

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**

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<b>TRUSTEES</b>	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)
<b>COMPANY SECRETARY</b>	Mrs K Hyde
<b>REGISTERED OFFICE</b>	26 St John's Street Colchester Essex CO2 7HB
<b>REGISTERED COMPANY NUMBER</b>	00968662
<b>REGISTERED CHARITY NUMBER</b>	260380
<b>AUDITORS</b>	Haines Watts Statutory Auditors Town Wall House Balkerne Hill Colchester Essex CO3 3AD
<b>BANKERS</b>	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**

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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 19<sup>th</sup> 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

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#### 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**

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#### **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**

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#### **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**

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**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**

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**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**

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**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

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### **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](http://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**

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**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) £
<b>INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES</b>			
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>
<b>TOTAL</b>		<u>332,235</u>	<u>346,109</u>
<b>EXPENDITURE ON</b>			
Raising funds	3	5,732	6,745
<b>CHARITABLE ACTIVITIES</b>			
Attendance fees, café and art supplies	4	<u>427,851</u>	<u>356,888</u>
<b>Total</b>		<u>433,583</u>	<u>363,633</u>
Net gains/(losses) on investments		<u>(371,229)</u>	<u>433,507</u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(472,577)</b>	<b>415,983</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>5,125,378</u>	<u>4,709,395</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>4,652,801</u></u>	<u><u>5,125,378</u></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**

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

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.

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

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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><b>103,029</b></u>	<u><b>107,233</b></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><b>427,851</b></u>	<u><b>356,888</b></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 £
<b>COST</b>					
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>
<b>DEPRECIATION</b>					
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>
<b>NET BOOK VALUE</b>					
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>

THE DACON TRUST LIMITED

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

	£
<b>FAIR VALUE</b>	
At 1 January 2022 and 31 December 2022	<u>300,000</u>
<b>NET BOOK VALUE</b>	
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 £
<b>Unrestricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<u>4,709,395</u>	<u>415,983</u>	-	<u>5,125,378</u>

**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 £
<b>Unrestricted funds</b>				
General fund	346,109	(358,553)	-	(12,444)
Fixed Asset Fund	-	(5,080)	-	(5,080)
Investment Fund	-	-	433,507	433,507
	<u>346,109</u>	<u>(363,633)</u>	<u>433,507</u>	<u>415,983</u>
<b>TOTAL FUNDS</b>	<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 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
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
<b>Charitable activities</b>		
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>
	<u>229,206</u>	<u>238,876</u>
<b>Total Incoming resources</b>	<b>332,235</b>	<b>346,109</b>
<b>EXPENDITURE</b>		
<b>Investment management costs</b>		
Letting agent fees	5,732	6,745
<b>Charitable activities</b>		
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>
	<b>396,155</b>	<b>330,668</b>

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 £
<b>Support costs</b>		
<b>Governance costs</b>		
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)
<b>Realised and unrealised gains and losses</b>		
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>

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