 to allow for a comparative for year ending 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

3. RAISING FUNDS

Investment management costs

	2023	2022
	£	£
Letting agent fees	<u>6,465</u>	<u>5,732</u>

4. CHARITABLE ACTIVITIES COSTS

	2023	2022
	£	£
Wages and salaries	298,051	232,329
Employer's national insurance	21,138	8,591
Pensions	13,896	11,056
Rent, rates and water	50,445	52,104
Insurance	14,394	18,881
Light and heat	40,375	12,006
Sundries	11,053	3,340
Repairs and other expenses	70,729	15,640
Advertising	15,148	9,970
Cleaning	13,611	6,376
Staff Training	2,562	178
Motor and travel costs	2,249	1,847
Purchases	40,544	17,914
Depreciation of tangible fixed assets	10,160	5,923
Support costs (see note 5)	<u>34,539</u>	<u>31,696</u>
	<u>638,894</u>	<u>427,851</u>

For year ending 31 December 2023, sundries has been split out further to show the expenditure directly relating to Advertising, Cleaning and Staff Training. Previously, these expenses were included within Sundries for year ending 31 December 2022.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. SUPPORT COSTS

	2023	2022
	£	£
Accountancy and other non-audit fees	21,199	11,160
Audit fees	6,615	10,650
Legal and professional fees	<u>6,725</u>	<u>9,886</u>
	<u>34,539</u>	<u>31,696</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	10,160	5,923
Surplus on disposal of fixed assets	(46)	-
Auditors' remuneration - audit of the financial statements	7,150	7,650
Auditors' remuneration - over/under accrual	(535)	3,000
Accountancy and other non-audit services	12,318	10,740
Taxation advisory services	8,881	420
Operating leases - rent	<u>40,024</u>	<u>42,000</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees are deemed to be the key management personnel of the charity. There were no trustees' remuneration or other benefits for the year ended 31 December 2023 or for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for year ended 31 December 2023 or for the year ending 31 December 2022.

8. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	298,051	232,329
Social security costs	21,138	8,591
Other pension costs	<u>13,896</u>	<u>11,056</u>
	<u>333,085</u>	<u>251,976</u>

	2023	2022
The average monthly number of employees during the year were:	<u>12</u>	<u>10</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

8. STAFF COSTS - continued

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

9. TAXATION

No Corporation tax has been provided based on the Company's charitable status.

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Assets under construction £	Tenants improvements £	Plant & machinery & Fixtures & Fittings £	Totals £
COST					
At 1 January 2023	317,195	1,523,030	24,524	168,546	2,033,295
Additions	-	86,699	-	22,213	108,912
Disposals	-	-	-	(42,444)	(42,444)
Reclassification	<u>1,609,729</u>	<u>(1,609,729)</u>	-	-	-
At 31 December 2023	<u>1,926,924</u>	-	<u>24,524</u>	<u>148,315</u>	<u>2,099,763</u>
DEPRECIATION					
At 1 January 2023	27,200	-	24,524	150,291	202,015
Charge for year	-	-	-	10,160	10,160
Eliminated on disposal	-	-	-	(42,444)	(42,444)
At 31 December 2023	<u>27,200</u>	-	<u>24,524</u>	<u>118,007</u>	<u>169,731</u>
NET BOOK VALUE					
At 31 December 2023	<u>1,899,724</u>	-	-	<u>30,308</u>	<u>1,930,032</u>
At 31 December 2022	<u>289,995</u>	<u>1,523,030</u>	-	<u>18,255</u>	<u>1,831,280</u>

The market value of the freehold land and buildings, in the opinion of the trustees, is in excess of the carrying value in the accounts.

The freehold property relates to land and buildings known as Fitzwalter House, Great Tey and St John's Street Building, Colchester. Part of the property, Fitzwalter House, is let to Mencap to provide accommodation for learning disabled adult residents and the rest of the land is used by the Trust. As it is not possible to determine any investment component reliably it is deemed appropriate to disclose the whole of the property known as Fitzwalter House as Freehold land and buildings.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	2,518,276
Disposals	(400,000)
Revaluations	<u>202,352</u>
At 31 December 2023	<u>2,320,628</u>
NET BOOK VALUE	
At 31 December 2023	<u>2,320,628</u>
At 31 December 2022	<u>2,518,276</u>

The above market value of fixed asset investments contains base cost of £911,287 (2022: £1,079,771) and accumulated revaluation gains of £1,409,341 (2022: £1,438,505).

The fixed asset investments were valued on an open market basis on the 31 December 2023 by Churches, Charities and Local Authorities (CCLA) Investment Management Limited. None of these investments were held outside of the United Kingdom.

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2023 and 31 December 2023	<u>300,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>300,000</u>
At 31 December 2022	<u>300,000</u>

The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	7,957	6,002
Other debtors	6,423	5,605
Prepayments and accrued income	<u>66,737</u>	<u>57,317</u>
	<u>81,117</u>	<u>68,924</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	32,985	4,543
Other taxes and social security	6,345	4,315
Other creditors	58,639	55,669
Accruals and deferred income	<u>46,065</u>	<u>170,214</u>
	<u>144,034</u>	<u>234,741</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	38,132	42,000
Between one and five years	<u>106,451</u>	<u>159,250</u>
	<u>144,583</u>	<u>201,250</u>

After the balance sheet date a settlement was reached to surrender the lease of Darcy House in the sum of £100,000.

LESSOR AGREEMENTS

	2023	2022
	£	£
Within one year	33,000	33,000
Between one and five years	132,000	132,000
In more than five years	<u>66,000</u>	<u>99,000</u>
	<u>231,000</u>	<u>264,000</u>

The above agreement relates to the lease of Fitzwalter House to Mencap.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

16. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	3,245	(210,201)	291,134	84,178
Fixed Asset Fund	1,831,280	(10,114)	108,866	1,930,032
Investment Fund	<u>2,818,276</u>	<u>202,352</u>	<u>(400,000)</u>	<u>2,620,628</u>
	<u>4,652,801</u>	<u>(17,963)</u>	<u>-</u>	<u>4,634,838</u>
TOTAL FUNDS	<u>4,652,801</u>	<u>(17,963)</u>	<u>-</u>	<u>4,634,838</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	424,998	(635,199)	-	(210,201)
Fixed Asset Fund	46	(10,160)	-	(10,114)
Investment Fund	<u>-</u>	<u>-</u>	<u>202,352</u>	<u>202,352</u>
	<u>425,044</u>	<u>(645,359)</u>	<u>202,352</u>	<u>(17,963)</u>
TOTAL FUNDS	<u>425,044</u>	<u>(645,359)</u>	<u>202,352</u>	<u>(17,963)</u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	628,848	(95,425)	(530,178)	3,245
Fixed Asset Fund	707,025	(5,923)	1,130,178	1,831,280
Investment Fund	<u>3,789,505</u>	<u>(371,229)</u>	<u>(600,000)</u>	<u>2,818,276</u>
	<u>5,125,378</u>	<u>(472,577)</u>	<u>-</u>	<u>4,652,801</u>
TOTAL FUNDS	<u>5,125,378</u>	<u>(472,577)</u>	<u>-</u>	<u>4,652,801</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	332,235	(427,660)	-	(95,425)
Fixed Asset Fund	-	(5,923)	-	(5,923)
Investment Fund	-	-	(371,229)	(371,229)
	<u>332,235</u>	<u>(433,583)</u>	<u>(371,229)</u>	<u>(472,577)</u>
TOTAL FUNDS	<u>332,235</u>	<u>(433,583)</u>	<u>(371,229)</u>	<u>(472,577)</u>

1. The General Fund represents the accumulated surpluses of the Charity and is available for the general purposes of the Charity.
2. The Fixed Asset Fund represents the value invested in Tangible Fixed Assets less accumulated depreciation.
3. The Investment Fund represents the value invested in the fixed asset investments and is available to provide reserves to assist the Charity in carrying out its objective.

17. CAPITAL COMMITMENTS

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>206,442</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

19. COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee. The trustees are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £50 per member of the charity.

THE DACON TRUST LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
INCOME AND ENDOWMENTS		
Investment income		
Income from UK investment properties	19,885	18,180
Income from UK listed investments	63,708	83,899
Deposit account interest	<u>2,604</u>	<u>950</u>
	86,197	103,029
Charitable activities		
Letting of non investment properties	41,250	33,185
Attendance and care fees	224,312	162,289
Cafe and art sales	70,349	31,548
Grants	<u>2,890</u>	<u>2,184</u>
	338,801	229,206
Other income		
Gain on sale of tangible fixed assets	<u>46</u>	<u>-</u>
Total incoming resources	425,044	332,235
EXPENDITURE		
Investment management costs		
Letting agent fees	6,465	5,732
Charitable activities		
Wages and salaries	298,051	232,329
Employer's national insurance	21,138	8,591
Pensions	13,896	11,056
Rent, rates and water	50,445	52,104
Insurance	14,394	18,881
Light and heat	40,375	12,006
Advertising	15,148	9,970
Sundries	11,053	3,340
Repairs and other expenses	70,729	15,640
Motor and travel costs	2,249	1,847
Purchases	40,544	17,914
Carried forward	578,023	383,678

This page does not form part of the statutory financial statements

THE DACON TRUST LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
Charitable activities		
Brought forward	578,023	383,678
Staff Training	2,562	178
Cleaning	13,611	6,376
Depreciation of tangible fixed assets	<u>10,160</u>	<u>5,923</u>
	604,355	396,155
Support costs		
Governance costs		
Accountancy fees	21,199	11,160
Audit fees	6,615	10,650
Legal and professional fees	<u>6,725</u>	<u>9,886</u>
	<u>34,539</u>	<u>31,696</u>
Total resources expended	<u>645,359</u>	<u>433,583</u>
Net expenditure before gains and losses	(220,315)	(101,348)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	231,515	357,544
Unrealised gains/(losses) on fixed asset investments	<u>(29,163)</u>	<u>(728,773)</u>
Net expenditure	<u>(17,963)</u>	<u>(472,577)</u>

This page does not form part of the statutory financial statements

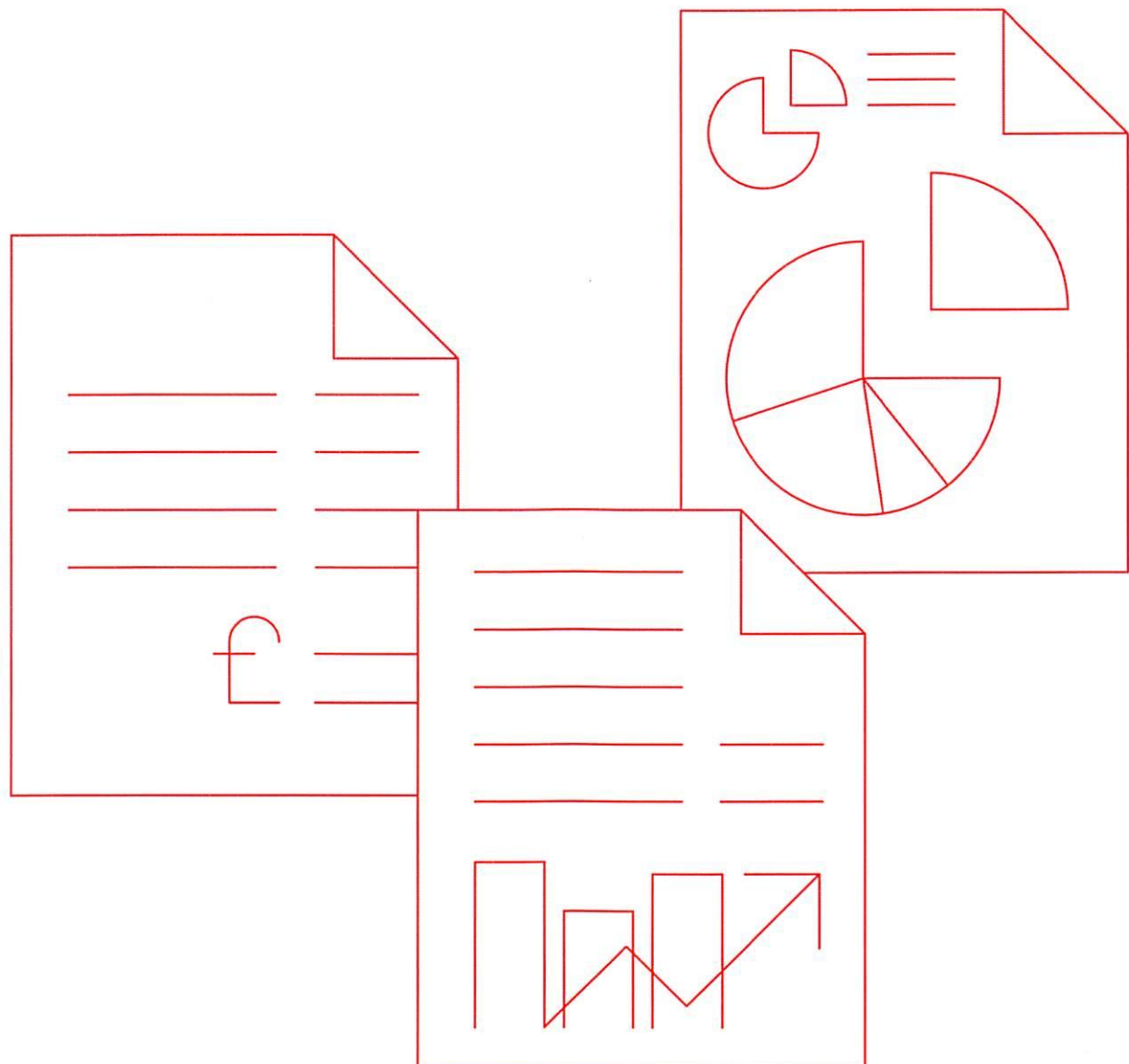
THE DACON TRUST LIMITED

England & Wales - Charity number 260380

Accounts

The Dacon Trust Limited **Financial Statements**

For the Year Ended 31 December 2022
Company Registration No: 00968662
Charity Registered No: 260380



THE DACON TRUST LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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THE DACON TRUST LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2022**

TRUSTEES	Ms V S P Godfrey Mr D Flynn Mrs K Hyde Mrs S A Croft Mr D Godfrey Miss L J Jary (resigned 21/12/22) Mr P R Maynard (appointed 18/5/22) (resigned 1/12/22) Mr G E Mitchell (appointed 10/08/23)
COMPANY SECRETARY	Mrs K Hyde
REGISTERED OFFICE	26 St John's Street Colchester Essex CO2 7HB
REGISTERED COMPANY NUMBER	00968662
REGISTERED CHARITY NUMBER	260380
AUDITORS	Haines Watts Statutory Auditors Town Wall House Balkerne Hill Colchester Essex CO3 3AD
BANKERS	Bardays Bank PLC 9 High Street Colchester Essex CO1 1DD

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees who are also directors of the charity for the purpose of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The objectives of the Charity are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

Activities and achievements

The Charity's main activity remains the provision of day services through the operation of an Art Café in Colchester. By the end of 2022 Level Best had the capacity to deliver 170 sessions with an average vacancy rate across the year of 14%. The move to St John's Street in 2023 will increase the capacity of training sessions to 222 per week.

Level Best Art Café completed a re-brand with a creative agency BRIX in early 2022 which resulted in a name change to Level Best Enterprises. Later in 2022 PR and Marketing firm The Write Impression were appointed to support Level Best as we prepared for the move to St John's Street in early 2023. The Write Impression were also appointed to re-design the website and facilitated workshops with groups of trainees to create content for the new site.

Level Best Enterprises is made up of four enterprises - Level Best Café, Level Best Art and Gallery (including digital art and design), Level Best Seasonal and Level Best Gardening (Allotment and Park Rangers).

Level Best Café:

Following a series of closures due to COVID-19 restrictions since 2020, the Café fully re-opened to customers on the 19th of April 2022. Prior to this the Café provided a service for trainees, staff, outside customers and a buffet/catering service.

Throughout 2022 the Café provided 40 buffets to a range of customers and organisations including community 360, Colchester Borough Homes, Ministry of Parenting and Essex University. Cake orders were also consistent throughout the year, with weekly orders prepared for Rowhedge Coastal Rowing Club from March through to November in addition to individual orders.

Level Best Art and Gallery:

Level Best Art trainees engaged in a variety of activities over the year including animation, graphic design, rag rug making and mosaic style portraits of people. In collaboration with the gardening enterprise, Level Best Art created items to feature in the back garden and window boxes as part of Anglia in Bloom. Art trainees were involved in making fabric bunting, flags, snails and slugs made using clay.

Throughout 2022 the gallery hosted several exhibitions and finished the year with a Level Best archive exhibit, featuring work from 15 years of Level Best at D'Arcy House.

THE DACON TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Activities and achievements continued

Art trainees were invited to participate in workshops including t-shirt printing with a local artist and a 6 week funded project with Signals Media called 'Plug in Creatives'. 11 trainees participated in the workshops at Signals which was based on the 'Glitch Art' concept and made a piece of music to accompany the artwork.

Level Best Seasonal:

Seasonal trainees were supported to participate in several local markets and events through the year to sell the produce they made. These included Lavenham Open Gardens, Rice and Spice Festival, Bures Open Gardens, Celebrating Diversity Festival, Picnic in the Priory and Let's Glow Colchester. Seasonal produce is also stocked and sold at the Colchester Food Co-Op.

Level Best Gardening:

Gardening trainees volunteered with local charity The Conservation Volunteers helping them to spring clean Bourne Mill and participated in local initiatives including Janes Walk (a guided walk led by Level Best staff and trainees as part of a wider series of walks), Colchester Garden Festival and Anglia in Bloom.

The Level Best allotment benefitted from the addition of a polytunnel where tomatoes and herbs were planted as well as providing some shelter for the trainees.

In 2018 the charity purchased a building on St John's Street in Colchester in order to renovate into a larger bespoke café with a state of the art industry standard kitchen and art gallery, providing a greater footprint to expand the quantum and range of services currently provided. The renovation represents a significant investment for the Trust, our trainees have been engaged throughout and are excited about the new space. Construction work began late in 2021 and handover to the Trust was completed in April 2023 when we were delighted to open the new Café and Art Gallery to the public.

Mencap continue to occupy Fitzwalter House providing accommodation for learning disabled adult residents. Discussions continue with potential partners as to how the rest of the land at Great Tey could be used.

The Charity's activities are financed by a combination of investment income together with charges made to trainees for attendance which are funded either by local authorities or privately. There is a small reliance on volunteers for day-to-day operations although the members of the Management Committee serve in a voluntary capacity.

The majority of the Charity's investments are managed by CCLA Investment Management Limited who provide a quarterly report and with whom regular meetings are held to review investment strategy.

The board of Trustees has remained broadly consistent throughout the year, however the board continues to seek new appointments where they could bring skill sets that will benefit the Charity going forwards.

Alison Ling remains responsible for the day to day management of the Art Café in Colchester and is whom reports to the board on operational progress.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

PUBLIC BENEFIT

The trustees of The Dacon Trust Limited have had due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

FINANCIAL REVIEW

Reserves policy

The Council of Management has considered the financial requirements of the Charity taking into account the current position and future plans. They have taken particular note of the following:

1. The funds received from charitable activities have been and are expected to remain inadequate to meet the costs of providing the services. There will be an ongoing requirement for the Charity to provide substantial resources to subsidise the services.
2. There continues to be some doubt over the level of financial support from Local Authorities to fund attendance fees.
3. There are no contracts with trainees and they are free to stop attending at any time.

In the light of this the Council of Management has made the following decisions:

1. The Investments fund (including Investment properties) currently totalling £2,818,276 should be considered an expendable endowment to provide income to fund the Charity's operations.
2. The Fixed Asset Fund is set at a figure of £1,831,280 to reflect the value invested in tangible assets.
3. The Charity should aim to hold a general reserve at least equivalent to 12 months expenditure. The reserve totals £3,245 (2021: £628,848).

Financial position

The activities during the year resulted in a deficit of unrestricted funds of £472,577 (2021: Surplus £415,983) for the financial year. Included within this deficit is a decrease in the market value of investments of £371,229 (2021: Increase £433,507).

At the end of the year the charity has a total of £4,652,801 (2021: £5,125,378) in Unrestricted Funds.

Going concern

After making appropriate enquiries, the board of trustees have a fair expectation that The Dacon Trust Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

FUTURE PLANS

The trustees are excited about the development of St Johns Street which will be bespoke a café with a state of the art industry standard kitchen and art gallery. As well as providing improved facilities, the location has increasing footfall which should provide greater income opportunities, enabling the charity to invest in its own asset to expand its services to more trainees.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Dacon Trust Limited is a company limited by guarantee. The charity is governed by its board of trustees operating under the terms of the memorandum and articles of association.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £50, for the debts and liabilities contracted before they ceased to be a member.

Trustees and management

The charity has a Council of Management that manages the business of the Charity. No person who is not a member of the Charity is eligible to hold office as a member of the Council. Where appropriate, duties are delegated to employees of the charity, although the Council maintains overall control for the activities and performance of the charity.

The Council of Management meets quarterly to review the performance of the Charity's work.

The board of trustees have also now formed subcommittees in addition to the quarterly review as mentioned above who are also meeting quarterly.

The recruitment and appointment of the members are set out in the articles and memorandum of association.

Persons who are appointed as trustees or members of the Council will be party to an induction process determined by their present role and knowledge of The Dacon Trust Limited.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Dacon Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

THE DACON TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 15.09.2023 and signed on its behalf by:

Mr D Flynn - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Opinion

We have audited the financial statements of The Dacon Trust Limited (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors/trustees and management. The most significant were identified as the Companies Act 2006, The Charities Act 2011, UK GAAP including Charity SORP (FRS 102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- We considered the risk of fraud through management override and in response, we incorporated testing of manual journal entries into our audit approach throughout the financial year.
- We also considered the risk of fraud through assumptions and judgements used within the accounting estimates and in response, reviewed and scrutinised these estimates in order to detect possible management bias.
- We also considered the risk of fraud associated with the preparation of the financial statements and in response, tested the disclosures prepared against relevant supporting documentation.

Our audit did not identify any significant matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentation, or the override of controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

Melinda J Simpson ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditors
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Date: 15.09.2023

THE DACON TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Total Funds (Unrestricted) £	2021 Total Funds (Unrestricted) £
INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES			
Attendance fees, café and art supplies		196,021	205,984
Letting of non-investment property		33,185	32,892
Investment income	2	<u>103,029</u>	<u>107,233</u>
TOTAL		<u>332,235</u>	<u>346,109</u>
EXPENDITURE ON CHARITABLE ACTIVITIES			
Raising funds	3	5,732	6,745
Attendance fees, café and art supplies	4	<u>427,851</u>	<u>356,888</u>
Total		<u>433,583</u>	<u>363,633</u>
Net gains/(losses) on investments		<u>(371,229)</u>	<u>433,507</u>
NET INCOME/(EXPENDITURE)		(472,577)	415,983
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		<u>5,125,378</u>	<u>4,709,395</u>
TOTAL FUNDS CARRIED FORWARD		<u>4,652,801</u>	<u>5,125,378</u>

All income and expenditure has arisen from continuing operations.

The notes form part of these financial statements

THE DACON TRUST LIMITED

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 Total Funds (Unrestricted) £	2021 Total Funds (Unrestricted) £
FIXED ASSETS			
Tangible assets	10	1,831,280	707,025
Investments			
Investments	11	2,518,276	3,489,505
Investment property	12	<u>300,000</u>	<u>300,000</u>
		4,649,556	4,496,530
CURRENT ASSETS			
Debtors	13	68,924	63,854
Cash at bank		<u>169,062</u>	<u>631,468</u>
		237,986	695,322
CREDITORS			
Amounts falling due within one year	14	(234,741)	(66,474)
		<u>3,245</u>	<u>628,848</u>
NET CURRENT ASSETS			
		4,652,801	5,125,378
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>4,652,801</u>	<u>5,125,378</u>
NET ASSETS			
		4,652,801	5,125,378
FUNDS			
Unrestricted funds	16	<u>4,652,801</u>	<u>5,125,378</u>
TOTAL FUNDS			
		<u>4,652,801</u>	<u>5,125,378</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15.09.2023 and were signed on its behalf by:

Mr D Flynn - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

General information and basis of preparation

The Dacon Trust Limited is a company limited by guarantee established in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. All funds of the charity are unrestricted.

Significant judgements and estimates

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported as revenue and expenses during the year. However, the nature of estimations means that the actual outcomes could differ from these estimates. The following item is highlighted as a judgement that has had the most significant effect on amounts recognised in the financial statements and the key source of estimation uncertainty.

Revaluation of Investment Property

The company carries its Investment Property at fair value, with changes in the fair value being recognised in the SoFA. The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

1. ACCOUNTING POLICIES - continued

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes VAT and is reported as part of the expenditure to which it relates. It is categorised under the following headings:

- Costs of generating funds comprise the costs of operation and maintaining the investment income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. Where support costs relate to more than one activity they have been allocated on the basis of staff time and resources consumed by each activity.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold Land & Buildings	- Nil - 5% On Cost
Tenants Improvements	- 33% On Cost
Plant, Machinery, Fixtures & Fittings	- 15% - 30% On Cost

Freehold Land & Buildings are carried at cost. Freehold property is not depreciated on the grounds that the high residual value renders any depreciation charge immaterial. This is a departure from the Companies Act 2006 in order to give a true and fair view.

Assets Under Construction are carried at cost and are not depreciated. Upon completion the carrying value is transferred to Freehold Land and Buildings.

Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Tax

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

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Financial instruments

The trust 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 measured at their settlement value.

Going concern

The financial statements are prepared on a going concern basis as there are no material uncertainties that the Charity's ability to continue.

2. INVESTMENT INCOME

	2022	2021
	£	£
Income from UK investment properties	18,180	16,482
Income from UK listed investments	<u>84,849</u>	<u>90,751</u>
	<u>103,029</u>	<u>107,233</u>

3. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Letting agent fees	<u>5,732</u>	<u>6,745</u>

4. CHARITABLE ACTIVITIES COSTS

	2022	2021
	£	£
Wages and salaries	232,329	200,305
Employer's national insurance	8,591	15,795
Pensions	11,056	9,842
Rent, rates and water	52,104	43,395
Insurance	18,881	12,499
Light and heat	12,006	8,660
Sundries	19,864	11,335
Repairs and other expenses	15,640	10,639
Motor and travel costs	1,847	2,277
Purchases	17,914	10,840
Depreciation of tangible fixed assets	5,923	5,081
Support costs (see note 5)	<u>31,696</u>	<u>26,220</u>
	<u>427,851</u>	<u>356,888</u>

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

5. SUPPORT COSTS

	2022	2021
	£	£
Accountancy fees	11,160	5,350
Audit fees	10,650	8,100
Legal and professional fees	<u>9,886</u>	<u>12,770</u>
	<u>31,696</u>	<u>26,220</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	5,923	5,081
Auditors' remuneration - audit of the financial statements	10,650	8,100
Operating leases - rent	<u>42,000</u>	<u>42,000</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees are deemed to be the key management personnel of the charity. There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	232,329	200,305
Social security costs	8,591	15,795
Other pension costs	<u>11,056</u>	<u>9,842</u>
	<u>251,976</u>	<u>225,942</u>

	2022	2021
The average monthly number of employees during the year were:	<u>10</u>	<u>11</u>

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

9. TAXATION

No Corporation tax has been provided based on the Company's charitable status.

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Assets under construction £	Tenants Improvements £	Plant & machinery & Fixtures & Fittings £	Totals £
COST					
At 1 January 2022	317,195	401,660	24,524	159,738	903,117
Additions	<u>-</u>	<u>1,121,370</u>	<u>-</u>	<u>8,808</u>	<u>1,130,178</u>
At 31 December 2022	<u>317,195</u>	<u>1,523,030</u>	<u>24,524</u>	<u>168,546</u>	<u>2,033,295</u>
DEPRECIATION					
At 1 January 2022	27,200	-	24,524	144,368	196,092
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,923</u>	<u>5,923</u>
At 31 December 2022	<u>27,200</u>	<u>-</u>	<u>24,524</u>	<u>150,291</u>	<u>202,015</u>
NET BOOK VALUE					
At 31 December 2022	<u>289,995</u>	<u>1,523,030</u>	<u>-</u>	<u>18,255</u>	<u>1,831,280</u>
At 31 December 2021	<u>289,995</u>	<u>401,660</u>	<u>-</u>	<u>15,370</u>	<u>707,025</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

10. TANGIBLE FIXED ASSETS - continued

The market value of the freehold land and buildings, in the opinion of the trustees, is in excess of the carrying value in the accounts.

The freehold property relates to land and buildings known as Fitzwalter House, Great Tey. Part of the property is let to Mencap to provide accommodation for learning disabled adult residents and the rest of the land is used by the Trust. As it is not possible to determine any investment component reliably it is deemed appropriate to disclose the whole of the property known as Fitzwalter House as Freehold land and buildings.

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	3,489,505
Disposals	(600,000)
Revaluations	<u>(371,229)</u>
At 31 December 2022	<u>2,518,276</u>
NET BOOK VALUE	
At 31 December 2022	<u>2,518,276</u>
At 31 December 2021	<u>3,489,505</u>

The above market value of fixed asset investments contains base cost of £1,079,771 (2021: £1,322,227) and accumulated revaluation gains of £1,438,505 (2021: £2,167,278).

The fixed asset investments were valued on an open market basis on the 31 December 2022 by Churches, Charities and Local Authorities (CCLA) Investment Management Limited. None of these investments were held outside of the United Kingdom.

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022 and 31 December 2022	<u>300,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>300,000</u>
At 31 December 2021	<u>300,000</u>

The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	6,002	3,913
Other debtors	5,605	-
Prepayments and accrued income	<u>57,317</u>	<u>59,941</u>
	<u>68,924</u>	<u>63,854</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	4,543	1,680
Other taxes and social security	4,315	4,112
Other creditors	55,669	53,089
Accruals and deferred income	<u>170,214</u>	<u>7,593</u>
	<u>234,741</u>	<u>66,474</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	42,000	42,000
Between one and five years	<u>159,250</u>	<u>201,250</u>
	<u>201,250</u>	<u>243,250</u>

LESSOR AGREEMENTS

	2022	2021
	£	£
Within one year	33,000	33,000
Between one and five years	132,000	132,000
In more than five years	<u>99,000</u>	<u>132,000</u>
	<u>264,000</u>	<u>297,000</u>

The above agreement relates to the lease of Fitzwalter House to Mencap.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

16. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	628,848	(95,425)	(530,178)	3,245
Fixed Asset Fund	707,025	(5,923)	1,130,178	1,831,280
Investment Fund	<u>3,789,505</u>	<u>(371,229)</u>	<u>(600,000)</u>	<u>2,818,276</u>
	<u>5,125,378</u>	<u>(472,577)</u>	-	<u>4,652,801</u>
TOTAL FUNDS	<u>5,125,378</u>	<u>(472,577)</u>	-	<u>4,652,801</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	332,235	(427,660)	-	(95,425)
Fixed Asset Fund	-	(5,923)	-	(5,923)
Investment Fund	-	-	(371,229)	(371,229)
	<u>332,235</u>	<u>(433,583)</u>	<u>(371,229)</u>	<u>(472,577)</u>
TOTAL FUNDS	<u>332,235</u>	<u>(433,583)</u>	<u>(371,229)</u>	<u>(472,577)</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	419,936	(12,444)	221,356	628,848
Fixed Asset Fund	657,505	(5,080)	54,600	707,025
Investment Fund	<u>3,631,954</u>	<u>433,507</u>	<u>(275,956)</u>	<u>3,789,505</u>
	<u>4,709,395</u>	<u>415,983</u>	-	<u>5,125,378</u>
TOTAL FUNDS	<u>4,709,395</u>	<u>415,983</u>	-	<u>5,125,378</u>

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	346,109	(358,553)	-	(12,444)
Fixed Asset Fund	-	(5,080)	-	(5,080)
Investment Fund	-	-	<u>433,507</u>	<u>433,507</u>
	<u>346,109</u>	<u>(363,633)</u>	<u>433,507</u>	<u>415,983</u>
TOTAL FUNDS	<u>346,109</u>	<u>(363,633)</u>	<u>433,507</u>	<u>415,983</u>

1. The Charity should aim to hold a general reserve equivalent to at least 12 months expenditure.
2. The Fixed Asset Fund is set at a figure of £1,831,280 to reflect the value invested in tangible assets.
3. The Investment fund is considered to be an expendable endowment to provide income to fund the Charity's operations.

17. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>206,442</u>	<u>-</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

19. COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee. The trustees are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £50 per member of the charity.

THE DACON TRUST LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Investment income		
Income from UK investment properties	18,180	16,482
Income from UK listed investments	<u>84,849</u>	<u>90,751</u>
	103,029	107,233
Charitable activities		
Letting of non-investment properties	33,185	32,892
Attendance and care fees	162,289	159,809
Café and art sales	31,548	22,246
Grants	<u>2,184</u>	<u>23,929</u>
	229,206	238,876
Total Incoming resources	332,235	346,109
EXPENDITURE		
Investment management costs		
Letting agent fees	5,732	6,745
Charitable activities		
Wages and salaries	232,329	200,305
Employer's national Insurance	8,591	15,795
Pensions	11,056	9,842
Rent, rates and water	52,104	43,395
Insurance	18,881	12,499
Light and heat	12,006	8,660
Sundries	19,864	11,335
Repairs and other expenses	15,640	10,639
Motor and travel costs	1,847	2,277
Purchases	17,914	10,840
Depreciation of tangible fixed assets	<u>5,923</u>	<u>5,081</u>
	396,155	330,668

This page does not form part of the statutory financial statements

THE DACON TRUST LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Support costs		
Governance costs		
Accountancy fees	11,160	5,350
Audit fees	10,650	8,100
Legal and professional fees	<u>9,886</u>	<u>12,770</u>
	<u>31,696</u>	<u>26,220</u>
Total resources expended	<u>433,583</u>	<u>363,633</u>
Net expenditure before gains and losses	(101,348)	(17,524)
Realised and unrealised gains and losses		
Realised gains/(losses) on fixed asset investments	357,544	-
Unrealised gains/(losses) on fixed asset investments	<u>(728,773)</u>	<u>433,507</u>
Net (expenditure)/income	<u>(472,577)</u>	<u>415,983</u>

This page does not form part of the statutory financial statements

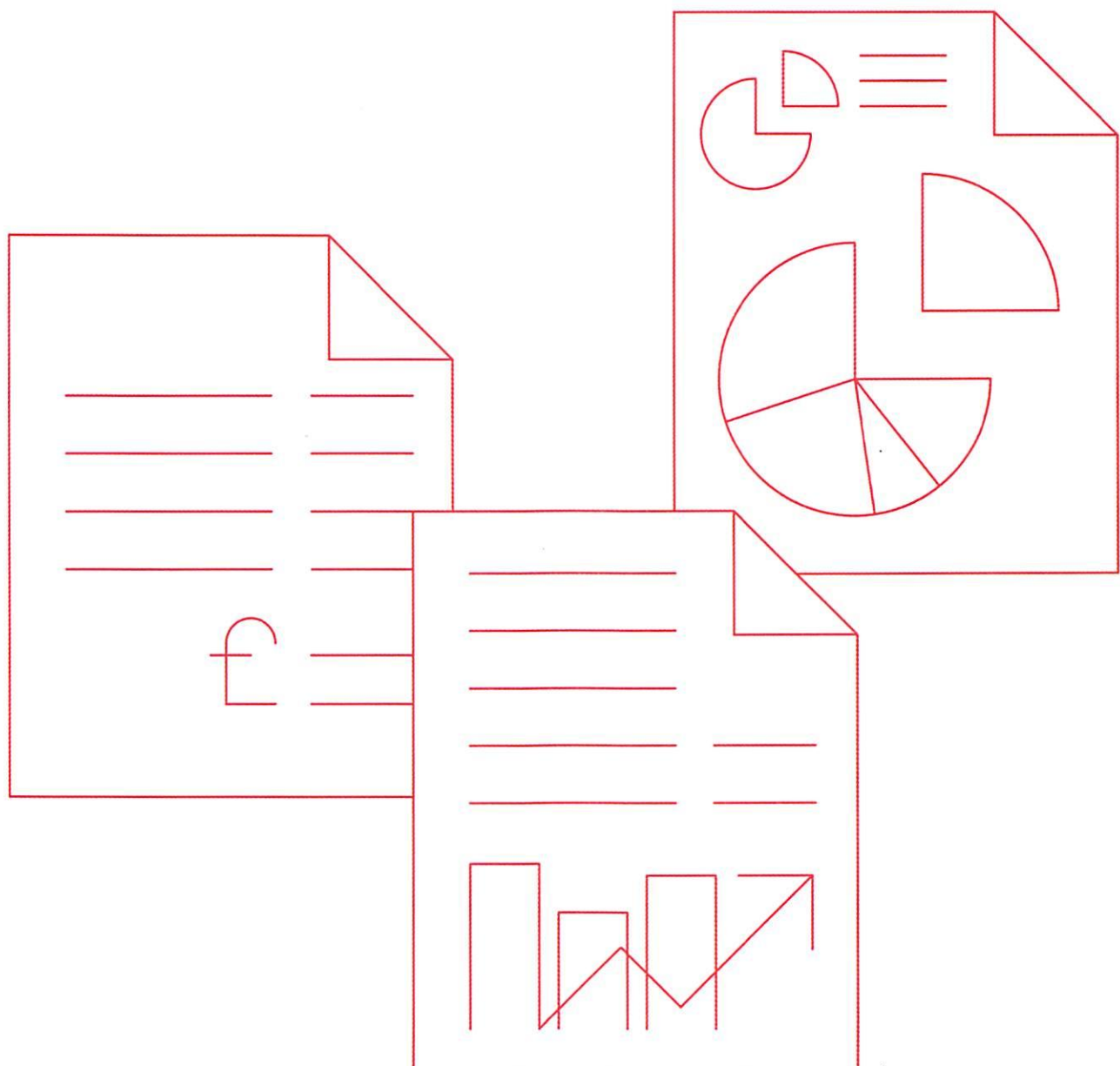
THE DACON TRUST LIMITED

England & Wales - Charity number 260380

Accounts

The Dacon Trust Limited **Financial Statements**

For the Year Ended 31 December 2021
Company Registration No: 00968662
Charity Registered No: 260380



THE DACON TRUST LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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Detailed Statement of Financial Activities	22 to 23

THE DACON TRUST LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021**

TRUSTEES

C J Chambers (resigned 24/2/21)
V S P Godfrey
D Flynn
S Shephard (resigned 26/7/21)
K Hyde
L J Jary (appointed 8/4/21)
S A Croft (appointed 13/5/21)
D Godfrey (appointed 21/7/21)

COMPANY SECRETARY K Hyde

REGISTERED OFFICE

D'Arcy House
3 Culver Street East
Colchester
Essex
CO1 1LD

REGISTERED COMPANY NUMBER 00968662

REGISTERED CHARITY NUMBER 260380

AUDITORS

Haines Watts
Statutory Auditors
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

BANKERS

Barclays Bank PLC
9 High Street
Colchester
Essex
CO1 1DD

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who are also directors of the charity for the purpose of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The objectives of the Charity are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

Activities and achievements

The Charity's main activity remains the provision of day services through the operation of an Art Café in Colchester.

The project is made up of four enterprises - Level Best Café, Level Best Art and Gallery (including digital art and design), Level Best Seasonal and Level Best Gardening (Allotment and Park Rangers).

During the pandemic in 2020, to safeguard the wellbeing of staff and trainees and in-line with Essex County Council guidance we temporarily closed the café and moved our sessions online. Some outdoor face to face sessions were re-introduced in June and from August-December a mix of building based, outdoor and on-line sessions were delivered. In early 2021 as lockdown restrictions returned, we temporarily returned to online provision, delivering 113 sessions per week (compared to 99 during 2020 lockdown).

In April 2021 the service was able to return to face-to-face offerings as the pandemic eased. Some trainees opted to remain on-line while awaiting the second covid vaccination. At the time of re-opening, 134 half day sessions were being delivered, with 29 of these being on-line. By the end of 2021 all but one session had moved back to Level Best and had increased to 142 a week across the four enterprises.

Level Best Café:

The Café remained closed to external customers inside the premises throughout 2021 but continued to provide a lunch service to trainees and staff. The purchase of outside seating, funded through a covid grant, meant the Café was able to welcome external customers who could enjoy their food outside. A takeaway, catering and cake order service continued throughout the year with over 40 buffets provided and an average of 6 cakes per week to Rowhedge Coastal Rowing Club. For the first time the Café was able to deliver the buffets to off-site locations with the use of a local eco-friendly bike delivery service. The buffets were provided to organisations such as Ministry of Parenting, Ellen MacArthur Cancer Trust (who were on a sailing trip with Pioneer Sailing Trust) and a local artist as part of a Private View evening at the Café.

It was decided that the Manningtree Café, which closed in March 2020 when the pandemic started, should not re-open, giving staff resources back to Colchester to focus on the move to St John's Street. The lease for Manningtree Café expired in July 2021.

OBJECTIVES AND ACTIVITIES

Activities and achievements continued

Level Best Art and Gallery:

Level Best Art trainees participated in local initiatives including the 'Brightlingsea Walking Trail' and the 'Beach of Dreams' project. During the Christmas period a card ordering service was introduced, selling cards to order made using Level Best art designs.

A new PC was purchased for use in digital art and design projects and for the first time Level Best Art trainees were able to access and learn to use augmented reality applications, using their art designs to create AR videos.

The Gallery re-opened for exhibitions in mid-2021, for the first time since closing at the start of the pandemic. The first exhibition ('reconnecting') was a collection of work produced by trainees throughout lockdown and was a celebration of coming back together and 'reconnecting' again.

Level Best Seasonal:

A range of preserves and cordials were made using foraged fruit/flowers from either the allotment or locally. With the easing of restrictions in the latter part of 2021, Level Best Seasonal had a stall at the Colchester Rice and Spice Festival selling jams, chutneys and cordials, the first market since the pandemic started.

Level Best Gardening:

The Level Best Gardening enterprise maintained the allotment throughout the year, supplying salad and vegetables to the kitchen as well as produce for seasonal preserves. In October, they led a walk as part of the 'Jane's Walk' programme, which is a series of guided walks in and around Colchester celebrating the legacy of urbanist Jane Jacobs. The walk was well attended by trainees, parents and members of the public. It visited sites around Colchester where trainees have participated in projects, such as the park, allotment and various Colchester in Bloom sites. The walk ended at the new building to show the vision for the future.

In 2018 the Charity purchased a building on St John's Street in Colchester which it intends to renovate into a larger bespoke café with a state of the art industry standard kitchen and art gallery, providing a greater footprint to expand the quantum and range of services currently provided. The renovation represents a significant investment for the Trust, our trainees have been engaged throughout and are excited about the new space. Construction work began in late 2021 and has progressed well with our expectations of opening the new café in Q1 2023.

Mencap continue to occupy Fitzwalter House providing accommodation for learning disabled adult residents. Discussions continue with potential partners as to how the rest of the land at Great Tey could be used.

The Charity's activities are financed by a combination of investment income together with charges made to trainees for attendance which are funded either by local authorities or privately. There is a small reliance on volunteers for day-to-day operations although the members of the Management Committee serve in a voluntary capacity.

The majority of the Charity's investments are managed by CCLA Investment Management Limited who provide a quarterly report and with whom regular meetings are held to review investment strategy.

There has been some turnover in the Trustee board due to retirements, however the board are pleased to have secured several new appointments who bring a broad skill set between them which will benefit the Charity going forwards.

Alison Ling remains responsible for the day to day management of the Art Café in Colchester and is whom reports to the board on operational progress.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

PUBLIC BENEFIT

The trustees of The Dacon Trust Limited have had due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

STRATEGIC REPORT

Reserves policy

The Council of Management has considered the financial requirements of the Charity taking into account the current position and future plans. They have taken particular note of the following:

1. The funds received from charitable activities have been and are expected to remain inadequate to meet the costs of providing the services. There will be an ongoing requirement for the Charity to provide substantial resources to subsidise the services.
2. There continues to be some doubt over the level of financial support from Local Authorities to fund attendance fees.
3. There are no contracts with trainees and they are free to stop attending at any time.

In the light of this the Council of Management has made the following decisions:

1. The investments fund (including investment properties) currently totalling £3,789,505 should be considered an expendable endowment to provide income to fund the Charity's operations.
2. The Fixed Asset Fund is set at a figure of £707,025 to reflect the value invested in tangible assets.
3. The Charity should look to hold a general reserve at least equivalent to 12 months expenditure. The reserve totals £628,848 (2020: £419,936).

FUNDS IN SURPLUS

The activities during the year resulted in a surplus of unrestricted funds of £415,983 (2020: £217,642) for the financial year. Included within this surplus is the increase in the market value of investment of £433,508 (2020: £190,166).

At the end of the year the charity has a total of £5,125,378 (2020: £4,709,395) in Unrestricted Funds.

GOING CONCERN

After making appropriate enquiries, the board of trustees have a fair expectation that The Dacon Trust Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

FUTURE PLANS

The trustees are excited about the development of St Johns Street which will be a bespoke café with a state of the art industry standard kitchen and art gallery. As well as providing improved facilities, the location has increasing footfall which should provide greater income opportunities, enabling the charity to invest in its own asset to expand its services to more trainees.

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Dacon Trust Limited is a company limited by guarantee. The charity is governed by its board of trustees operating under the terms of the memorandum and articles of association.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £50, for the debts and liabilities contracted before they ceased to be a member.

Trustees and management

The charity has a Council of Management that manages the business of the Charity. No person who is not a member of the Charity is eligible to hold office as a member of the Council. Where appropriate, duties are delegated to employees of the charity, although the Council maintains overall control for the activities and performance of the charity.

The Council of Management meets quarterly to review the performance of the Charity's work.

The board of trustees have also now formed subcommittees in addition to the quarterly review as mentioned above who are also meeting quarterly.

The recruitment and appointment of the members are set out in the articles and memorandum of association.

Persons who are appointed as trustees or members of the Council will be party to an induction process determined by their present role and knowledge of The Dacon Trust Limited.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Dacon Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

THE DACON TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

In so far as the trustees are aware:

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

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 21 September 2022 and signed on its behalf by:

D Flynn - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE DACON TRUST LIMITED

Opinion

We have audited the financial statements of The Dacon Trust Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors/trustees and management. The most significant were identified as the Companies Act 2006, The Charities Act 2011, UK GAAP including Charity SORP (FRS 102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- We considered the risk of fraud through management override and in response, we incorporated testing of manual journal entries into our audit approach throughout the financial year.
- We also considered the risk of fraud through assumptions and judgements used within accounting estimates and in response, reviewed and scrutinised these estimates in order to detect possible management bias.
- We also considered the risk of fraud associated with the preparation of the financial statements and in response, tested the disclosures prepared against relevant supporting documentation.

Our audit did not identify any significant matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

Melinda J Simpson ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditors
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Date: 28.9.2022

THE DACON TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 Total Funds (Unrestricted) £	2020 Total Funds (Unrestricted) £
INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES	Notes		
Attendance fees, café and art supplies		205,984	218,840
Letting of non-investment property		32,892	31,708
Care fees		-	82,060
Investment income	2	<u>107,233</u>	<u>114,804</u>
TOTAL		346,109	447,412
EXPENDITURE ON CHARITABLE ACTIVITIES			
Raising funds	3	6,746	5,791
Attendance fees, café and art supplies	4	330,668	310,272
Support costs		26,220	24,456
Care fees		-	79,417
TOTAL		<u>363,634</u>	<u>419,936</u>
Increase in market value of investments		<u>433,508</u>	<u>190,166</u>
NET INCOME		415,983	217,642
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		<u>4,709,395</u>	<u>4,491,753</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>5,125,378</u></u>	<u><u>4,709,395</u></u>

The notes form part of these financial statements

THE DACON TRUST LIMITED

**BALANCE SHEET
31 DECEMBER 2021**

		2021	2020
		Total Funds	Total Funds
		(Unrestricted)	(Unrestricted)
		£	£
FIXED ASSETS	Notes		
Tangible assets	10	707,025	657,505
Investments			
Investments	11	3,489,505	3,055,997
Investment property	12	<u>300,000</u>	<u>300,000</u>
		4,496,530	4,013,502
CURRENT ASSETS			
Debtors	13	63,854	107,877
Cash at bank		<u>631,468</u>	<u>660,218</u>
		695,322	768,095
CREDITORS			
Amounts falling due within one year	14	<u>(66,474)</u>	<u>(72,202)</u>
NET CURRENT ASSETS		<u>628,848</u>	<u>695,893</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,125,378</u>	<u>4,709,395</u>
NET ASSETS		<u>5,125,378</u>	<u>4,709,395</u>
FUNDS	16		
Unrestricted funds		<u>5,125,378</u>	<u>4,709,395</u>
TOTAL FUNDS		<u>5,125,378</u>	<u>4,709,395</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21 September 2022 and were signed on its behalf by:

D Flynn - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

General information and basis of preparation

The Dacon Trust Limited is a company limited by guarantee established in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. All funds of the charity are unrestricted.

Significant judgements and estimates

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported as revenue and expenses during the year. However, the nature of estimations means that the actual outcomes could differ from these estimates. The following item is highlighted as a judgement that has had the most significant effect on amounts recognised in the financial statements and the key source of estimation uncertainty.

Revaluation of Investment Property

The company carries its Investment Property at fair value, with changes in the fair value being recognised in the SoFA. The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

1. ACCOUNTING POLICIES - continued

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes VAT and is reported as part of the expenditure to which it relates. It is categorised under the following headings:

- Costs of generating funds comprise the costs of operation and maintaining the investment income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. Where support costs relate to more than one activity they have been allocated on the basis of staff time and resources consumed by each activity.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold Land & Buildings	- Nil - 5% On Cost
Tenants Improvements	- 33% On Cost
Plant, Machinery, Fixtures & Fittings	- 15% - 30% On Cost

Freehold Land and buildings is carried at cost. Freehold property is not depreciated on the grounds that the high residual value renders any depreciation charge immaterial. This is a departure from the Companies Act 2006 in order to give a true and fair view.

Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Tax

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

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

Financial instruments

The trust 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 measured at their settlement value.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. INVESTMENT INCOME

	2021	2020
	£	£
Income from UK investment properties	16,482	24,136
Income from UK listed investments	<u>90,751</u>	<u>90,668</u>
	<u>107,233</u>	<u>114,804</u>

3. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
General expenses	<u>6,746</u>	<u>5,791</u>

4. CHARITABLE ACTIVITIES COSTS

	2021	2020
	£	£
Wages and salaries	200,305	198,754
Employer's national insurance	15,795	11,208
Pensions	9,842	10,995
Rent, rates and water	43,395	39,047
Insurance	12,499	10,061
Light and heat	8,660	11,340
Sundries	11,335	11,483
Repairs and other expenses	10,639	6,226
Motor and travel costs	2,277	1,314
Purchases	10,840	8,206
Depreciation of tangible fixed assets	5,081	1,638
Support costs (see note 5)	<u>26,220</u>	<u>24,456</u>
	<u>356,888</u>	<u>334,728</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5. SUPPORT COSTS

	2021	2020
	£	£
Accountancy fees	5,350	7,885
Audit fees	8,100	7,680
Legal fees	<u>12,770</u>	<u>8,891</u>
	<u>26,220</u>	<u>24,456</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	5,081	1,638
Auditors' remuneration - audit of the financial statements	8,100	7,680
Operating leases - rent	<u>42,000</u>	<u>59,737</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees are deemed to be the key management personnel of the charity. There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	200,305	198,754
Social security costs	15,795	11,208
Other pension costs	<u>9,842</u>	<u>10,995</u>
	<u>225,942</u>	<u>220,957</u>

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

	2021	2020
Full time equivalents	<u>11</u>	<u>13</u>

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

9. TAXATION

No Corporation tax has been provided based on the Company's charitable status.

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Assets under construction £	Tenants improvements £	Plant & machinery & Fixtures & Fittings £	Totals £
COST					
At 1 January 2021	317,195	360,446	24,524	146,352	848,517
Additions	<u>-</u>	<u>41,214</u>	<u>-</u>	<u>13,387</u>	<u>54,601</u>
At 31 December 2021	<u>317,195</u>	<u>401,660</u>	<u>24,524</u>	<u>159,739</u>	<u>903,118</u>
DEPRECIATION					
At 1 January 2021	27,200	-	24,524	139,288	191,012
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,081</u>	<u>5,081</u>
At 31 December 2021	<u>27,200</u>	<u>-</u>	<u>24,524</u>	<u>144,369</u>	<u>196,093</u>
NET BOOK VALUE					
At 31 December 2021	<u>289,995</u>	<u>401,660</u>	<u>-</u>	<u>15,370</u>	<u>707,025</u>
At 31 December 2020	<u>289,995</u>	<u>360,446</u>	<u>-</u>	<u>7,064</u>	<u>657,505</u>

10. TANGIBLE FIXED ASSETS - continued

The market value of the freehold land and buildings, in the opinion of the trustees, is in excess of the carrying value in the accounts.

The freehold property relates to land and buildings known as Fitzwalter House, Great Tey. Part of the property is let to Mencap to provide accommodation for learning disabled adult residents and the rest of the land is used by the Trust. As it is not possible to determine any investment component reliably it is deemed appropriate to disclose the whole of the property known as Fitzwalter House as Freehold land and buildings.

11. FIXED ASSET INVESTMENTS

	Listed Investments £
MARKET VALUE	
At 1 January 2021	3,055,997
Revaluations	<u>433,508</u>
At 31 December 2021	<u>3,489,505</u>
NET BOOK VALUE	
At 31 December 2021	<u>3,489,505</u>
At 31 December 2020	<u>3,055,997</u>

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021 and 31 December 2021	<u>300,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>300,000</u>
At 31 December 2020	<u>300,000</u>

The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	3,913	200
Prepayments and accrued income	<u>59,941</u>	<u>107,677</u>
	<u>63,854</u>	<u>107,877</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,680	3,212
Other taxes and social security	4,112	5,047
Other creditors	53,089	55,185
Accruals and deferred income	<u>7,593</u>	<u>8,758</u>
	<u>66,474</u>	<u>72,202</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	42,000	36,750
Between one and five years	<u>201,250</u>	<u>-</u>
	<u>243,250</u>	<u>36,750</u>

LESSOR AGREEMENTS

	2021	2020
	£	£
Within one year	33,000	-
Between one and five years	132,000	-
In more than five years	<u>132,000</u>	<u>-</u>
	<u>297,000</u>	<u>-</u>

The above agreement relates to the lease of Fitzwalter House to Mencap.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	419,936	(12,444)	221,356	628,848
Fixed Asset Fund	657,505	(5,081)	54,601	707,025
Investment Fund	<u>3,631,954</u>	<u>433,508</u>	<u>(275,957)</u>	<u>3,789,505</u>
	<u>4,709,395</u>	<u>415,983</u>	-	<u>5,125,378</u>
TOTAL FUNDS	<u>4,709,395</u>	<u>415,983</u>	-	<u>5,125,378</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	346,109	(358,553)	-	(12,444)
Fixed Asset Fund	-	(5,081)	-	(5,081)
Investment Fund	-	-	433,508	433,508
	<u>346,109</u>	<u>(363,634)</u>	<u>433,508</u>	<u>415,983</u>
TOTAL FUNDS	<u>346,109</u>	<u>(363,634)</u>	<u>433,508</u>	<u>415,983</u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	487,976	29,114	(97,154)	419,936
Fixed Asset Fund	1,163,910	(1,638)	(504,767)	657,505
Investment Fund	<u>2,839,867</u>	<u>190,166</u>	<u>601,921</u>	<u>3,631,954</u>
	<u>4,491,753</u>	<u>217,642</u>	-	<u>4,709,395</u>
TOTAL FUNDS	<u>4,491,753</u>	<u>217,642</u>	-	<u>4,709,395</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement In funds £
Unrestricted funds				
General fund	447,412	(418,298)	-	29,114
Fixed Asset Fund	-	(1,638)	-	(1,638)
Investment Fund	-	-	<u>190,166</u>	<u>190,166</u>
	<u>447,412</u>	<u>(419,936)</u>	<u>190,166</u>	<u>217,642</u>
TOTAL FUNDS	<u>447,412</u>	<u>(419,936)</u>	<u>190,166</u>	<u>217,642</u>

1. The Charity should look to hold a general reserve equivalent to at least 12 months expenditure.
2. The Fixed Asset Fund is set at a figure of £707,025 to reflect the value invested in tangible assets.
3. The Investment fund is considered to be an expendable endowment to provide income to fund the Charity's operations.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

18. SUBSEQUENT EVENTS

Post year end the market value of investments has fluctuated and shows an overall decrease in value of approximately 5%.

19. TRANSACTIONS WITH THE TRUSTEES AND DIRECTORS

During the year the charity used the resources of an agent to manage one of its investment properties. One of the trustees is a director in the entity. This director resigned his position on the 24th February 2021.

Transactions were carried out in the usual course of the business on commercial terms. Total agency fees amounted to £5,237 for the full year (2020: £4,103).

20. COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee. The trustees are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £50 per member of the charity.

THE DACON TRUST LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Investment income		
Income from UK investment properties	16,482	24,136
Income from UK listed investments	<u>90,751</u>	<u>90,668</u>
	107,233	114,804
Charitable activities		
Letting of non-investment properties	32,892	31,708
Attendance and care fees	159,809	152,807
Café and art sales	22,246	15,533
Care fees	-	82,060
Grants	<u>23,929</u>	<u>50,500</u>
	238,876	332,608
Total incoming resources	346,109	447,412
EXPENDITURE		
Investment management costs		
General expenses	6,746	5,791
Charitable activities		
Wages and salaries	200,305	198,754
Employer's national insurance	15,795	11,208
Pensions	9,842	10,995
Rent, rates and water	43,395	39,047
Insurance	12,499	10,061
Light and heat	8,660	11,340
Sundries	11,335	11,483
Repairs and other expenses	10,639	6,226
Motor and travel costs	2,277	1,314
Purchases	10,840	8,206
Depreciation of tangible fixed assets	<u>5,081</u>	<u>1,638</u>
	330,668	310,272
Other		
Care fees - wages and salaries	-	71,884
Care fees - national insurance	<u>-</u>	<u>7,533</u>
	-	79,417

THE DACON TRUST LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Support costs		
Governance costs		
Accountancy fees	5,350	7,885
Audit fees	8,100	7,680
Legal and professional fees	<u>12,770</u>	<u>8,891</u>
	<u>26,220</u>	<u>24,456</u>
Total resources expended	<u>363,634</u>	<u>419,936</u>
Net (expenditure)/income before gains and losses	(17,524)	27,476
Realised recognised gains and losses		
Unrealised gains on fixed asset investments	<u>433,508</u>	<u>190,166</u>
Net income	<u>415,983</u>	<u>217,642</u>

This page does not form part of the statutory financial statements

THE DACON TRUST LIMITED

England & Wales - Charity number 260380

Accounts

REGISTERED COMPANY NUMBER: 00968662
REGISTERED CHARITY NUMBER: 260380

THE DACON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

THE DACON TRUST LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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THE DACON TRUST LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

TRUSTEES	R H Baker (resigned 21/10/20) C J Chambers (resigned 24/2/21) V S P Godfrey D Flynn S Shephard K Hyde L J Jary (appointed 8/4/21) S A Croft (appointed 13/5/21) D Godfrey (appointed 21/7/21)
COMPANY SECRETARY	K Hyde
REGISTERED OFFICE	D'Arcy House 3 Culver Street East Colchester Essex CO1 1LD
REGISTERED COMPANY NUMBER	00968662
REGISTERED CHARITY NUMBER	260380
AUDITORS	Haines Watts Statutory Auditors Town Wall House Balkerne Hill Colchester Essex CO3 3AD
BANKERS	Barclays Bank PLC 9 High Street Colchester Essex CO1 1DD

THE DACON TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

OBJECTIVES AND ACTIVITIES

Objectives

The objectives of the Charity are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

Activities and achievements

The Charity's main activity remains the provision of day services through the operation of an Art Café in Colchester.

The project is made up of five activities - the café 'Daconbake', an art project 'ArtCo', seasonal products, horticulture and computer skills.

The Charity previously operated a similar café in Manningtree however the introduction of national Lockdown measures during the COVID-19 pandemic saw a move to an on-line service offering in this period, and with limited demand upon exiting lockdown the decision was made to close the Manningtree operation and focus on the expansion of Colchester.

During the pandemic, to safeguard the wellbeing of staff and trainees and in-line with Essex County Council guidance we temporarily closed the café and moved our sessions online. The closure period began in March, with some outdoor face to face sessions re-introduced in June and from August-December a mix of building based, outdoor and on-line sessions were delivered.

Before lockdown The Charity was providing 149 half day sessions to 58 trainees across Colchester and Manningtree. During lockdown this reduced to 99 sessions (all on-line) delivered to 34 trainees. At the time of re-opening in August 2020, service provision increased back to 136 sessions to 50 trainees.

OBJECTIVES AND ACTIVITIES

Activities and achievements - continued

The sessions delivered during lockdown varied and were dependent on the trainee's individual need at the time. Sessions included but were not limited to:

- 1:1 video sessions in cooking, gardening, art and or seasonal craft activities;
- 4 x group video calls a week with trainees and staff. These were also offered to trainees who had chosen not to participate in on-line service provision and were a way to maintain contact and limit isolation;
- Worksheets, either emailed or posted. These varied and included food hygiene packs, money management, recipes cards;
- Engagement on social media through new Facebook pages in relation to each area of work (art, cooking, gardening, seasonal). Videos were posted daily with mix of tutorials and ways of engaging with trainees to continue their learning at home;
- Emailing You Tube videos (featured on new You Tube channel) of cooking and art tutorials filmed by staff with quizzes to check knowledge;
- Supporting trainees for a walk in their local area where otherwise they were not able to get out;
- Delivery of art/craft materials to complete art tasks at home;
- Arranging delivery of essential food items where this was required;
- General wellbeing phone calls (for family as well as the trainee).

For trainees that did not have access to a tablet and/or wifi we were able to supply temporary devices with data through an Essex County Council funded scheme with an organisation called Alcove. Eight trainees benefitted from using these devices during the lockdown period.

After re-opening, to maintain social distancing measures at the Café we had to reduce the number of sessions that took place at the Café on one day. Pre-lockdown 3 sessions (e.g. Cooking, Art and Seasonal) could take place simultaneously with a maximum of 18 trainees (plus support staff) in attendance. With social distancing this was no longer possible and therefore an additional allotment session and 5 new 'outreach' sessions were introduced. The outreach sessions take place away from the Café and include visits to local attractions (e.g. art galleries, museums, parks), guided walks where trainees learn about the local area and foraging. The outreach and allotment sessions have a temporary base at Rookery House where there are art and seasonal activities on offer during periods of bad weather.

The café is open 5 days a week providing drinks, cakes and light lunches to trainees and staff as well as a takeaway service to members of the public (not yet re-open to public indoors). In addition to this the Café provides buffets and cakes to order. Despite the restrictions of lockdown, the Café provided 9 buffets for a local organisation (Ministry of Parenting), an average of 5 cakes per week to a local rowing club and hosted an Italian themed day with a guest Chef working alongside trainees.

The seasonal project had a successful Christmas period, making and selling pickled onions, mince pies, yule logs, spicy nuts and a selection of jams made from locally foraged fruit.

In 2018 the Charity purchased a building on St John's Street in Colchester which it intends to renovate into a larger bespoke café with a state of the art industry standard kitchen and art gallery, providing a greater footprint to expand the quantum and range of services currently provided. Work has progressed with the architects and having gone through planning and a construction tender process, we are pleased to have signed a letter of intent to proceed with the construction in late 2021 with a view to opening the new café in 2022.

Mencap continue to occupy Fitzwalter House providing accommodation for learning disabled adult residents. Discussions continue with potential partners as to how the rest of the land at Great Tey could be used.

THE DACON TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

OBJECTIVES AND ACTIVITIES

Activities and achievements - continued

The Charity's activities are financed by a combination investment income together with charges made to trainees for attendance which are funded either by local authorities or privately. There is a small reliance on volunteers for day-to-day operations although the members of the Management Committee serve in a voluntary capacity.

The majority of the Charity's investments are managed by CCLA Investment Management Limited who provide a quarterly report and with whom regular meetings are held to review investment strategy.

There has been some turnover in the Trustee board due to retirements, however the board are pleased to have secured several new appointments who bring a broad skillset between them which will benefit the Charity going forwards.

Alison Ling remains responsible for the day to day management of the Art Café in Colchester and is whom reports to the board on operational progress.

PUBLIC BENEFIT

The trustees of The Dacon Trust Limited have had due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

FINANCIAL REVIEW

Reserves policy

The Council of Management has considered the financial requirements of the Charity taking into account the current position and future plans. They have taken particular note of the following:

1. The funds received from charitable activities have been and are expected to remain inadequate to meet the costs of providing the services. There will be an ongoing requirement for the Charity to provide substantial resources to subsidise the services.
2. There continues to be some doubt over the level of financial support from Local Authorities to fund attendance fees.
3. There are no contracts with trainees and they are free to stop attending at any time.

In the light of this the Council of Management has made the following decisions:

1. The investments fund (including investment properties) currently totalling £3,631,954 should be considered an expendable endowment to provide income to fund the Charity's operations.
2. The Fixed Asset Fund is set at a figure of £675,505 to reflect the value invested in tangible assets.
3. The Charity should look to hold a general reserve equivalent to 12 months expenditure. The reserve totals £419,936 (2019: £487,976).

THE DACON TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FUNDS IN SURPLUS

The activities during the year resulted in a surplus of unrestricted funds of £217,642 (2019: surplus of £520,973) for the year. Included within this surplus is the increase in the market value of investment of £190,166 (2019: increase of £330,605).

At the end of the year the charity has a total of £4,709,395 (2019: £4,491,753) in Unrestricted Funds.

GOING CONCERN

After making appropriate enquiries, the board of trustees have a fair expectation that The Dacon Trust Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

FUTURE PLANS

The trustees are excited about the development of St Johns street which will be bespoke café with a state of the art industry standard kitchen and art gallery. This will enable the charity to invest in its own asset to expand its services to more trainees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Dacon Trust Limited is a company limited by guarantee. The charity is governed by its board of trustees operating under the terms of the memorandum and articles of association.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £50, for the debts and liabilities contracted before they ceased to be a member.

Trustees and management

The charity has a Council of Management that manages the business of the Charity. No person who is not a member of the Charity is eligible to hold office as a member of the Council. Where appropriate, duties are delegated to employees of the charity, although the Council maintains overall control for the activities and performance of the charity.

The Council of Management meets quarterly to review the performance of the Charity's work.

The board of trustees have also now formed subcommittees in addition to the quarterly review as mentioned above who are also meeting quarterly.

The recruitment and appointment of the members are set out in the articles and memorandum of association.

Persons who are appointed as trustees or members of the Council will be party to an induction process determined by their present role and knowledge of The Dacon Trust Limited.

THE DACON TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Dacon Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

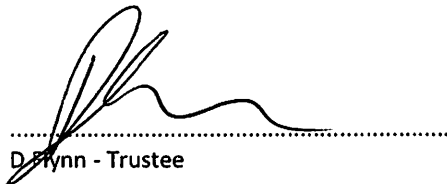
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 25/11/2021 and signed on its behalf by:


.....
D. Flynn - Trustee

THE DACON TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE DACON TRUST LIMITED

Opinion

We have audited the financial statements of The Dacon Trust Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED**

Our 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 a Report of the Independent Auditors 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.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors/trustees and management. The most significant were identified as the Companies Act 2006, The Charities Act 2011, UK GAAP including Charity SORP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- We considered the risk of fraud through management override and in response, we incorporated testing of manual journal entries into our audit approach throughout the financial year.
- We also considered the risk of fraud through assumptions and judgements used within accounting estimates and in response, reviewed and scrutinised these estimates in order to detect possible management bias.
- We also considered the risk of fraud associated with the preparation of the financial statements and in response, tested the disclosures prepared against relevant supporting documentation.

Our audit did not identify any significant matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DACON TRUST LIMITED

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Melinda Simpson

Melinda J Simpson ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditors
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Date: *14.12.2021*

THE DACON TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 Total funds (Unrestricted) £	2019 Total funds (Unrestricted) £
INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES	Notes		
Attendance fees, Café and art supplies		218,840	221,790
Letting of non-investment property		31,708	30,636
Care fees		82,060	125,333
Investment income	2	<u>114,804</u>	<u>128,502</u>
TOTAL		447,412	506,261
EXPENDITURE ON CHARITABLE ACTIVITIES			
Raising funds	3	5,790	5,165
Attendance fees, Café and art supplies	4	308,621	342,457
Support costs		26,108	15,021
Care fees		<u>79,417</u>	<u>125,333</u>
TOTAL		419,936	487,976
Increase in market value of investments		190,166	330,605
Profit on sale of listed investments		-	122,083
Uplift in valuation of investment properties		<u>-</u>	<u>50,000</u>
NET INCOME		217,642	520,973
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		4,491,753	3,970,780
TOTAL FUNDS CARRIED FORWARD		<u>4,709,395</u>	<u>4,491,753</u>

The notes form part of these financial statements

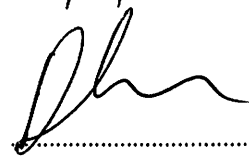
THE DACON TRUST LIMITED

BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 Total funds (Unrestricted) £	2019 Total funds (Unrestricted) £
FIXED ASSETS			
Tangible assets	10	657,505	636,373
INVESTMENTS			
Investments	11	3,055,997	2,865,831
Investment property	12	<u>300,000</u>	<u>300,000</u>
		4,013,502	3,802,204
CURRENT ASSETS			
Debtors	13	107,877	55,499
Cash at bank		<u>660,218</u>	<u>710,159</u>
		768,095	765,658
CREDITORS			
Amounts falling due within one year	14	(72,202)	(76,109)
		<u>695,893</u>	<u>689,549</u>
NET CURRENT ASSETS			
		4,709,395	4,491,753
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>4,709,395</u>	<u>4,491,753</u>
NET ASSETS			
		<u>4,709,395</u>	<u>4,491,753</u>
FUNDS	16		
Unrestricted funds		<u>4,709,395</u>	<u>4,491,753</u>
TOTAL FUNDS		<u>4,709,395</u>	<u>4,491,753</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 25/11/2020 and were signed on its behalf by:



.....
D Flynn - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

General information and basis of preparation

The Dacon Trust Limited is a company limited by guarantee established in England and Wales. The charity is governed by its board of trustees operating under the terms of the memorandum and articles of association. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to support the education and development of life and employment skills for adults with mild and moderate learning disabilities.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets. The financial statements are presented in sterling which is the functional currency of the charity.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact including obtaining grants where applicable. Based on these assessments, cash, and the current funds available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Significant judgements and estimates

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported as revenue and expenses during the year. However, the nature of estimations means that the actual outcomes could differ from these estimates. The following item is highlighted as a judgement that has had the most significant effect on amounts recognised in the financial statements and the key source of estimation uncertainty.

Revaluation of Investment Property

The company carries its Investment Property at fair value, with changes in the fair value being recognised in the statement of financial activities. The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

Incoming resources

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Income received in advance for day sessions is deferred until the trainee attends.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs of operation and maintaining the investment income.

1. ACCOUNTING POLICIES - continued

Resources expended - continued

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. Where support costs relate to more than one activity they have been allocated on the basis of staff time and resources consumed by each activity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Land & Buildings	- Nil - 5% on cost
Tenants improvements	- 33% on cost
Plant & machinery & Fixtures & Fittings	- 15% - 30% on cost

A proportion of the freehold land and buildings is not depreciated as it relates to the land.

Investment property

Investment properties are held at market value with changes in value recognised in the statement of financial activity.

Investment assets

Investment assets are carried at open market value. Changes in valuation are recognised in the statement of financial activity.

Taxation

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

Fund accounting

All funds of the charity are unrestricted. The funds are available for use at the discretion of the trustees for the general objectives of the charity. Unrestricted funds include a fair value reserve representing the restatement of investments at market values.

Pension costs

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The trust 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 measured at their settlement value.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. INVESTMENT INCOME		
	2020	2019
	£	£
Income from UK investment properties	24,136	27,906
Income from UK listed investments	<u>90,668</u>	<u>100,596</u>
	<u>114,804</u>	<u>128,502</u>
3. RAISING FUNDS		
Investment management costs		
	2020	2019
	£	£
General expenses	<u>5,790</u>	<u>5,165</u>
4. CHARITABLE ACTIVITIES COSTS		
	2020	2019
	£	£
Wages and salaries	198,754	188,621
Employers national insurance	11,208	13,794
Pensions	10,995	11,468
Other direct costs	89,316	128,574
Support costs (see note 5)	<u>24,456</u>	<u>15,021</u>
	<u>334,729</u>	<u>357,478</u>

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

5. SUPPORT COSTS

	2020	2019
	£	£
Accountancy fees	7,885	4,500
Audit fees	7,680	7,860
Legal fees	<u>8,891</u>	<u>2,661</u>
	<u>24,456</u>	<u>15,021</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	1,638	2,450
Auditors' remuneration - audit of the financial statements	7,680	7,860
Operating leases - rent	<u>59,737</u>	<u>55,608</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees are deemed to be the key management personnel of the charity. There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	198,754	188,621
Social security costs	11,208	13,794
Other pension costs	<u>10,995</u>	<u>11,468</u>
	<u>220,957</u>	<u>213,883</u>

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

	2020	2019
Full time equivalents	<u>13</u>	<u>14</u>

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

9. TAXATION

No Corporation tax has been provided based on the Company's charitable status.

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Assets under construction £	Tenants improvements £	Plant & machinery & Fixtures & Fittings £	Totals £
COST					
At 1 January 2020	655,028	-	24,524	146,195	825,747
Additions	-	22,613	-	157	22,770
Reclassification	<u>(337,833)</u>	<u>337,833</u>	-	-	-
At 31 December 2020	<u>317,195</u>	<u>360,446</u>	<u>24,524</u>	<u>146,352</u>	<u>848,517</u>
DEPRECIATION					
At 1 January 2020	27,200	-	24,524	137,650	189,374
Charge for year	-	-	-	1,638	1,638
At 31 December 2020	<u>27,200</u>	-	<u>24,524</u>	<u>139,288</u>	<u>191,012</u>
NET BOOK VALUE					
At 31 December 2020	<u>289,995</u>	<u>360,446</u>	-	<u>7,064</u>	<u>657,505</u>
At 31 December 2019	<u>627,828</u>	-	-	<u>8,545</u>	<u>636,373</u>

The market value of the freehold land and buildings, in the opinion of the trustees, is in excess of the carrying value in the accounts.

Included in freehold land and buildings is an amount of £289,995 that is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2020	2,865,831
Revaluations	<u>190,166</u>
At 31 December 2020	<u>3,055,997</u>
NET BOOK VALUE	
At 31 December 2020	<u>3,055,997</u>
At 31 December 2019	<u>2,865,831</u>

There were no investment assets outside the UK.

The historical cost of the listed investments as at 31 December 2020 was £1,322,227 (2019: £1,322,227)

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020 and 31 December 2020	<u>300,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>300,000</u>
At 31 December 2019	<u>300,000</u>

The investment properties are held at a value which, in the opinion of the trustees, reflects open market value at the balance sheet date.

THE DACON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	200	-
Prepayments and accrued income	<u>107,677</u>	<u>55,499</u>
	<u>107,877</u>	<u>55,499</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	3,212	2,226
Other taxes and social security	5,047	7,100
Other creditors	55,185	56,805
Accruals and deferred income	<u>8,758</u>	<u>9,978</u>
	<u>72,202</u>	<u>76,109</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	36,750	47,867
Between one and five years	<u>-</u>	<u>36,750</u>
	<u>36,750</u>	<u>84,617</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

16. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	487,976	29,114	(97,154)	419,936
Fixed Asset Fund	1,163,910	(1,638)	(504,767)	657,505
Investment Fund	<u>2,839,867</u>	<u>190,166</u>	<u>601,921</u>	<u>3,631,954</u>
	<u>4,491,753</u>	<u>217,642</u>	-	<u>4,709,395</u>
TOTAL FUNDS	<u>4,491,753</u>	<u>217,642</u>	-	<u>4,709,395</u>

1. The Charity should look to hold a general reserve equivalent to 12 months expenditure.
2. The Fixed Asset Fund is set at a figure of £657,505 to reflect the value invested in tangible assets.
3. The Investment fund is considered to be an expendable endowment to provide income to fund the Charity's operations.

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	447,412	(418,298)	-	29,114
Fixed Asset fund	-	(1,638)	-	(1,638)
Investment Fund	-	-	<u>190,166</u>	<u>190,166</u>
	<u>447,412</u>	<u>(419,936)</u>	<u>190,166</u>	<u>217,642</u>
TOTAL FUNDS	<u>447,412</u>	<u>(419,936)</u>	<u>190,166</u>	<u>217,642</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	432,090	140,368	(84,482)	487,976
Fixed Asset Fund	675,963	-	487,947	1,163,910
Investment Fund	<u>2,862,727</u>	<u>380,605</u>	<u>(403,465)</u>	<u>2,839,867</u>
	<u>3,970,780</u>	<u>520,973</u>	-	<u>4,491,753</u>
TOTAL FUNDS	<u>3,970,780</u>	<u>520,973</u>	-	<u>4,491,753</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	506,261	(487,976)	122,083	140,368
Investment Fund	-	-	<u>380,605</u>	<u>380,605</u>
	<u>506,261</u>	<u>(487,976)</u>	<u>502,688</u>	<u>520,973</u>
TOTAL FUNDS	<u>506,261</u>	<u>(487,976)</u>	<u>502,688</u>	<u>520,973</u>

17. RELATED PARTY DISCLOSURES

Included within other creditors is an amount of £35,180 (2019: £35,180) due to three Settlement trusts for which Mr R H Baker acts as trustee. The balances are interest free and repayable on demand.

18. TRANSACTIONS WITH THE TRUSTEES AND DIRECTORS

No trustees were paid remuneration or received other benefits from their employment with the charity's related party during the year.

No trustee's expenses have been incurred during the year.

One of the trustees acted as deputy for one of the charity's trainees. Care costs of £79,417 (2019: £125,333) relating to this trainee were processed through the charity's payroll and then subsequently re-imbursed from the trainee's private funds. This arrangement concluded in August 2020.

During the year the charity used the resources of an agent to manage one of its investment properties. One of the trustees is a director in the entity.

Transactions were carried out in the usual course of the business on commercial terms. Total agency fees amounted to £4,103 (2019: £1,361).

19. COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee. The trustees are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £50 per member of the charity.

THE DACON TRUST LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
INVESTMENT INCOME		
Income from UK investment properties	24,136	27,906
Income from UK listed investments	<u>90,668</u>	<u>100,596</u>
	114,804	128,502
CHARITABLE ACTIVITIES		
Letting of non-investment properties	31,708	30,636
Attendance and care fees	152,807	181,492
Café and art sales	15,533	40,298
Care fees	82,060	125,333
Grants	<u>50,500</u>	<u>-</u>
	<u>332,608</u>	<u>377,759</u>
TOTAL INCOMING RESOURCES	447,412	506,261
EXPENDITURE		
INVESTMENT MANAGEMENT COSTS		
General expenses	5,790	5,165
CHARITABLE ACTIVITIES		
Wages and salaries	198,754	188,621
Employer's national insurance	11,208	13,794
Pensions	10,995	11,468
Rent, rates and water	39,047	70,471
Insurance	10,061	9,092
Light and heat	11,340	4,854
Sundries	11,483	9,940
Repairs and other expenses	4,575	891
Motor and travel costs	1,314	3,148
Purchases	8,206	21,475
Depreciation of tangible fixed assets	<u>1,638</u>	<u>2,450</u>
	308,621	336,204
CARE FEES		
Wages and salaries	71,884	113,262
National insurance	<u>7,533</u>	<u>12,071</u>
	79,417	125,333

THE DACON TRUST LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
SUPPORT COSTS		
GOVERNANCE COSTS		
Accountancy fees	7,885	4,500
Audit fees	7,680	7,860
Legal fees	<u>8,891</u>	<u>2,661</u>
	<u>24,456</u>	<u>15,021</u>
TOTAL RESOURCES EXPENDED	<u>419,936</u>	<u>487,976</u>
NET INCOME BEFORE GAINS AND LOSSES	27,476	18,285
RECOGNISED GAINS AND LOSSES		
Unrealised gains on fixed asset investments	190,166	330,605
Realised profits on sale of listed investments	-	122,084
Uplift in valuation of investment property	<u>-</u>	<u>50,000</u>
Net income	<u>217,642</u>	<u>520,973</u>

This page does not form part of the statutory financial statements