

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

**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.

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.

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:

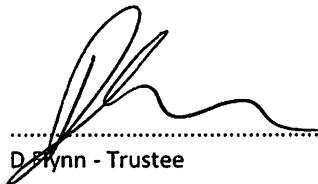
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

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.

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 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			
Raising funds	3	5,790	5,165
CHARITABLE ACTIVITIES	4		
Attendance fees, Café and art supplies		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

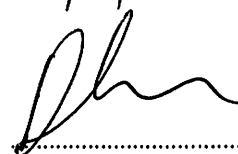
THE DACON TRUST LIMITED

BALANCE SHEET
31 DECEMBER 2020

		2020 Total funds (Unrestricted) £	2019 Total funds (Unrestricted) £
FIXED ASSETS	Notes		
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		4,709,395	4,491,753
NET ASSETS		4,709,395	4,491,753
FUNDS	16		
Unrestricted funds		<u>4,709,395</u>	<u>4,491,753</u>
TOTAL FUNDS		4,709,395	4,491,753

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 25/11/2021 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.

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

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.

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	10,995	11,468
	<u>220,957</u>	<u>213,883</u>

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

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

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>	<u>-</u>	<u>-</u>	<u>-</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	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,638</u>	<u>1,638</u>
At 31 December 2020	<u>27,200</u>	<u>-</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>-</u>	<u>7,064</u>	<u>657,505</u>
At 31 December 2019	<u>627,828</u>	<u>-</u>	<u>-</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.

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	-	-	380,605	380,605
	<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