

Drumcree Community Trust

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2018

		2018			2017	
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	13,359	88,826	–	102,185	85,305
Other trading activities	6	–	–	–	–	(48)
Other income	7	3,700	–	–	3,700	4,567
Total income		<u>17,059</u>	<u>88,826</u>	<u>–</u>	<u>105,885</u>	<u>89,824</u>
Expenditure						
Expenditure on charitable activities	8,9	29,833	88,826	9,285	127,944	109,812
Total expenditure		<u>29,833</u>	<u>88,826</u>	<u>9,285</u>	<u>127,944</u>	<u>109,812</u>
Net expenditure and net movement in funds		<u>(12,774)</u>	<u>–</u>	<u>(9,285)</u>	<u>(22,059)</u>	<u>(19,988)</u>
Reconciliation of funds						
Total funds brought forward		(14,613)	–	396,188	381,575	401,563
Total funds carried forward		<u>(27,387)</u>	<u>–</u>	<u>386,903</u>	<u>359,516</u>	<u>381,575</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

Drumcree Community Trust

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Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	14	407,216	417,401
Current assets			
Cash at bank and in hand		18,751	18,586
Creditors: amounts falling due within one year	15	66,451	54,412
Net current liabilities		<u>47,700</u>	<u>35,826</u>
Total assets less current liabilities		359,516	381,575
Net assets		<u>359,516</u>	<u>381,575</u>
Funds of the charity			
Endowment funds		386,903	396,188
Unrestricted funds		(27,387)	(14,613)
Total charity funds	16	<u>359,516</u>	<u>381,575</u>


For the year ending 31 December 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 27 November 2019, and are signed on behalf of the board by:


Collette Mercer (Secretary)
Trustee


Breandan Mac Cionnaith
Trustee

The notes on pages 11 to 19 form part of these financial statements.

Drumcree Community Trust

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Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is 3 Ashgrove Road, Portadown, Co. Armagh, BT62 1PA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The Trustees have taken advantage of the small companies' regime exemption from the requirement to prepare a cash flow statement.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and income and expenditure in the reporting period. Actual results could differ from those estimates.

Impairment of Fixed Assets

The Trust's property, plant and equipment are stated at cost less accumulated depreciation. The assets are depreciated over their estimated useful economic lives. The carrying values of such assets are reviewed annual for any indications of impairment.

Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Drumcree Community Trust

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Endowment funds represent those assets which must be held permanently by the charity, principally the building. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Renovations	-	2% straight line
Fixtures and fittings	-	10% reducing balance
Capital Grants	-	10% reducing balance

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of a winding up. In the result of such an event, the liability of each member will not exceed £1.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donations	13,359	–	13,359
Grants			
Health and Social Services Grant	–	29,844	29,844
Surestart Grant	–	21,736	21,736
SELB	–	–	–
SELB	–	26,666	26,666
SELB NR	–	–	–
Clear Grant	–	6,140	6,140
Henry Smyth Charity Grant	–	–	–
NIHE Grant Income	–	4,440	4,440
	<u>13,359</u>	<u>88,826</u>	<u>102,185</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	2,881	–	2,881

Drumcree Community Trust

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Grants			
Health and Social Services Grant	–	29,593	29,593
Surestart Grant	–	18,069	18,069
SELB	2,500	16,937	19,438
SELB	–	–	–
SELB NR	–	7,924	7,924
Clear Grant	–	5,300	5,300
Henry Smyth Charity Grant	–	2,100	2,100
NIHE Grant Income	–	–	–
	<u>5,381</u>	<u>79,923</u>	<u>85,305</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Shop income	<u>–</u>	<u>–</u>	<u>(48)</u>	<u>(48)</u>

7. Other income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Cabin Club Income	3,700	3,700	1,260	1,260
Trip Income	–	–	1,957	1,957
Rent Received	–	–	1,350	1,350
	<u>3,700</u>	<u>3,700</u>	<u>4,567</u>	<u>4,567</u>

A more detailed breakdown of income is given in the management information section.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Direct Charitable Expenditure	1,477	32,864	–	34,341
Support costs	28,356	55,962	9,285	93,603
	<u>29,833</u>	<u>88,826</u>	<u>9,285</u>	<u>127,944</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Direct Charitable Expenditure	4,528	35,461	–	39,989
Support costs	16,075	44,462	9,285	69,823
	<u>20,603</u>	<u>79,923</u>	<u>9,285</u>	<u>109,812</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Direct Charitable Expenditure	34,341	89,893	124,234	106,730
Governance costs	–	3,710	3,710	3,082
	<u>34,341</u>	<u>93,603</u>	<u>127,944</u>	<u>109,812</u>

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	<u>10,185</u>	<u>10,286</u>

11. Independent examination fees

	2018 £	2017 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,000</u>	<u>2,500</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018 £	2017 £
Wages and salaries	<u>66,633</u>	<u>44,461</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

12. Staff costs *(continued)*

The average head count of employees during the year was 8 (2017: 6). The average number of full-time equivalent employees during the year is analysed as follows:

	2018 No.	2017 No.
Number of staff - Charitable Activities	<u>8</u>	<u>6</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

13. Trustee remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2016: £nil).

14. Tangible fixed assets

	Buildings	Renovations	Land	Fixtures and fittings	Capital Grants	Total
	£	£	£	£	£	£
Cost						
At 1 Jan 2018 and 31 Dec 2018	<u>470,194</u>	<u>28,197</u>	<u>3,000</u>	<u>36,866</u>	<u>(48,920)</u>	<u>489,337</u>
Depreciation						
At 1 Jan 2018	64,845	4,751	–	17,940	(15,600)	71,936
Charge for the year	<u>9,285</u>	<u>564</u>	<u>–</u>	<u>1,892</u>	<u>(1,556)</u>	<u>10,185</u>
At 31 Dec 2018	<u>74,130</u>	<u>5,315</u>	<u>–</u>	<u>19,832</u>	<u>(17,156)</u>	<u>82,121</u>
Carrying amount						
At 31 Dec 2018	<u>396,064</u>	<u>22,882</u>	<u>3,000</u>	<u>17,034</u>	<u>(31,764)</u>	<u>407,216</u>
At 31 Dec 2017	<u>405,349</u>	<u>23,446</u>	<u>3,000</u>	<u>18,926</u>	<u>(33,320)</u>	<u>417,401</u>

15. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	18,234	18,993
Accruals and deferred income	<u>48,217</u>	<u>35,419</u>
	<u>66,451</u>	<u>54,412</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

16. Analysis of charitable funds

Unrestricted funds

	At 1 January 2018	Income £	Expenditure £	At 31 December 2018 £
General funds	(14,613)	17,059	(29,833)	(27,387)

Restricted funds

	At 1 January 2018	Income £	Expenditure £	At 31 December 2018 £
Restricted Funds	–	88,826	(88,826)	–

Endowment funds

	At 1 January 2018	Income £	Expenditure £	At 31 December 2018 £
Permanent Endowment Fund 1 - Building Fund	371,868	–	(9,285)	362,583
Permanent Endowment Fund 2 - Original Building Fund	24,320	–	–	24,320
	<u>396,188</u>	<u>–</u>	<u>(9,285)</u>	<u>386,903</u>

17. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	8,152	399,064	407,216	417,401
Current assets	18,751	–	18,751	18,586
Creditors less than 1 year	(66,451)	–	(66,451)	(54,412)
Net assets	<u>(39,548)</u>	<u>399,064</u>	<u>359,516</u>	<u>381,575</u>