



Alexander Sloan

Accountants and Business Advisers

DIGITAL PRESERVATION COALITION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

PAGES FOR FILING WITH REGISTRAR

Company Registration No. 04492292 (England and Wales)

DIGITAL PRESERVATION COALITION

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DIGITAL PRESERVATION COALITION

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	5		4,417		5,460
Current assets					
Debtors	6	37,145		64,881	
Cash at bank and in hand		380,969		226,062	
		<u>418,114</u>		<u>290,943</u>	
Creditors: amounts falling due within one year	7	<u>(183,152)</u>		<u>(118,424)</u>	
Net current assets			234,962		172,519
Total assets less current liabilities			<u>239,379</u>		<u>177,979</u>
Reserves					
Other reserves			170,380		151,039
Designated supporters fund			9,039		9,039
Income and expenditure account			59,960		17,901
Members' funds			<u>239,379</u>		<u>177,979</u>

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 1 December 2020 and are signed on its behalf by:

Dr W Kilbride
Director

Company Registration No. 04492292

The notes on pages 3 to 8 form an integral part of these financial statements.

DIGITAL PRESERVATION COALITION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Other reserves	Designated Income and Supporter Fund	Income and expenditure	Total
	£	£	£	£
Balance at 1 August 2018	116,849	4,139	16,715	137,703
Year ended 31 July 2019:				
Profit and total comprehensive income for the year	-	-	40,276	40,276
Transfers	34,190	4,900	(39,090)	-
Balance at 31 July 2019	<u>151,039</u>	<u>9,039</u>	<u>17,901</u>	<u>177,979</u>
Year ended 31 July 2020:				
Profit and total comprehensive income for the year	-	-	61,400	61,400
Transfers	19,341	-	(19,341)	-
Balance at 31 July 2020	<u><u>170,380</u></u>	<u><u>9,039</u></u>	<u><u>59,960</u></u>	<u><u>239,379</u></u>

£168,701 of other reserves represents four months worth of budgeted forthcoming expenditure. £1,679 of other reserves represents the Australasia activity profit for the year.

The notes on pages 3 to 8 form an integral part of these financial statements.

DIGITAL PRESERVATION COALITION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Digital Preservation Coalition is a private company limited by guarantee and incorporated in England and Wales. The registered office is Triune Court, Monks Cross Drive, York, YO32 9GZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33% straight line
Fixtures, fittings and equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

DIGITAL PRESERVATION COALITION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

DIGITAL PRESERVATION COALITION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

DIGITAL PRESERVATION COALITION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

3 Operating surplus

	2020	2019
	£	£
Operating surplus for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	27	-
Depreciation of owned tangible fixed assets	3,702	3,784
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Full time	8	7
	<u> </u>	<u> </u>

The aggregate compensation relating to Key Management Personnel was £347,957 (2019: £296,184).

5 Tangible fixed assets

	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 August 2019	21,732	4,264	25,996
Additions	2,659	-	2,659
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2020	24,391	4,264	28,655
	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment			
At 1 August 2019	17,273	3,263	20,536
Depreciation charged in the year	3,254	448	3,702
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2020	20,527	3,711	24,238
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 July 2020	3,864	553	4,417
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2019	4,459	1,001	5,460
	<u> </u>	<u> </u>	<u> </u>

DIGITAL PRESERVATION COALITION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	30,746	52,706
Other debtors	196	-
Prepayments and accrued income	6,203	12,175
	<u>37,145</u>	<u>64,881</u>

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
	Notes	
Trade creditors	6,951	1,068
Corporation tax	449	558
Other taxation and social security	16,174	8,304
Deferred income	8 127,709	74,331
Other creditors	6,136	11,874
Accruals	25,733	22,289
	<u>183,152</u>	<u>118,424</u>

8 Deferred income

	2020	2019
	£	£
Other deferred income	127,709	74,331
	<u>127,709</u>	<u>74,331</u>

9 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was David Jeffcoat.
The auditor was Alexander Sloan.

DIGITAL PRESERVATION COALITION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	3,686	3,072
	<u>3,686</u>	<u>3,072</u>

Operating lease payments recognised as an expense during the year totalled £5,717 (2019: £5,976).

12 Covid-19

In March 2020, the World Health Organisation declared the Covid-19 outbreak a pandemic. The effects of lockdown presented challenges and disruption to Digital Preservation Coalition's operations at the end of the financial year and into 2020/21,. Whilst there have not been significant adverse financial effects to date, the long-term financial implications of the pandemic are not yet known.

The Directors have considered the period up to the date of approval of the financial statements and are not aware of any events having arisen after the balance sheet date which require specific disclosure nor indicate an impairment to assets held at 31 July 2020.

13 Related party transactions

There were no related party transactions which require disclosure in the accounts (2019: None).