

DAVID AND ELAINE POTTER FOUNDATION

England & Wales · Charity number 1078217

Details

Other names	DAVID AND ELAINE POTTER CHARITABLE FOUNDATION
Status	Registered
Legal form	Other
Registered	1999-11-16
Register	View on the Charity Commission register

Contact

Address	6 Hamilton Close London NW8 8QY
Phone	02039159283
Email	info@potterfoundation.com
Website	www.potterfoundation.com

Activities

Objects: THE TRUSTEES SHALL HOLD THE TRUST FUND AND ITS INCOME UPON TRUST TO APPLY THEM FOR:-(1) THE ADVANCEMENT OF EDUCATION OF THE PUBLIC IN PARTICULAR, BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, THE EDUCATION OF THE PUBLIC THROUGH SCIENTIFIC RESEARCH AND THE DISSEMINATION TO THE PUBLIC OF THE USEFUL RESULTS OF SUCH RESEARCH; AND (2) SUCH OTHER CHARITABLE PURPOSES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME THINK FIT.PROVIDED THAT THE TRUSTEES MAY AT THEIR ABSOLUTE DISCRETION FOR THE PERIOD OF TWENTY ONE YEARS FROM THE DATE OF THIS DEED INSTEAD OF APPLYING THE INCOME OF THE CHARITY IN ANY YEAR ACCUMULATE ALL OR ANY PART OF SUCH INCOME AT COMPOUND INTEREST BY INVESTING THE SAME AND THE RESULTING INCOME IN ANY OF THE AUTHORISED INVESTMENTS AND HOLD THE SAME AS AN ACCRETION TO AND AS PART OF THE CAPITAL OF THE CHARITY WITHOUT PREJUDICE TO THE THEIR RIGHT TO APPLY THE WHOLE OR ANY PART OF SUCH ACCUMULATED INCOME IN ANY SUBSEQUENT YEAR AS IF THE SAME WERE INCOME OF THE CHARITY ARISING IN THE THEN CURRENT YEAR.

Activities: The Foundation provides grants to organisations that support projects promoting education, civil society and research that contribute to economic development and well-being in a plural, rational and tolerant society.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- South Africa
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£333,876	£650,951	-	-
2023-12-31	£271,875	£956,497	-	-
2022-12-31	£153,804	£1,054,019	-	-
2021-12-31	£271,189	£1,061,424	-	-
2020-12-31	£308,341	£1,157,158	-	-

Trustees

Name	Role	Appointed
DR DAVID EDWIN POTTER	Chair	
Adam Asher Polonsky		2023-12-12
Charlotte Elizabeth Langley		2023-12-12
Dr ELAINE POTTER		
MICHAEL GORDON LANGLEY		
MICHAEL POLONSKY		
SAMUEL POTTER		

Accounts



Annual Report and Financial Statements

Year ended

31 December 2024

Registered charity number 1078217

www.potterfoundation.com

The David and Elaine Potter Foundation

Annual Report and Financial Statements for the year ended 31 December 2024

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Trustees

Samuel Potter (Chair)
David Potter
Elaine Potter
Michael Langley
Michael Polonsky
Adam Polonsky
Charlotte Langley

Director

Ben Stewart

Registered office

6 Hamilton Close, London, NW8 8QY

Registered charity number

1078217

Auditor

HW Fisher Audit, Acre House, 11-15 William Road, London NW1 3ER

Bankers

Lloyds Banking Group, Ground Floor, 3 City Park, The Drove Way, Hove, BN3 7AU (until November 2024)
CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ (from July 2024)
Goldman Sachs International Ltd, River Court, 120 Fleet Street, London, EC4A 2BE

Investment advisors

Delft Investments Limited, 6 Hamilton Close, London, NW8 8QY

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2024

Report of the Trustees

The Trustees present their report and financial statements for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in the *Notes to the Financial Statements* and comply with the Foundation's trust deed, 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 (FRS 102) (effective 1 January 2019)".

The Trustees have paid due regard to the Charity Commission's guidance on public benefit.

Structure, governance and management

The David and Elaine Potter Foundation was established on 28 September 1999 under a Declaration of Trust, which is the governing document. The governing body is the Board of Trustees. Trustees are proposed by the founders, Dr David Potter and Dr Elaine Potter, and introduced to the Board for approval.

At the Trustees' meetings, held three times during 2024, the Board discussed and reviewed the strategy, reviewed the management accounts, investment portfolio and grant proposals and reports, and considered the administrative and management needs of the Foundation.

Trustees

The Trustees who served during the year and up to the date of signature of the financial statements were:

Samuel Potter (Chair)
David Potter
Elaine Potter
Michael Langley
Michael Polonsky
Adam Polonsky
Charlotte Langley

Objectives and activities

The objects of the Foundation, as laid out in the Declaration of Trust, are the advancement of education and research for public benefit in the UK and abroad, and also provides for general charitable purposes; there has been no change in these during the year. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Our goals are benevolent with a particular focus to support projects and provide grants that contribute to economic development and well-being in a plural, rational and tolerant society. Our purpose is to support projects promoting reason and education that will improve understanding, governance and a stronger civil society, primarily in the UK but also in South Africa. We believe that the advancement of education and research support the wider goals. We have an international perspective and our charitable objects are pursued where appropriate but with a primary focus on the UK.

In some countries the delivery of public benefit in education, research and economic development has been impeded by corruption or failures in governance. For this reason, the Trustees support the development of a strong civil society, which encompasses human rights, anti-corruption, good governance, transparency and the rule of law, in order to ensure that any grants made to education are built on strong foundations.

We look for conditions meeting these basic standards to ensure our funds fulfil their purposes. We are committed to providing core support, multi-year grants, and programme support, depending on the needs of the grantees that we serve.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2024 (continued)

Total number of grants and total amount awarded since 2000:

Since 2000 we have made 561 grants, providing £23,657,103 of support to 212 organisations.

Area	Total spend (£)	% of total spend	Number of grants
Education	8,586,655	36.3%	209
Civil Society	7,398,936	31.3%	154
Research	4,846,265	20.5%	17
Arts & Non-strategic	2,066,258	8.7%	130
Community & Health	758,989	3.2%	51
TOTAL	£23,657,103		561

The Foundation originated with a gift from Dr David Potter. Over the following years additional funds have been received through gifts from the Founders and positive investment returns from capital. Since the Foundation started operating in 2000, £23,657,103 has been awarded in grants. Of this, £13,432,920 (56.8%) has been granted for the original primary objects of education and research in the UK and Africa. To support these primary objects, we have also made grants totalling £7,398,936 (31.3%) that support the development of a strong civil society; which consists of the promotion of good governance (£4,196,059 – 17.8%), human rights (£2,774,877 - 11.7%) and the development of the rule of law (£428,000 – 1.8%). Further grants totalling £2,825,247 (11.9%) have been given under the general objects of the Trust Deed for the support of the Arts, Community and Health projects and other charitable donations not related to our strategy.

Over the last 25 years the Foundation has provided support to postgraduate scholarships at the University of Cape Town in South Africa, teacher training initiatives, mentoring programmes for disadvantaged children, literacy projects, distance learning programmes and the testing of new technologies in education. Major grants supporting governance and human rights, with a particular focus on Africa have been provided to the Universities of Cambridge, Oxford and Pretoria. Grants to support the development of an effective civil society have been made to organisations such as Amnesty International, Reprieve, the Death Penalty Project, Human Rights Watch, Global Witness, Transparency International UK, Liberty, Africa's Voices Foundation, Forensic Architecture, the Trust for the Bureau of Investigative Journalism, openDemocracy, the Centre for Investigative Journalism, Spotlight on Corruption and the Bingham Centre for the Rule of Law.

We believe that our record is strong in its effect and in fulfilling its strategic purposes. We also believe it is important to regularly review the strategy, direction and goals of the Foundation to ensure our giving is making a difference and having the most benefit.

Grant making policies

Our website contains information about what we do and do not fund which is informed by our strategy. It also contains details of all grants made since the Foundation started in 2000. In-depth case studies of a number of grants are used to illustrate the Foundation's support, and the use of Google Analytics allows analysis of site traffic to monitor and improve its usability. We also publish additional information on all grants awarded since 2013, in order to meet the 360Giving standard. We believe that with better information, grant makers can be more effective and strategic decision-makers. 360Giving provides support for grant makers to publish their grants data openly, to understand their data, and to use the data to create online tools that make grant making more effective.

The Foundation does not support individuals directly and only registered charities (or locally registered equivalents) are eligible to apply. Applications are by invitation only, and those organisations that are invited to apply must use our forms and guidelines. In some instances, we may encourage projects or search for partner charities with similar goals. The Director provides guidance for applicants and additional support for major applications, which in turn will be reviewed in more depth by Trustees. In some instances peer review processes will be used. We have a simple online grants management system that covers grant application, monitoring and reporting requirements.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2024 *(continued)*

Grant making policies *(continued)*

The Director is responsible for all administration, the processing of applications and due diligence, the review and management of grants and the preparation of annual reports. Trustees review applications and reports and reach final decisions on awards.

Assessment and learning

We monitor and follow up all grants to ensure that they are spent effectively and in line with our charitable objects. As a minimum requirement, all grant holders are required to submit a final report on the work funded and carried out under the grant, and a small proportion of funds are normally retained until this is completed to our satisfaction. We review the structure and form of our reporting to gain a better understanding of the difference our grants make, to inform future grant making and share learning.

We support the dissemination of best practice, the principles of open access, the use of open source data and the use of Creative Commons licences (a set of licences which automatically give permission to reuse and distribute online and digital content) to support the sharing of learning from the grants we fund. We want to encourage a process of reflection and learning among our grantees, so they are better able to understand and improve their work. Grantees need to understand what they are doing, how well they are doing it, and what they need to change in order to deliver their mission. We believe that an accountable organisation is one that learns and improves as a result.

Grants awarded during the year 2024

In 2024 we awarded seven (7) new grants totalling £442,092:

Performa	29,550	Arts
Lumiere Crèche and Day Care Centre	42,542	Education
Death Penalty Project	30,000	Civil Society - Human Rights
Reprieve	30,000	Civil Society - Human Rights
Spotlight on Corruption	30,000	Civil Society - Governance
Transparency International UK	30,000	Civil Society - Governance
Trust for the Bureau of Investigative Journalism	250,000	Civil Society - Governance

TOTAL GRANTS AWARDED 2024	£442,092	
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University of Cape Town (repaid)	(72,329)	Education
University of Salford (repaid)	(3,000)	Civil Society

NET GRANTS AWARDED 2024	£366,763	(See Note 7)
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Highlights of major grants awarded in 2024

Trust for the Bureau of Investigative Journalism, core funding grant of £250,000

The Bureau of Investigative Journalism (BIJ) was founded in 2010 to provide a trusted and reliable source of information and facts to improve understanding of the complex issues affecting society, and to hold the increasing global networks of power to account. Since then the organisation has undergone considerable change and significant growth. The BIJ's mission is to inform the public about the realities of power in today's world. Through fact-based, unbiased reporting, it exposes systemic wrongs, counters misinformation and sparks change. It seeks to provide the evidence base that informs public and political debate around serious issues, calls for transparency and accountability in governments and corporations, strengthens civil society and democratic processes, and supports the rights of vulnerable individuals and communities across the UK and more widely.

The Trust for the Bureau of Investigative Journalism (TBIJ) was established in 2018, allowing charitable donations to be made to the BIJ for the parts of its work that are clearly charitable. In 2024 we provided a grant of £250,000 to support the charitable aspects of the BIJ's work through the TBIJ.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2024 (*continued*)

Director's report

2024 was another challenging year for the voluntary sector and the different organisations we support. Ongoing global instability, high levels of inflation and the cost of living crisis all impacted on their work, and especially on their finances and fundraising capacity. All of our grants in 2024 were to support core funding which allowed these organisations flexibility to run effectively and address the various challenges and increases in demand they all faced. We remained flexible in our monitoring, reporting and payment processes to support grantees as needed.

In 2024 we launched a strategic review to identify a major legacy project. This process has continued into 2025 and will focus on the establishment of a permanent academic centre, the Potter Institute, at a leading UK university. We have held talks with a number of UK universities to see where the best fit may be between our interests and their strategic priorities and are considering their proposals.

Alongside this we are considering how we can support education and civil society projects more effectively. We are looking at developing strategic capacity building projects in education and are fine tuning our support for investigative journalism, anti-corruption, effective governance and the abolition of the death penalty

Lloyds Private Banking were no longer able to provide us with the services we needed, so in 2024 we opened a new account with CAF Bank.

We have continued to keep a close watch over our investment portfolio, which performed well throughout 2024, despite the ongoing turbulent external market conditions. The Trustees are aware that if the portfolio loses value, our ability to support the organisations carrying out vital work will be affected and therefore we maintain a low risk approach to managing it.

Despite these ongoing challenges we continue to look at how we work with and support our grantees so that our funding can make the biggest difference possible. We continue to partner with civil society organisations and other funders to share knowledge and learning, and are active members of the International Education Funders Group and Ariadne and liaise closely with organisations such as 360Giving, the Trust, Accountability, and Inclusion Collaborative, the Independent Philanthropy Association of South Africa and the Association of Charitable Foundations in the UK.

Financial review

The *Statement of Financial Activities* for the year, *Balance Sheet* and *Statement of Cash Flows* are set out on pages 12 to 14.

The opening balance of funds in the Foundation on 1 January 2024 was £15,323,452. The capital value of investments decreased by £289,441 (2023 – decreased by £203,868) in sterling and there were charges of £137,038 (2023 - £144,578) for investment management. The Foundation's total incoming resources during the year were £333,876 (2023 – £271,875). After support and governance costs of £147,150 (2023 – £147,148) and grants payable of £366,763 (2023 – £664,771) funds at the end of the year were £14,716,936.

The investment policy of the Foundation is to generate secure income annually by investing over a wide and diversified global portfolio of bonds, money deposits, equity, and property. The Foundation manages and monitors risks rigorously and targets low volatility. The spread offered by a global portfolio is likely to produce optimum returns subject to a small risk profile.

To mitigate the volatility of individual currencies in a global portfolio, the Foundation uses a compound of currencies weighted by gross domestic product in the major economic zones – the Global Currency Index (GCI). This is a geometric weighting based on 30% US Dollars, 20% Euros, 20% Chinese Renminbi, 10% Japanese Yen, 10% Great British Pounds and 10% Australian Dollars. It is similar in form to the International Monetary Fund special drawing rights. Investment performance is measured in GCI. In this measure total returns during the year were a gain of 2.18% (2023 – gain of 6.14%). The volatility of the portfolio was 4.40% (2023 – 3.82%). During the year, sterling rose relative to other currencies, as measured by the GCI, and recorded a gain 2.34% (2023 – gain of 5.62%). The investment performance in sterling produced a loss of 0.16% (2023 – sterling gain of 0.42%).

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2024 (continued)

Financial review (continued)

Values in Sterling	2021 £	2022 £	2023 £	2024 £
Investment income	150,782	94,371	266,375	330,376
Donations	120,407	59,433	5,500	3,500
Total income	271,189	153,804	271,875	333,876
Opening funds	16,472,210	16,586,609	16,211,942	15,323,452
Costs of investment management and charitable activities	(1,061,424)	(1,054,019)	(956,497)	(650,951)
Movement on capital funds	904,634	525,548	(203,868)	(289,441)
Closing funds	16,586,609	16,211,942	15,323,452	14,716,936
Total return in Sterling per annum	6.46%	3.42%	0.42%	(0.16)%
Global Currency Index (GCI)				
Exchange rate currency index/£ January 1st	0.7926	0.7796	0.8229	0.7791
Exchange rate currency index/£ December 31st	0.7796	0.8229	0.7791	0.7613
Increase/(Decrease) in value of Sterling versus GCI	1.67%	(5.26)%	5.62%	2.34%
Values in GCI	GCI	GCI	GCI	GCI
Investment income – GCI, year end	203,218	118,327	277,705	319,719
Opening funds	20,878,391	21,342,002	19,700,987	19,668,145
Income less grants and expenses	(1,064,636)	(1,093,954)	(878,734)	(523,485)
Movement on capital funds	1,528,247	(547,061)	845,892	404,253
Closing funds	21,342,002	19,700,987	19,668,145	19,548,913
Total return in GCI per annum	8.24%	(2.03)%	6.14%	2.18%

The market value of investments at year end was £14,894,140 (2023 - £15,493,198). After grants committed and not yet paid, other creditors and including the cash balance, the Foundation's unrestricted funds at 31st December 2024 were £14,716,936 (2023 - £15,323,452).

There are no restrictions on the Trustees' powers of investment. The investment policy of the Trustees is to optimise income and maintain the real value of capital, while mitigating risk through a secure investment spread over a range of assets and currencies.

During 2024 positions in Equities were increased while positions in short duration high quality bonds were maintained. Towards the end of 2024, a number of long term Equity positions were sold and an allocation was made to a shorter term algorithmic trading strategy called Penguin.

At the year-end, investments held were spread between cash and deposits, public equities and high quality bonds. The currency spread of assets was US Dollars 41%, Euros 10%, Chinese Renminbi 10%, Japanese Yen 10%, Great British Pounds 10%, Australian Dollars 9%, and other currencies 10%.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2024 *(continued)*

Financial review *(continued)*

The compound average return over the last five years in the GCI is +2.5% with an average annualised volatility of 4.4%. For comparison, the compound average return over the last five years in Sterling is +2.0% with annualised volatility of 4.4%.

The value of a standard currency base can be seen over an extended period. During the financial crisis between the summer of 2007 to December 2010, Sterling fell some 40% against an index of currencies. Over the last few years there had been a partial recovery, undermined by the decline in the pound following the UK referendum to leave the European Union. Over the past nineteen years from 2006 to 2024, which includes the great recession and Covid-19 crashes, compound average returns in GCI were +3.7% with an average volatility of 3.7%. In Sterling average compound returns were +4.8% with a volatility of 7.1%. The average Sharpe ratio of returns relative to the GCI is 1.0. Due to the volatility of Sterling, the average Sharpe ratio of returns relative to Sterling is 0.7.

Reserves

The Foundation has free, unrestricted reserves of £14,716,936. Conservative management of our investments enables the Foundation to fund its ongoing grant giving activities. The Trustees are satisfied that the level of free reserves held are appropriate. The Trustees regularly review the Foundation's strategy and policies to ensure that it continues to meet its charitable purposes both in the short and long term.

Office facilities

The Trustees were very grateful for the use of office space in London in 2024, which was provided, at no cost, by Dr David Potter. The financial statements do not reflect this benefit.

Volunteers

The Trustees were very grateful for the use of a personal assistant, whose time was paid for by Dr David Potter. The financial statements reflect this benefit.

Risk management

The Trustees have examined the major strategic, business, investment and operational risks that the charity faces and confirm that the systems in place remain adequate to manage risk. The results over the last few years demonstrate tight control of the investment portfolio during an extremely volatile period in world markets. Funds have been maintained such as to ensure funding of the charitable activities for as long as possible.

Fundraising

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable would be presented in the financial statements as "Donations". As a private foundation, the David and Elaine Potter Foundation does not undertake any fundraising activities whatsoever.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2024 *(continued)*

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Trustees confirm that in so far as each of the Trustees is aware:

- There is no relevant audit information of which the charity's auditor is not aware; and,
- The Trustees have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees



Samuel Potter
Chair of Trustees

Date 08 May 2025

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2024

Opinion

We have audited the financial statements of the David and Elaine Potter Foundation (the 'Foundation') for the year ended 31 December 2024 which comprise the *Statement of Financial Activities*, the *Balance Sheet*, the *Statement of Cash Flows* and the Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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 Foundation'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2024 (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or,
- sufficient accounting records have not been kept; or,
- the financial statements are not in agreement with the accounting records; or,
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees 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 Foundation'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2024 (*continued*)

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of bank balances and investments.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation, such as the charity board minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher Audit

HW Fisher Audit

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

08 May 2025
.....

HW Fisher Audit is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a Charity under of section 1212 of the Companies Act 2006.

The David and Elaine Potter Foundation

Statement of Financial Activities Including income and expenditure account for the year ended 31 December 2024

		Unrestricted funds	Unrestricted funds
		2024	2023
	Notes	£	£
<u>Income from:</u>			
Donations	3	3,500	5,500
Investments	4	330,376	266,375
Total income		333,876	271,875
<u>Expenditure on:</u>			
Investment management costs	5	137,038	144,578
Charitable activities	6	513,913	811,919
Total resources expended		650,951	956,497
Net gains/(losses) on investments	11	(289,441)	(203,868)
Net movement in funds		(606,516)	(888,490)
Fund balances at 1 January		15,323,452	16,211,942
Fund balances at 31 December		14,716,936	15,323,452

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 15 to 22 form part of these financial statements.

The David and Elaine Potter Foundation

Balance Sheet as at 31 December 2024

		2024	2023
	Notes	£	£
Fixed assets			
Investments	12	14,894,140	15,493,198
Current assets			
Cash at bank and in hand		29,865	102,797
Creditors: amounts falling due within one year	13	(207,069)	(261,043)
Net current assets / (liabilities)		(177,233)	(158,246)
Total assets less current liabilities		14,716,936	15,334,952
Creditors: amounts falling due after more than one year	14	-	(11,500)
Net assets		14,716,936	15,323,452
Total unrestricted funds		14,716,936	15,323,452

The financial statements were approved by the Trustees on 08 May 2025



Sam Potter
Chair of Trustees

The notes on pages 15 to 22 form part of these financial statements.

The David and Elaine Potter Foundation

Statement of Cash Flows for the year ended 31 December 2024

		2024		2023	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	16		(672,932)		(757,148)
Investing activities					
Withdrawals from investment fund		<u>600,000</u>		<u>700,000</u>	
Net cash generated from investing activities			<u>600,000</u>		<u>700,000</u>
Net (decrease)/increase in cash and cash equivalents			(72,932)		(57,148)
Cash and cash equivalents at beginning of year			<u>102,797</u>		<u>159,945</u>
Cash and cash equivalents at end of year			<u><u>29,865</u></u>		<u><u>102,797</u></u>

The notes on pages 15 to 22 form part of these financial statements.

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation'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 (FRS 102) (effective 1 January 2019)". The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Based on the Charity's financial forecasts, the unrestricted funds available and level of commitments at the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

All voluntary income is accounted for when received. Investment income is accounted for on accruals basis. Gifts in kind are included at fair value to the charity.

1.5 Expenditure

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Allocation of overhead, governance and support costs

Overhead, governance and support costs have been allocated entirely to charitable activities. They have then been apportioned based on the grant awards made.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit and legal fees. These are reallocated to charitable activities.

Expenditure on raising funds

Expenditure on raising funds consists of investment management fees directly attributable to managing the investment portfolio.

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024 *(continued)*

1 Accounting policies *(continued)*

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

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 Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

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

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the Trustees 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.

There were no estimates within these financial statements.

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

3 Donations

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Donations and gifts		
In-Kind volunteer support	3,500	5,500
Total	<u>3,500</u>	<u>5,500</u>

In-Kind Volunteer Support

One paid employee (2023: two) of Dr David Potter provided administrative support on a voluntary basis to the Foundation during the reporting period.

4 Investments

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Income from fixed asset investments	<u>330,376</u>	<u>266,375</u>

5 Investment management costs

	Unrestricted funds	Unrestricted Funds
	2024 £	2023 £
Goldman Sachs	39,993	40,141
Delft Investments Limited	97,045	104,437
	<u>137,038</u>	<u>144,578</u>

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

6 Charitable activities

For the year ended 31 December 2024	Arts	Non- strategic	Civil Society	Education	Total
	2024	2024	2024	2024	2024
	£	£	£	£	£
Grant funding of activities (see note 7)	29,550	-	367,000	(29,787)	366,763
Share of support costs (see note 8)	8,404	-	106,078	32,668	147,150
	<u>37,954</u>	<u>-</u>	<u>473,078</u>	<u>2,881</u>	<u>513,913</u>
For the year ended 31 December 2023	Arts	Non- strategic	Civil Society	Education	Total
	2023	2023	2023	2023	2023
	£	£	£	£	£
Grant funding of activities (see note 7)	65,000	20,000	349,732	230,039	664,771
Share of support costs (see note 8)	14,388	4,427	77,414	50,919	147,148
	<u>79,388</u>	<u>24,427</u>	<u>427,146</u>	<u>280,958</u>	<u>811,919</u>

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

7 Grants awarded

	Total 2024	Total 2023
Arts		
Almeida Theatre	-	10,000
Donmar Warehouse	-	10,000
Hampstead Theatre	-	15,000
Performa	29,550	-
Philharmonia Orchestra Ltd	-	30,000
Total - Arts	29,550	65,000
Non-Strategic		
MS Society	-	20,000
Total – Non-strategic	-	20,000
Civil Society		
Border Forensics	-	49,732
Death Penalty Project	30,000	-
Index on Censorship (Writers & Scholars Educational Trust)	-	20,000
Open Trust (openDemocracy)	-	50,000
Reprieve	30,000	30,000
Spotlight on Corruption	30,000	40,000
Transparency International UK	30,000	50,000
Trust for the Bureau of Investigative Journalism	250,000	110,000
University of Salford	(3,000)	-
Total - Civil Society	367,000	349,732
Education		
Access Project, the	-	30,000
Brilliant Club, the	-	30,000
Future Frontiers	-	40,000
Lumiere Crèche & Day Care Centre	42,542	37,130
MyBigCareer	-	25,000
University of Cape Town	(72,329)	67,909
Total - Education	(29,787)	230,039
TOTAL GRANTS	<u>366,763</u>	<u>664,771</u>

In 2024, grants totalling £366,763 were awarded to seven (7) organisations (2023 grants totalling £664,771 were awarded to 18 organisations). No grants were made to individuals (2023: none).

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

8 Support costs

	Support costs	Governance costs	2024 Support costs	Governance costs	2023
	£	£	£	£	£
Staff costs	94,527	-	94,527	103,461	103,461
Audit fees	-	16,376	16,376	-	15,882
Accountancy services	-	20,591	20,591	-	10,971
Bank charges	60	-	60	58	58
Other expenses	2,809	-	2,809	3,585	3,585
Website, web hosting and grant system costs	7,875	-	7,875	6,195	6,195
Foreign exchange (gain)/loss	1,412	-	1,412	1,496	1,496
Volunteer in-kind costs	3,500	-	3,500	5,500	5,500
Analysed between charitable activities	110,183	36,967	147,150	120,295	147,148

Governance costs includes payments to the auditors of £36,967 (2023: £26,853) comprising £16,376 relating to audit fees (2023: £15,882), and £20,591 relating to accountancy services (2023: £10,971).

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	1	1
Employment costs	2024 £	2023 £
Wages and salaries	48,125	47,083
Social security costs	14,407	22,708
Other pension costs	31,995	33,670
	94,527	103,461

There was one employee whose emoluments (including pensions) were in the range between £90,001 and £100,000 (2023 – one, between £90,001 and £100,000).

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Investments gains / (losses)	(289,441)	(203,868)

12 Fixed asset investments

	Investment portfolio	Cash in portfolio	Total
	£	£	£
Cost or valuation			
At 1 January 2024	13,516,159	1,977,039	15,493,198
Additions	11,827,966	(11,827,966)	-
Valuation changes and Foreign Exchange loss	(129,511)	(159,930)	(289,441)
Withdrawals from investment fund	-	(600,000)	(600,000)
Investment management fee	-	(39,993)	(39,993)
Investment income and interest paid	-	330,376	330,376
Disposals	(10,451,911)	10,451,911	-
At 31 December 2024	14,762,703	131,437	14,894,140
At 31 December 2023	13,516,159	1,977,039	15,493,198

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Grants payable	155,703	195,540
Other creditors and accruals	51,366	65,503
	207,069	261,043

14 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Grants payable	-	11,500

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

15 Related party transactions

Dr David Potter is a Director of:

- Delft Investments Limited (resigned August 2024)
- The Bureau of Investigative journalism
- Lumiere Crèche & Aftercare NPC (resigned July 2024)

Dr Elaine Potter is a Trustee of the following organisations:

- Westminster School Foundation (UK) Limited
- a Director of:
- The Bureau of Investigative journalism
 - Lumiere Crèche & Aftercare NPC (resigned July 2024)
- and a non-Executive Director of:
- Delft Investments Limited

Mr Samuel Potter is a Trustee of the following organisation:

- Numeric
- and a Director of:
- Delft Investments Limited

Grant commitments during the year to the above organisations were:

- The Bureau of Investigative Journalism - £nil (2023 - £nil)
- The Trust for the Bureau of Investigative Journalism - £250,000 (2023 - £110,000)
- Numeric - £nil (2023 - £nil)
- Westminster School - £nil (2023 - £nil)
- Lumiere Crèche & Aftercare NPC - £42,542 (2023 - £37,130)

Transactions with Delft Investments Limited were conducted on an arm's length basis. The total amount paid to Delft Investments Limited in the reporting period was £97,045 (2023 - £104,437).

16 Cash generated from operations	2024 £	2023 £
(Deficit) / surplus for the year	(606,516)	(888,490)
Adjustments for:		
Investment income recognised in Statement of Financial Activities	(330,376)	(266,375)
Investment management fees paid from portfolio	39,993	40,141
Fair value (gains) and losses on investments	289,441	203,868
Movements in working capital:		
(Increase) / decrease in debtors	-	50,933
Increase / (decrease) in creditors	(65,474)	102,775
Cash absorbed by operations	(672,932)	(757,148)

17 Analysis of changes in net debt

The Foundation had no debt during the year.



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Document generated Thu, 8th May 2025 12:38:37 BST

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Parties involved with this document

Document processed	Party + Fingerprint
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Thu, 8th May 2025 19:50:27 BST	Carol Rudge - Signer (8842b2017edde2b5c2e309bea727829a)

Audit history log

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Thu, 8th May 2025 19:50:27 BST

This envelope has been signed by all parties (89.150.28.98)

DAVID AND ELAINE POTTER FOUNDATION

England & Wales - Charity number 1078217

Accounts



Annual Report and Financial Statements

Year ended

31 December 2023

Registered charity number 1078217

www.potterfoundation.com

The David and Elaine Potter Foundation

Annual Report and Financial Statements for the year ended 31 December 2023

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Trustees

Samuel Potter (Chair)
David Potter
Elaine Potter
Michael Langley
Michael Polonsky
Adam Polonsky (appointed December 2023)
Charlotte Langley (appointed December 2023)

Director

Ben Stewart

Registered office

6 Hamilton Close, London, NW8 8QY

Registered charity number

1078217

Auditor

HW Fisher LLP, Acre House, 11-15 William Road, London NW1 3ER

Bankers

Lloyds Banking Group, Ground Floor, 3 City Park, The Drove Way, Hove, BN3 7AU
Goldman Sachs International Ltd, River Court, 120 Fleet Street, London, EC4A 2BE

Investment advisors

Delft Investments Limited, 6 Hamilton Close, London, NW8 8QY

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023

Report of the Trustees

The Trustees present their report and financial statements for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in the *Notes to the Financial Statements* and comply with the Foundation's trust deed, 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 (FRS 102) (effective 1 January 2019)".

The Trustees have paid due regard to the Charity Commission's guidance on public benefit.

Structure, governance and management

The David and Elaine Potter Foundation was established on 28 September 1999 under a Declaration of Trust, which is the governing document. The governing body is the Board of Trustees. Trustees are proposed by the founders, Dr David Potter and Dr Elaine Potter, and introduced to the Board for approval. Adam Polonsky and Charlotte Langley were proposed and elected as new Trustees to the Board in 2023.

At the Trustees' meetings, held twice during 2023, the Board discussed the efficacy of the strategy, reviewed the management accounts, investment portfolio and grant proposals and reports, and considered the administrative and management needs of the Foundation.

Trustees

The Trustees who served during the year and up to the date of signature of the financial statements were:

Samuel Potter (Chair)
David Potter
Elaine Potter
Michael Langley
Michael Polonsky
Adam Polonsky (appointed December 2023)
Charlotte Langley (appointed December 2023)

Objectives and activities

The objects of the Foundation, as laid out in the Declaration of Trust, are the advancement of education and research for public benefit in the UK and abroad, and also provides for general charitable purposes; there has been no change in these during the year. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Our goals are benevolent with a particular focus to support projects and provide grants that contribute to economic development and well-being in a plural, rational and tolerant society. Our purpose is to support projects promoting reason and education that will improve understanding, governance and a stronger civil society, primarily in the UK but also in South Africa. We believe that the advancement of education and research support the wider goals. We have an international perspective and our charitable objects are pursued across a range of countries, with a primary focus on the UK.

In some countries the delivery of public benefit in education, research and economic development has been impeded by corruption or failures in governance. For this reason, the Trustees support the development of a strong civil society, which encompasses human rights, anti-corruption, good governance, transparency and the rule of law, in order to ensure that any grants made to education are built on strong foundations.

We look for conditions meeting these basic standards to ensure our funds fulfil their purposes. We are committed to providing core support, multi-year grants, and programme support, depending on the needs of the grantees that we serve.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023 (continued)

Total number of grants and total amount awarded since 2000:

Since 2000 we have made 554 grants, providing £23,287,340 of support to 214 organisations.

Area	Total spend (£)	% of total spend	Number of grants
Education	8,616,442	37.0%	208
Civil Society	7,031,936	30.2%	149
Research	4,846,265	20.8%	17
Arts & Non-strategic	2,036,708	8.7%	129
Community & Health	758,989	3.3%	51
TOTAL	£23,287,340		554

The Foundation originated with a gift from Dr David Potter. Over the following years additional funds have been received through gifts from the Founders and positive investment returns from capital. Since the Foundation started operating in 2000, £23,287,340 has been awarded in grants. Of this, £13,462,707 (57.8%) has been granted for the original primary objects of education and research in the UK and Africa. To support these primary objects, we have also made grants totalling £7,028,936 (30.2%) that support the development of a strong civil society; which consists of the promotion of good governance (£3,886,059 – 16.7%), human rights (£2,714,877 – 11.7%) and the development of the rule of law (£428,000 – 1.8%). Further grants totalling £2,795,697 (12.0%) have been given under the general objects of the Trust Deed for the support of the Arts, Community and Health projects and other charitable donations not related to our strategy.

The Foundation has provided support to postgraduate scholarships in South Africa, teacher training initiatives, mentoring programmes for disadvantaged children, literacy projects, distance learning programmes and the testing of new technologies in education. Major grants supporting governance and human rights, with a particular focus on Africa, have been provided to the Universities of Cambridge, Oxford and Pretoria. Grants to support the development of an effective civil society have been made to organisations such as Amnesty International, Reprieve, the Death Penalty Project, Human Rights Watch, Global Witness, Transparency International, Liberty, Africa's Voices Foundation, Forensic Architecture, the Trust for the Bureau of Investigative Journalism, Spotlight on Corruption and the Bingham Centre for the Rule of Law.

We believe that our record is strong in its effect and in fulfilling its strategic purposes. We also believe it is important to regularly review the strategy, direction and goals of the Foundation to ensure our giving is making a difference and having the most benefit.

Grant making policies

Our website contains information about what we do and do not fund which is informed by our strategy. It also contains details of all grants made since the Foundation started in 2000. In-depth case studies of a number of grants are used to illustrate the Foundation's support, and the use of Google Analytics allows analysis of site traffic to monitor and improve its usability. We also publish additional information on all grants awarded since 2013, in order to meet the 360Giving standard. We believe that with better information, grant makers can be more effective and strategic decision-makers. 360Giving provides support for grant makers to publish their grants data openly, to understand their data, and to use the data to create online tools that make grant making more effective.

The Foundation does not support individuals directly and only registered charities (or locally registered equivalents) are eligible to apply. Applications are by invitation only, and those organisations that are invited to apply must use our forms and guidelines. In some instances, we may encourage projects or search for partner charities with similar goals. The Director provides guidance for applicants and additional support for major applications, which in turn will be reviewed in more depth by Trustees. In some instances peer review processes will be used. We have a simple online grants management system that covers grant application, monitoring and reporting requirements.

The Director is responsible for all administration, the processing of applications and due diligence, the review and management of grants and the preparation of annual reports. Trustees review applications and reports and reach final decisions on awards.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Assessment and learning

We monitor and follow up all grants to ensure that they are spent effectively and in line with our charitable objects. As a minimum requirement, all grant holders are required to submit a final report on the work funded and carried out under the grant. We review the structure and form of our reporting to gain a better understanding of the difference our grants make, to inform future grant making and share learning.

We support the dissemination of best practice, the principles of open access, the use of open source data and the use of Creative Commons licenses (a set of licenses which automatically give permission to reuse and distribute online and digital content) to support the sharing of learning from the grants we fund. We want to encourage a process of reflection and learning among our grantees, so they are better able to understand and improve their work. Grantees need to understand what they are doing, how well they are doing it, and what they need to change in order to deliver their mission. We believe that an accountable organisation is one that learns and improves as a result.

Grants awarded during the year 2023

In 2023 we awarded 18 new grants totalling £664,771:

Almeida Theatre	10,000	Arts
Donmar Warehouse	10,000	Arts
Hampstead Theatre	15,000	Arts
Philharmonia Orchestra	30,000	Arts
Border Forensics	49,732	Civil Society – Human Rights
Index on Censorship	20,000	Civil Society – Human Rights
Reprieve	30,000	Civil Society – Human Rights
Open Trust (openDemocracy)	50,000	Civil Society - Governance
Spotlight on Corruption	40,000	Civil Society - Governance
Trust for the Bureau of Investigative Journalism	110,000	Civil Society - Governance
Transparency International UK	50,000	Civil Society - Governance
Lumiere Creche & Day Care Centre	37,130	Education
Future Frontiers	40,000	Education
University of Cape Town	67,909	Education
Access Project	30,000	Education
Brilliant Club	30,000	Education
MyBigCareer	25,000	Education
MS Society	20,000	Non-Strategic

TOTAL GRANTS AWARDED 2023 **£664,771**

Highlights of major grants awarded in 2023

University of Cape Town, project grant of ZAR 1,575,000 (£67,909)

We have provided scholarships for South African students across a broad array of subject areas at the doctoral and masters level at the University of Cape Town in South Africa since 2003. An important criterion for success in gaining a scholarship, beyond academic excellence, is a strong engagement with civil society. The scholarships aim to identify future leaders in South Africa that will provide the base of a vibrant and successful civil society. In 2023 the programme entered its twenty first year. Over this period a total amount of £2,176,074 has been awarded for scholarships, supporting 126 postgraduate students. A number of these scholars have since set up their own non-profit organisations in South Africa and are contributing to the development of the country, including Numeric, IkamvaYouth, Women in Engineering, Dikakapa-Everyday Heroes and the Teacher Development Initiative.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Highlights of major grants awarded in 2023 (*continued*)

Border Forensics, core funding grant of €57,000 (£49,732)

Border Forensics (BF) is a relatively new human rights organisation that grew out of Forensic Oceanography, one of the early partners of Forensic Architecture. BF is adapting Forensic Oceanography's strategies for visual and spatial analysis of migrants' rights violations to less documented areas of mobility conflict in, and at, the borders of Europe. BF conducts investigations into practices of border violence perpetrated by states, police forces, militaries and corporations. Working in collaboration with migrant communities and civil society organisations (including international non-governmental organisations and media organisations), they are documenting and exposing the violence linked to the existence and management of borders.

BF produces human rights reports, maps, video reconstructions and other visualisations that aim to support claims for identification of the deceased and demands of accountability by civil society for the violation of migrants' rights. BF thus seeks to promote and defend the dignity and rights of communities exposed to border violence, and, by developing new methods of documentation, to strengthen the capacities of the migrants' rights movement at large. BF fosters debate about the deadly effects of border control, as well as the deeper processes operating across multiple scales that shape localised situations of mobility conflict. In 2023 we funded BF for a second time to help them consolidate their growth and sustainability as an organisation.

Open Trust (openDemocracy), core funding grant of £50,000

openDemocracy is a global media platform for plural political debate that challenges power and inspires change through cutting-edge investigative reporting, thoughtful analysis and debate centred on the values of democracy, liberty and free thought. openDemocracy is the main site, and publishes independent, public interest journalism in the form of rigorous debate, comment, analysis and reporting. It is also the organisational hub for several other openDemocracy sections, providing administrative, editorial and publishing support for their operations. We funded the charitable aspects of openDemocracy's work through the Open Trust.

Transparency International UK, core funding grant of £50,000

Transparency International UK is the country's leading anti-corruption organisation, and the UK chapter of the global Transparency International movement. Their priorities are stopping corrupt capital, raising public service integrity, improving global anti-corruption standards, and being the accountability watchdog for key UK institutions and law enforcement. They do this through designing practical tools and working with organisations, companies and individuals wishing to combat corruption, producing research on corruption in the UK and internationally, empowering individuals, companies and civil society to engage in the fight against corruption, and advocating for legal and regulatory reform both nationally and internationally.

Trust for the Bureau of Investigative Journalism, core funding grant of £110,000

The Bureau of Investigative Journalism (BIJ) was founded in 2010 to provide a trusted and reliable source of information and facts to improve understanding of the complex issues affecting society, and to hold the increasing global networks of power to account. Since then the organisation has undergone considerable change and significant growth. The BIJ's mission is to inform the public about the realities of power in today's world. Through fact-based, unbiased reporting, it exposes systemic wrongs, counters misinformation and sparks change. It seeks to provide the evidence base that informs public and political debate around serious issues, calls for transparency and accountability in governments and corporations, strengthens civil society and democratic processes, and supports the rights of vulnerable individuals and communities across the UK and more widely.

The Trust for the Bureau of Investigative Journalism (TBIJ) was established in 2018, allowing charitable donations to be made to the BIJ for the parts of its work that are clearly charitable. In 2023 we provided a grant of £110,000 to support the charitable aspects of the BIJ's work through the TBIJ.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Director's report

The operating environment for the organisations we support continued to be extremely difficult throughout 2023, with the ongoing effects of the conflict in Ukraine, Brexit and cost of living crisis all having a continued impact on their work, and especially on their finances and fundraising capacity. We were glad that our support enabled many of these organisations to develop and maintain strong governance and management processes, which enabled them to steer a path through these challenges and to continue to deliver their missions.

Given the unprecedented disruptions these organisations have faced over the last few years we continue to be flexible in our monitoring, reporting and payment processes to support them as needed. We are very interested in how they are able to continue delivering their work despite these repeated challenges.

We continue to monitor developments in South Africa closely but have not, as yet, seen enough positive change to move back into strategically supporting education projects. As we have pulled back from funding education projects in South Africa we increased the level of support for education work in the UK, funding a number of excellent organisations, supporting a range of mentoring and career advice programmes for disadvantaged young people. Unfortunately, ongoing issues at the University of Cape Town made it impossible for us to award any new scholarships in 2023, although we remain committed to supporting existing students to enable them to finish their courses successfully.

We continued to support work that aims to abolish the death penalty and to support anti-corruption and good governance measures, in both South Africa and the UK.

We continue to keep a close watch over our investment portfolio, which performed well throughout 2023, despite the ongoing turbulent external market conditions. The Trustees are aware that if the portfolio loses value, our ability to support the organisations carrying out vital work will be affected and therefore we maintain a low risk approach to managing it.

Despite these ongoing challenges, as a relatively small funder we continue to look at how we work with and support our grantees so that our funding can make the biggest difference possible. We continue to partner with civil society organisations and other funders to share knowledge and learning, and are active members of the International Education Funders Group and Ariadne and liaise closely with organisations such as 360Giving, the Trust, Accountability, and Inclusion Collaborative, the Independent Philanthropy Association of South Africa and the Association of Charitable Foundations in the UK.

Financial review

The *Statement of Financial Activities* for the year, *Balance Sheet* and *Statement of Cash Flows* are set out on pages 13 to 15.

The opening balance of funds in the Foundation on 1 January 2023 was £16,211,942. The capital value of investments decreased by £203,868 (2022 – increased by £525,548) in sterling and there were charges of £144,578 (2022 – £138,251) for investment management. The Foundation's total incoming resources during the year were £271,875 (2022 – £153,804). After support and governance costs of £147,148 (2022 – £134,645) and grants payable of £664,771 (2022 – £781,123) funds at the end of the year were £15,323,452.

The investment policy of the Foundation is to generate secure income annually by investing over a wide and diversified global portfolio of bonds, money deposits, equity, and property. The Foundation manages and monitors risks rigorously and targets low volatility. The spread offered by a global portfolio is likely to produce optimum returns subject to a small risk profile.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023 (continued)

Financial review (continued)

To mitigate the volatility of individual currencies in a global portfolio, the Foundation uses a compound of currencies weighted by gross domestic product in the major economic zones – the Global Currency Index (GCI). This is a geometric weighting based on 30% US Dollars, 20% Euros, 20% Chinese Renminbi, 10% Japanese Yen, 10% Great British Pounds and 10% Australian Dollars. It is similar in form to the International Monetary Fund special drawing rights. Investment performance is measured in GCI. In this measure total returns during the year were a gain of 6.14% (2022 – loss of 2.03%). The volatility of the portfolio was 3.82% (2022 – 3.46%). During the year, sterling rose relative to other currencies, as measured by the GCI, and recorded a gain of 5.62% (2022 – loss of 5.26%). The investment performance in sterling produced a gain of 0.42% (2022 – sterling gain of 3.42%).

Values in Sterling	2020 £	2021 £	2022 £	2023 £
Investment income	186,536	150,782	94,371	266,375
Donations and legacies	121,805	120,407	59,433	5,500
Total income	308,341	271,189	153,804	271,875
Opening funds	17,475,603	16,472,210	16,586,609	16,211,942
Costs of investment management and charitable activities	(1,157,158)	(1,061,424)	(1,054,019)	(956,497)
Movement on capital funds	(154,576)	904,634	525,548	(203,868)
Closing funds	16,472,210	16,586,609	16,211,942	15,323,452
Total return in Sterling per annum	(0.15)%	6.46%	3.42%	0.42%
Global Currency Index (GCI)				
Exchange rate currency index/£ January 1st	0.7795	0.7926	0.7796	0.8229
Exchange rate currency index/£ December 31st	0.7926	0.7796	0.8229	0.7791
Increase/(Decrease) in value of Sterling versus GCI	(1.68)%	1.67%	(5.26)%	5.62%
Values in GCI	GCI	GCI	GCI	GCI
Investment income – GCI, year end	213,994	203,218	118,327	277,705
Opening funds	22,421,842	20,878,391	21,342,002	19,700,987
Income less grants and expenses	(1,115,752)	(1,064,636)	(1,093,954)	(878,734)
Movement on capital funds	(427,699)	1,528,247	(547,061)	845,892
Closing funds	20,878,391	21,342,002	19,700,987	19,668,145
Total return in GCI per annum	(1.80)%	8.24%	(2.03)%	6.14%

The market value of investments at year end was £15,493,198 (2022 - £16,170,832). After grants committed and not yet paid, the funds of the Foundation were £15,323,452 (2022 - £16,211,942).

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Financial review (*continued*)

There are no restrictions on the Trustees' powers of investment. The investment policy of the Trustees is to optimise income and maintain the real value of capital, while mitigating risk through a secure investment spread over a range of assets and currencies.

From the beginning of 2023, as interest rates around the world continued to rise, positions were taken in short duration government bonds issues by very safe borrowers in countries including the USA, Germany and Australia, to benefit from the higher yields that these securities offered as a direct alternative to cash. This provided the added benefit of reducing the overall risk in respect of cash held at our custody bank, Goldman Sachs.

At the year-end, investments held were spread between cash and deposits, public equities and high quality bonds. The currency spread of assets was US Dollars 36%, Euros 17%, Chinese Renminbi 14%, Australian Dollars 9%, Japanese Yen 9%, Great British Pounds 0%, and other currencies 15%.

The compound average return over the last five years in the GCI is +2.8% with an average annualised volatility of 3.8%. For comparison, the compound average return over the last five years in Sterling is +2.0% with annualised volatility of 4.4%.

The value of a standard currency base can be seen over an extended period. During the financial crisis between the summer of 2007 to December 2010, Sterling fell some 40% against an index of currencies. Over the last few years there had been a partial recovery, undermined by the decline in the pound following the UK referendum to leave the European Union. Over the past eighteen years from 2006 to 2023, which includes the great recession and Covid-19 crashes, compound average returns in GCI were +3.8% with an average volatility of 3.7%. In Sterling average compound returns were +5.1% with a volatility of 7.2%. The average Sharpe ratio of returns relative to the GCI is 1.0. Due to the volatility of Sterling, the average Sharpe ratio of returns relative to Sterling is 0.7.

Reserves

The Foundation has free, unrestricted reserves of £15,323,452. Conservative management of our investments enables the Foundation to fund its ongoing grant giving activities. The Trustees are satisfied that the level of free reserves held are appropriate. The Trustees regularly review the Foundation's strategy and policies to ensure that it continues to meet its charitable purposes both in the short and long term.

Office facilities

The Trustees were very grateful for the use of office space in London in 2023, which was provided, at no cost, by Dr David Potter. The financial statements do not reflect this benefit.

Volunteers

The Trustees were very grateful for the use of a finance officer and personal assistant, whose time was paid for by Dr David Potter. The financial statements reflect this benefit.

Risk management

The Trustees have examined the major strategic, business, investment and operational risks that the charity faces and confirm that the systems in place remain adequate to manage risk. The results over the last few years demonstrate tight control of the investment portfolio during an extremely volatile period in world markets. Funds have been maintained such as to ensure funding of the charitable activities for as long as possible.

Fundraising

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable would be presented in the financial statements as "Donations and legacies". As a private foundation, the David and Elaine Potter Foundation does not undertake any fundraising activities whatsoever.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2023 *(continued)*

Statement of Trustees' responsibilities *(continued)*

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Trustees confirm that in so far as each of the Trustees is aware:

- There is no relevant audit information of which the charity's auditor is not aware; and,
- The Trustees have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees

Sam Potter

Samuel Potter
Chair of Trustees

Date 30 Jul 2024

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2023

Opinion

We have audited the financial statements of the David and Elaine Potter Foundation (the 'Foundation') for the year ended 31 December 2023 which comprise the *Statement of Financial Activities*, the *Balance Sheet*, the *Statement of Cash Flows* and the Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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 Foundation'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2023 (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or,
- sufficient accounting records have not been kept; or,
- the financial statements are not in agreement with the accounting records; or,
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees 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 Foundation'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2023 (continued)

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of bank balances and investments.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation, such as the charity board minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP
HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

30 Jul 2024

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HW Fisher LLP is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

The David and Elaine Potter Foundation

Statement of Financial Activities Including income and expenditure account for the year ended 31 December 2023

		Unrestricted funds	Unrestricted funds
		2023	2022
	Notes	£	£
<u>Income from:</u>			
Donations and legacies	3	5,500	59,433
Investments	4	266,375	94,371
Total income		271,875	153,804
<u>Expenditure on:</u>			
Investment management costs	5	144,578	138,251
Charitable activities	6	811,919	915,768
Total resources expended		956,497	1,054,019
Net gains/(losses) on investments	11	(203,868)	525,548
Net movement in funds		(888,490)	(374,667)
Fund balances at 1 January 2023		16,211,942	16,586,609
Fund balances at 31 December 2023		15,323,452	16,211,942

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 16 to 23 form part of these financial statements.

The David and Elaine Potter Foundation

Balance Sheet as at 31 December 2023

		2023	2022
	Notes	£	£
Fixed assets			
Investments	12	15,493,198	16,170,832
Current assets			
Debtors	13	-	50,933
Cash at bank and in hand		102,797	159,945
		<u>102,797</u>	<u>210,878</u>
Creditors: amounts falling due within one year	14	<u>(261,043)</u>	<u>(169,768)</u>
Net current assets / (liabilities)		(158,246)	41,110
Total assets less current liabilities		15,334,952	16,211,942
Creditors: amounts falling due after more than one year	15	(11,500)	-
Net assets		<u>15,323,452</u>	<u>16,211,942</u>
Income funds			
Unrestricted funds		15,323,452	16,211,942
		<u>15,323,452</u>	<u>16,211,942</u>

30 Jul 2024

The financial statements were approved by the Trustees on

Sam Potter

Sam Potter
Chair of Trustees

The notes on pages 16 to 23 form part of these financial statements.

The David and Elaine Potter Foundation

Statement of Cash Flows for the year ended 31 December 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	17		(757,148)		(1,196,145)
Investing activities					
Withdrawals from investment fund		<u>700,000</u>		<u>1,053,002</u>	
Net cash generated from investing activities			<u>700,000</u>		<u>1,053,002</u>
Net (decrease)/increase in cash and cash equivalents			(57,148)		(143,143)
Cash and cash equivalents at beginning of year			<u>159,945</u>		<u>303,088</u>
Cash and cash equivalents at end of year			<u><u>102,797</u></u>		<u><u>159,945</u></u>

The notes on pages 16 to 23 form part of these financial statements.

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation'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 (FRS 102) (effective 1 January 2019)". The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Based on the Charity's financial forecasts, the unrestricted funds available and level of commitments at the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

All voluntary income is accounted for when received. Investment income is accounted for on accruals basis. Gifts in kind are included at fair value to the charity.

1.5 Expenditure

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Allocation of overhead, governance and support costs

Overhead, governance and support costs have been allocated entirely to charitable activities. They have then been apportioned based on the grant awards made.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit and legal fees. These are reallocated to charitable activities.

Expenditure on raising funds

Expenditure on raising funds consists of investment management fees directly attributable to managing the investment portfolio.

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (*continued*)

1 Accounting policies (*continued*)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

The Foundation 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 Foundation's balance sheet when the Foundation 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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

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 Foundation 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.

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the Trustees 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.

There were no estimates within these financial statements.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Donations and gifts		
In-Kind volunteer support	5,500	8,500
Gift Aid	-	50,933
Total	<u>5,500</u>	<u>59,433</u>

Two paid employees of Dr David Potter provided administrative support on a voluntary basis to the Foundation during the reporting period.

4 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Income from fixed asset investments	<u>266,375</u>	<u>94,371</u>

5 Investment management costs

	Unrestricted funds	Unrestricted Funds
	2022 £	2021 £
Goldman Sachs	40,141	39,870
Delft Investments Limited	104,437	98,381
	<u>144,578</u>	<u>138,251</u>

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

6 Charitable activities

For the year ended 31 December 2023	Arts	Non-strategic	Civil Society	Education	Total
	2023	2023	2023	2023	2023
	£	£	£	£	£
Grant funding of activities (see note 7)	65,000	20,000	349,732	230,039	664,771
Share of support costs (see note 8)	14,420	4,415	77,400	50,913	147,148
	<u>79,420</u>	<u>24,415</u>	<u>427,132</u>	<u>280,952</u>	<u>811,919</u>

For the year ended 31 December 2022	Arts	Non-strategic	Civil Society	Education	Total
	2022	2022	2022	2022	2022
	£	£	£	£	£
Grant funding of activities (see note 7)	90,007	60,000	331,374	299,742	781,123
Share of support costs (see note 8)	26,209	9,425	51,987	47,024	134,645
	<u>116,216</u>	<u>69,425</u>	<u>383,361</u>	<u>346,766</u>	<u>915,768</u>

7 Grants awarded

	Total 2023	Total 2022
Arts		
Almeida Theatre	10,000	-
Donmar Warehouse	10,000	10,000
Hampstead Theatre	15,000	10,000
National Youth Jazz Orchestra	-	10,000
Performa	-	30,007
Philharmonia Orchestra Ltd	30,000	30,000
Sub-total – Arts	65,000	90,007
Non-Strategic		
British Red Cross	-	10,000
Disasters Emergency Committee	-	40,000
Listening Place	-	10,000
MS Society	20,000	-
Sub-total – Non-strategic	20,000	60,000

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

7 Grants awarded (continued)

	Total 2023	Total 2022
Civil Society		
Border Forensics	49,732	-
Corruption Watch South Africa	-	45,562
Death Penalty Project	-	45,000
Global Legal Action Network	-	40,000
Index on Censorship (Writers & Scholars Educational Trust)	20,000	-
Inkululeko South Africa Media	-	65,812
Open Trust (openDemocracy)	50,000	-
Prisoners Abroad	-	35,000
Reprieve	30,000	-
Spotlight on Corruption	40,000	-
Transparency International UK	50,000	-
Trust for the Bureau of Investigative Journalism	110,000	100,000
Sub-total – Civil Society	349,732	331,374
Education		
Access Project, the	30,000	20,000
Brilliant Club, the	30,000	35,000
Challenge Partners	-	36,658
Engineering Development Trust	-	35,800
Future Frontiers	40,000	-
IkamvaYouth	-	35,438
Lumiere Creche & Day Care Centre	37,130	-
MyBigCareer	25,000	25,000
University of Cape Town	67,909	111,846
Sub-total - Education	230,039	299,742
TOTAL	664,771	781,123

	2023 Number	2023 £	2022 Number	2022 £
Grants paid to institutions	18	664,771	21	781,123

No grants were awarded to individuals in 2023 (2022 – zero).

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	103,461	-	103,461	85,316	-	85,316
Audit fees	-	15,882	15,882	-	14,760	14,760
Accountancy services	-	10,971	10,971	-	6,090	6,090
Bank charges	58	-	58	119	-	119
Other expenses	3,585	-	3,585	1,921	-	1,921
Website, web hosting and grant system costs	6,195	-	6,195	4,985	-	4,985
Foreign exchange (gain)/loss	1,496	-	1,496	4,854	-	4,854
Volunteer in-kind costs	5,500	-	5,500	8,500	-	8,500
Legal fees	-	-	-	8,100	-	8,100
Analysed between charitable activities	120,295	26,853	147,148	113,795	20,850	134,645

Governance costs include payments to the auditors of £26,853, comprising £15,882 relating to audit fees (2022: £14,760), and £10,971 relating to accountancy services (2022: £6,090), comprising primarily accounts preparation (including an under accrual from the prior year of £5,366).

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	1	1
Employment costs	2023	2022
	£	£
Wages and salaries	47,083	44,528
Social security costs	22,708	21,618
Other pension costs	33,670	19,170
	103,461	85,316

There was one employee whose emoluments (including pensions) were in the range between £90,001 and £100,000 (2022 – one, between £70,001 and £80,000).

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Investments gains / (losses)	(203,868)	525,548

12 Fixed asset investments

	Listed investments	Cash and cash equivalent	Other investments	Total
	£	£		£
Cost or valuation				
At 1 January 2023	7,292,572	8,845,208	33,052	16,170,832
Dividends and interest received	-	266,375	-	266,375
Valuation changes and cash movements	6,216,602	(6,394,403)	(26,067)	(203,868)
Withdrawals from investment fund	-	(700,000)	-	(700,000)
Investment manager's fees	-	(40,141)	-	(40,141)
At 31 December 2023	13,509,174	1,977,039	6,985	15,493,198
At 31 December 2022	7,292,572	8,845,208	33,052	16,170,832

13 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	-	50,933

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Grants payable	195,540	121,814
Other creditors and accruals	65,503	47,954
	261,043	169,768

15 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Grants payable	11,500	-

The David and Elaine Potter Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

16 Related party transactions

Dr David Potter is a Director of:

- Delft Investments Limited
- The Bureau of Investigative journalism
- Lumiere Creche & Aftercare NPC (resigned July 2024)

Dr Elaine Potter is a Trustee of the following organisations:

- University of Cape Town Trust (resigned November 2022)
- Westminster School Foundation (UK) Limited

a Director of:

- The Bureau of Investigative journalism
- Lumiere Creche & Aftercare NPC

and a non-Executive Director of:

- Delft Investments Limited

Mr Samuel Potter is a Trustee of the following organisation:

- Numeric

and a Director of:

- Delft Investments Limited

Grant commitments during the year to the above organisations were:

- The Bureau of Investigative Journalism - £nil (2022 - £nil)
- The Trust for the Bureau of Investigative Journalism - £110,000 (2022 - £100,000)
- Numeric - £nil (2022 - £nil)
- University of Cape Town - £67,909 (2022 - £111,846)
- Westminster School - £nil (2022 - £nil)
- Lumiere Creche & Aftercare NPC - £37,130 (2022 - £nil)

Transactions with Delft Investments Limited were conducted on an arm's length basis. The total amount paid to Delft Investments Limited in the reporting period was £104,437 (2022 - £98,381).

17 Cash generated from operations	2023 £	2022 £
(Deficit) / surplus for the year	(888,490)	(374,667)
Adjustments for:		
Investment income recognised in statement of financial activities	(266,375)	(94,371)
Investment management fees paid from portfolio	40,141	39,870
Fair value (gains) and losses on investments	203,868	(525,548)
Movements in working capital:		
(Increase) / decrease in debtors	50,933	60,974
Increase / (decrease) in creditors	102,775	(302,403)
Cash absorbed by operations	(757,148)	(1,196,145)

18 Analysis of changes in net debt

The Foundation had no debt during the year.

DAVID AND ELAINE POTTER FOUNDATION

England & Wales - Charity number 1078217

Accounts



Annual Report and Financial Statements

Year ended

31 December 2022

Registered charity number 1078217

www.potterfoundation.com

The David and Elaine Potter Foundation

Annual Report and Financial Statements for the year ended 31 December 2022

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Trustees

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Director

Ben Stewart

Registered office

6 Hamilton Close, London, NW8 8QY

Registered charity number

1078217

Auditor

HW Fisher LLP, Acre House, 11-15 William Road, London NW1 3ER

Bankers

Lloyds Banking Group, Ground Floor, 3 City Park, The Drove Way, Hove, BN3 7AU
Goldman Sachs International Ltd, River Court, 120 Fleet Street, London, EC4A 2BE

Investment advisors

Delft Investments Limited, 6 Hamilton Close, London, NW8 8QY

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022

Report of the Trustees

The Trustees present their report and financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in the *Notes forming part of the financial statements* and comply with the Foundation's trust deed, 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 (FRS 102) (effective 1 January 2019)".

The Trustees have paid due regard to the Charity Commission's guidance on public benefit.

Structure, governance and management

The David and Elaine Potter Foundation was established on 28 September 1999 under a Declaration of Trust, which is the governing document. The governing body is the Board of Trustees. Trustees are proposed by the founders, Dr David Potter and Dr Elaine Potter, and introduced to the Board for approval.

At the Trustees' meetings, held three times during 2022, the Board discussed the efficacy of the strategy, reviewed the management accounts, investment portfolio and grant proposals and reports, and considered the administrative and management needs of the Foundation.

Trustees

The Trustees who served during the year and up to the date of signature of the financial statements were:

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Objectives and activities

The objects of the Foundation, as laid out in the Declaration of Trust, are the advancement of education and research for public benefit in the UK and abroad, and also provides for general charitable purposes; there has been no change in these during the year. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Our goals are benevolent with a particular focus to support projects and provide grants that contribute to economic development and well-being in a plural, rational and tolerant society. Our purpose is to support projects promoting reason and education that will improve understanding, governance and a stronger civil society in the UK and South Africa. We believe that the advancement of education and research support the wider goals. We have an international perspective and our charitable objects are pursued across a range of countries, with a primary focus on the UK and South Africa.

In some countries the delivery of public benefit in education, research and economic development has been impeded by corruption or failures in governance. For this reason, the Trustees support the development of a strong civil society, which encompasses human rights, anti-corruption, good governance, transparency and the rule of law, in order to ensure that any grants made to education are built on strong foundations.

We look for conditions meeting these basic standards to ensure our funds fulfil their purposes. We are committed to providing core support, multi-year grants, and programme support, depending on the needs of the grantees that we serve.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Total number of grants and total amount awarded since 2000:

Since 2000 we have made 536 grants, providing £22,625,569 of support to 212 organisations.

Area	Total spend (£)	% of total spend	Number of grants
Education	8,386,403	37.1%	202
Civil Society	6,682,204	29.5%	142
Research	4,846,265	21.4%	17
Arts & Non-strategic	1,951,708	8.7%	124
Community & Health	758,989	3.3%	51
TOTAL	£22,625,569		536

The Foundation originated with a gift from Dr David Potter. Over the following years additional funds have been received through gifts from the Founders and positive investment returns from capital. Since the Foundation started operating in 2000, £22,625,569 has been awarded in grants. Of this, £13,232,668 (58.5%) has been granted for the original primary objects of education and research in the UK and Africa. To support these primary objects, we have also made grants totalling £6,682,204 (29.5%) that support the development of a strong civil society; which consists of the promotion of good governance (£3,639,059 – 16.1%), human rights (£2,615,145 – 11.5%) and the development of the rule of law (£428,000 – 1.9%). Further grants totalling £2,710,697 (12.0%) have been given under the general objects of the Trust Deed for the support of the Arts, Community and Health projects and other charitable donations not related to our strategy.

The Foundation has provided support to postgraduate scholarships in South Africa, teacher training initiatives, mentoring programmes for disadvantaged children, literacy projects, distance learning programmes and the testing of new technologies in education. Major grants supporting governance and human rights, with a particular focus on Africa, have been provided to the Universities of Cambridge, Oxford and Pretoria. Grants to support the development of an effective civil society have been made to organisations such as Amnesty International, Reprieve, Human Rights Watch, Global Witness, Transparency International, Liberty, Africa's Voices Foundation, Forensic Architecture, the Trust for the Bureau of Investigative Journalism and the Bingham Centre for the Rule of Law.

We believe that our record is strong in its effect and in fulfilling its strategic purposes. We also believe it is important to regularly review the strategy, direction and goals of the Foundation to ensure our giving is making a difference and having the most benefit.

Grant making policies

Our website contains information about what we do and do not fund which is informed by our strategy. It also contains details of all grants made since the Foundation started in 2000. In-depth case studies of a number of grants are used to illustrate the Foundation's support, and the use of Google Analytics allows analysis of site traffic to monitor and improve its usability. We also publish additional information on all grants awarded since 2013, in order to meet the 360Giving standard. We believe that with better information, grant makers can be more effective and strategic decision-makers. 360Giving provides support for grant makers to publish their grants data openly, to understand their data, and to use the data to create online tools that make grant making more effective.

The Foundation does not support individuals directly and only registered charities (or locally registered equivalents) are eligible to apply. Applications are by invitation only, and those organisations that are invited to apply must use our forms and guidelines. In some instances, we may encourage projects or search for partner charities with similar goals. The Director provides guidance for applicants and additional support for major applications, which in turn will be reviewed in more depth by Trustees. In some instances peer review processes will be used. We have a simple online grants management system that covers grant application, monitoring and reporting requirements.

The Director is responsible for all administration, the processing of applications and due diligence, the review and management of grants and the preparation of annual reports. Trustees review applications and reports and reach final decisions on awards.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022 (continued)

Assessment and learning

We monitor and follow up all grants to ensure that they are spent effectively and in line with our charitable objects. As a minimum requirement, all grant holders are required to submit a final report on the work funded and carried out under the grant. We review the structure and form of our reporting to gain a better understanding of the difference our grants make, to inform future grant making and share learning.

We support the dissemination of best practice, the principles of open access, the use of open source data and the use of Creative Commons licenses (a set of licenses which automatically give permission to reuse and distribute online and digital content) to support the sharing of learning from the grants we fund. We want to encourage a process of reflection and learning among our grantees, so they are better able to understand and improve their work. Grantees need to understand what they are doing, how well they are doing it, and what they need to change in order to deliver their mission. We believe that an accountable organisation is one that learns and improves as a result.

Grants awarded during the year 2022

In 2022 we awarded 21 new grants totalling £781,123:

Donmar Warehouse	10,000	Arts
Hampstead Theatre	10,000	Arts
National Youth Jazz Orchestra	10,000	Arts
Performa	30,007	Arts
Philharmonia Orchestra	30,000	Arts
Death Penalty Project	45,000	Civil Society - Human Rights
Global Legal Action Network	40,000	Civil Society - Human Rights
Prisoners Abroad	35,000	Civil Society - Human Rights
Corruption Watch South Africa	45,562	Civil Society - Governance
Inkululeko South Africa Media	65,812	Civil Society - Governance
Trust for the Bureau of Investigative Journalism, the	100,000	Civil Society - Governance
Access Project, the	20,000	Education
Brilliant Club, the	35,000	Education
Challenge Partners	36,658	Education
Engineering Development Trust	35,800	Education
IkamvaYouth	35,438	Education
MyBigCareer	25,000	Education
University of Cape Town	111,846	Education
British Red Cross	10,000	Non-Strategic
Disasters Emergency Committee	40,000	Non-Strategic
Listening Place, the	10,000	Non-Strategic

TOTAL GRANTS AWARDED 2022 **£781,123**

Highlights of major grants awarded in 2022

University of Cape Town, project grant of ZAR 2,233,800 (£111,846)

We provide scholarships for South African students across a broad array of subject areas at the doctoral and masters level at the University of Cape Town in South Africa. An important criterion for success in gaining a scholarship, beyond academic excellence, is a strong engagement with civil society. The scholarships aim to identify future leaders in South Africa that will provide the base of a vibrant and successful civil society. In 2022 the programme entered its twentieth year, supporting seven new students. Over this period a total amount of £2,108,165 has been awarded for scholarships, supporting 126 postgraduate students. A number of these scholars have since set up their own non-profit organisations in South Africa and are contributing to the development of the country, including Numeric, IkamvaYouth, Women in Engineering, Dikakapa-Everyday Heroes and the Teacher Development Initiative.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Highlights of major grants awarded in 2022 (*continued*)

Death Penalty Project, core funding grant of £45,000

The Death Penalty Project (DPP) is a UK charity that provides free legal representation and assistance, principally at the appeal stage, to individuals facing the death penalty overseas. DPP also bring strategic litigation to strike down cruel, unfair and inhuman laws in order to create lasting legal precedents, ensuring that their impact stretches far beyond the individuals they directly assist. DPP provide free legal representation before the Judicial Committee of the Privy Council (JCPC) for those countries that retain the JCPC in London as their final court of appeal. DPP also provide assistance to local legal teams in proceedings before domestic courts and support constitutional challenges to restrict the application and scope of the death penalty. DPP also bring cases before international tribunals where violations of international human rights law have occurred to highlight these breaches and seek remedies. In 2022 we provided a core funding grant of £45,000 to DPP.

Corruption Watch South Africa, core funding grant of ZAR 900,000 (£45,562)

Corruption Watch South Africa (CWSA) is a non-profit that aims to encourage and enable public participation in combatting corruption and is the South African chapter of Transparency International. They aim to ensure that the custodians of public resources act responsibly to advance the interests of the public, and to ensure that opportunities for entering into corrupt relationships are reduced. CWSA believe that by shining a light on corruption and those who act corruptly, they promote transparency and accountability and protect the beneficiaries of public goods and services. Each act of corruption that is prevented by citizens underpins and fortifies civil society and thereby enhances democracy, the rule of law and the establishment of a more caring and just society. CWSA encourage the South African public to report experiences and knowledge of corruption to them through various reporting channels. The volume of reports received has increased steadily over the last few years. These reports are regularly analysed in order to identify hotspots and patterns of corruption and they constitute the principal, if not exclusive, basis for further investigation, for the development of mitigating policies, strategic litigation and community engagement. In 2022 we provided a core funding grant of ZAR 900,000 to CWSA.

Inkululeko South Africa Media, core funding grant of ZAR 1,300,000 (£65,812)

Inkululeko South Africa Media is the registered non-profit organisation that supports and underpins the work of the Daily Maverick. The Daily Maverick is an online news platform that blends news, information, analysis and opinion delivered from newsrooms in Cape Town and Johannesburg in South Africa. The Daily Maverick's investigative journalism unit, Scorpio, is completely grant funded through Inkululeko. Their core work is the promotion of an open, just and accountable democracy in South Africa, as well as the promotion of the free media, press and journalism locally and abroad. A large part of this mandate is filled through their investigative journalism, which seeks to expose corruption and malfeasance on the largest scale, and hold the powerful to account. The Daily Maverick has a very strong reputation, both domestically and internationally; they are one of the leading investigative journalism units in southern Africa. In 2022 we provided a core funding grant of ZAR 1,300,000 to Inkululeko.

Trust for the Bureau of Investigative Journalism, core funding grant of £100,000

The Bureau of Investigative Journalism (BIJ) was founded in 2010 to provide a trusted and reliable source of information and facts to improve understanding of the complex issues affecting society, and to hold the increasing global networks of power to account. Since then the organisation has undergone considerable change and significant growth, doubling in size over the last few years. The BIJ's mission is to inform the public about the realities of power in today's world. Through fact-based, unbiased reporting, it exposes systemic wrongs, counters misinformation and sparks change. It seeks to provide the evidence base that informs public and political debate around serious issues, calls for transparency and accountability in governments and corporations, strengthens civil society and democratic processes, and supports the rights of vulnerable individuals and communities across the UK and more widely.

The Trust for the Bureau of Investigative Journalism (TBIJ) was established in 2018, allowing charitable donations to be made to the BIJ for the parts of its work that are clearly charitable. In 2022 we provided a grant of £100,000 to support the charitable aspects of the BIJ's work through the TBIJ.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Director's report

Despite the ending of Covid restrictions and the re-opening of society, the operating environment for the organisations we support continued to be extremely difficult throughout 2022, with the conflict in Ukraine, Brexit and inflation all having an impact on their work. We were glad that our support had enabled many of these organisations to develop and maintain strong governance and management processes and structures, which enabled them to steer a path through all of these challenges and to continue to deliver their missions.

Given the unprecedented disruptions these organisations have faced over the last couple of years we continued to be flexible in our monitoring, reporting and payment processes to support them as needed. We are very interested in how they are delivering their missions in the post-pandemic landscape and how they have managed to adapt and integrate successful online practices into more blended delivery models going forward.

The greatest long term impact of Covid continued to be on our ability to meet with potential applicants and grant holders, especially those in South Africa. This meant we had to continue to work smarter and harder with our due diligence and monitoring and reporting processes.

We continue to monitor developments in South Africa closely but have not, as yet, seen enough positive change to move back into strategically supporting education projects. As we have pulled back from funding education projects in South Africa we have increased the level of support for education work in the UK, funding a number of excellent organisations, supporting a range of initiatives, from mentoring and career advice for disadvantaged young people, to the piloting of infrastructure that allows teachers to share learning and good practice between schools (both online and in person). Unfortunately, ongoing issues at the University of Cape Town made it impossible for us to award any new scholarships in 2023, although we remain committed to supporting existing students to enable them to finish their courses successfully.

We continued to support work that aims to abolish the death penalty and to support anti-corruption and good governance measures, which are particularly needed at the moment in both South Africa and the UK.

We continue to keep a close watch over our investment portfolio, which performed well throughout 2022, despite the ongoing turbulent external market conditions. The Trustees are aware that if the portfolio loses value, our ability to support the organisations carrying out vital work will be affected and therefore we maintain a low risk approach to managing it.

Despite these ongoing challenges, as a relatively small funder we continue to look at how we work with and support our grantees so that our funding can make the biggest difference possible. We continue to partner with civil society organisations and other funders to share knowledge and learning, and are active members of the International Education Funders Group and Ariadne and liaise closely with organisations such as 360Giving, the Transparency & Accountability Initiative, the Independent Philanthropy Association of South Africa and the Association of Charitable Foundations in the UK.

Financial review

The *Statement of Financial Activities* for the year, *Balance Sheet* and *Statement of Cash Flows* are set out on pages 13 to 15.

The opening balance of funds in the Foundation on 1 January 2022 was £16,586,609. The capital value of investments increased by £525,548 (2021 – increased by £904,634) in sterling and there were charges of £138,251 (2021 – £147,089) for investment management. The Foundation's total incoming resources during the year were £153,804 (2021 – £271,189). After support and governance costs of £134,645 (2021 – £120,283) and grants payable of £781,123 (2021 – £794,052), funds at the end of the year were £16,211,942.

The investment policy of the Foundation is to generate secure income annually by investing over a wide and diversified global portfolio of bonds, money deposits, equity, and property. The Foundation manages and monitors risks rigorously and targets low volatility. The spread offered by a global portfolio is likely to produce optimum returns subject to a small risk profile.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022 (continued)

Financial review (continued)

To mitigate the volatility of individual currencies in a global portfolio, the Foundation uses a compound of currencies weighted by gross domestic product in the major economic zones – the global currency index (GCI). This is a geometric weighting based on 30% US Dollars, 20% Euros, 20% Chinese Renminbi, 10% Japanese Yen, 10% Great British Pounds and 10% Australian Dollars. It is similar in form to the International Monetary Fund special drawing rights. Investment performance is measured in GCI. In this measure total returns during the year were a loss of 2.03% (2021 – gain of 8.24%). The volatility of the portfolio was 3.46% (2021 – 3.93%). During the year, sterling rose relative to other currencies, as measured by the GCI, and recorded a loss of 5.26% (2021 – gain of 1.67%). The investment performance in sterling produced a gain of 3.42% (2021 – sterling gain of 6.46%).

	2019	2020	2021	2022
Values in Sterling	£	£	£	£
Investment income	377,245	186,536	150,782	94,371
Donations and legacies	149,187	121,805	120,407	59,433
Total income	526,432	308,341	271,189	153,804
Opening funds	18,727,191	17,475,603	16,472,210	16,586,609
Costs of investment management and charitable activities	(1,279,551)	(1,157,158)	(1,061,424)	(1,054,019)
Movement on capital funds	(498,469)	(154,576)	904,634	525,548
Closing funds	17,475,603	16,472,210	16,586,609	16,211,942
Total return in Sterling per annum	(1.04)%	(0.15)%	6.46%	3.42%
Global Currency Index (GCI)				
Exchange rate currency index/£ January 1st	0.8122	0.7795	0.7926	0.7796
Exchange rate currency index/£ December 31st	0.7795	0.7926	0.7796	0.8229
Increase/(Decrease) in value of Sterling versus GCI	4.20%	(1.68)%	1.67%	(5.26)%
Values in GCI	GCI	GCI	GCI	GCI
Investment income – GCI, year end	675,346	213,994	203,218	118,327
Opening funds	23,057,364	22,421,842	20,878,391	21,342,002
Income less grants and expenses	(1,641,502)	(1,115,752)	(1,064,636)	(1,093,954)
Movement on capital funds	1,005,980	(427,699)	1,528,247	(547,061)
Closing funds	22,421,842	20,878,391	21,342,002	19,700,987
Total return in GCI per annum	3.11%	(1.80)%	8.24%	(2.03)%

The market value of investments at year end was £16,170,832 (2021 - £16,643,785). After grants committed and not yet paid, the funds of the Foundation were £16,211,942 (2021 - £16,586,609).

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Financial review (*continued*)

There are no restrictions on the Trustees' powers of investment. The investment policy of the Trustees is to optimise income and maintain the real value of capital, while mitigating risk through a secure investment spread over a range of assets and currencies.

At the year-end, investments held were spread between cash and deposits, public equities and high quality bonds. The currency spread of assets was US Dollars 37%, Chinese Renminbi 15%, Euros 14%, Australian Dollars 10%, Japanese Yen 10%, Great British Pounds 0%, and other currencies 14%.

The compound average return over the last five years in the GCI is 1.6% with an average annualised volatility of 4.1%. For comparison, the compound average return over the last five years in Sterling is 2.4% with annualised volatility of 5.0%.

The value of a standard currency base can be seen over an extended period. During the financial crisis between the summer of 2007 to December 2010, Sterling fell some 40% against an index of currencies. Over the last few years there had been a partial recovery, undermined by the decline in the pound following the UK referendum to leave the European Union. Over the past seventeen years from 2006 to 2022, which includes the great recession and Covid-19 crash, compound average returns in GCI were 3.7% with an average volatility of 3.7%. In Sterling average compound returns were 5.4% with a volatility of 7.3%. The average Sharpe ratio of returns relative to the GCI is 1.0. Due to the volatility of Sterling, the average Sharpe ratio of returns relative to Sterling is 0.7.

Reserves

The Foundation has unrestricted reserves of £16,211,942.00. Conservative management of our investments enables the Foundation to fund its ongoing grant giving activities. The Trustees regularly review the Foundation's policies to ensure that it continues to meet its charitable purposes both in the short and long term.

Office facilities

The Trustees were very grateful for the use of office space in London in 2022, which was provided, at no cost, by Dr David Potter. The financial statements do not reflect this benefit.

Volunteers

The Trustees were very grateful for the use of a finance officer and personal assistant, whose time was paid for by Dr David Potter. The financial statements reflect this benefit.

Risk management

The Trustees have examined the major strategic, business, investment and operational risks that the charity faces and confirm that the systems in place remain adequate to manage risk. The results over the last few years demonstrate tight control of the investment portfolio during an extremely volatile period in world markets. Funds have been maintained such as to ensure funding of the charitable activities for as long as possible.

Fundraising

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable would be presented in the financial statements as "Donations and legacies". As a private Foundation, the David and Elaine Potter Foundation does not undertake any fundraising activities whatsoever.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that year.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Statement of Trustees' responsibilities (*continued*)

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Trustees confirm that in so far as each of the Trustees is aware:

- There is no relevant audit information of which the charity's auditor is not aware; and,
- The Trustees have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees

David E Potter

Dr David Potter
Chair of Trustees

Date 10 Oct 2023

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2022

Opinion

We have audited the financial statements of the David and Elaine Potter Foundation (the 'Foundation') for the year ended 31 December 2022 which comprise the *Statement of Financial Activities*, the *Balance Sheet*, the *Statement of Cash Flows* and the notes forming part of the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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 Foundation'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2022 (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or,
- sufficient accounting records have not been kept; or,
- the financial statements are not in agreement with the accounting records; or,
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees 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 Foundation'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2022 (*continued*)

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation, such as the charity board minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP
HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

10 Oct 2023

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HW Fisher LLP is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

The David and Elaine Potter Foundation

Statement of Financial Activities Including income and expenditure account for the year ended 31 December 2022

		Unrestricted funds	Unrestricted funds
		2022	2021
	Notes	£	£
Income from:			
Donations and legacies	3	59,433	120,407
Investments	4	94,371	150,782
Total income		153,804	271,189
Expenditure on:			
Investment management costs	5	138,251	147,089
Charitable activities	6	915,768	914,335
Total resources expended		1,054,019	1,061,424
Net gains/(losses) on investments	11	525,548	904,634
Net movement in funds		(374,667)	114,399
Fund balances at 1 January 2022		16,586,609	16,472,210
Fund balances at 31 December 2022		16,211,942	16,586,609

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 16 to 23 form part of these financial statements.

The David and Elaine Potter Foundation

Balance Sheet as at 31 December 2022

		2022	2021
	Notes	£	£
Fixed assets			
Investments	12	16,170,832	16,643,785
Current assets			
Debtors	13	50,933	111,907
Cash at bank and in hand		159,945	303,088
Creditors: amounts falling due within one year	14	210,878 (169,768)	414,995 (457,976)
Net current assets / (liabilities)		41,110	(42,981)
Total assets less current liabilities		16,211,942	16,600,804
Creditors: amounts falling due after more than one year	15	-	(14,195)
Net assets		16,211,942	16,586,609
Income funds			
Unrestricted funds		16,211,942	16,586,609
		16,211,942	16,586,609

The financial statements were approved by the Trustees on 10 Oct 2023

David E Potter
Dr David Potter
Chair of Trustees

The notes on pages 16 to 23 form part of these financial statements.

The David and Elaine Potter Foundation

Statement of Cash Flows for the year ended 31 December 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	17		(1,196,145)		(748,550)
Investing activities					
Withdrawals from investment fund		<u>1,053,002</u>		<u>950,000</u>	
Net cash generated from investing activities			1,053,002		950,000
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(143,143)		201,450
Cash and cash equivalents at beginning of year			<u>303,088</u>		<u>101,638</u>
Cash and cash equivalents at end of year			<u><u>159,945</u></u>		<u><u>303,088</u></u>

The notes on pages 16 to 23 form part of these financial statements.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2022

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation'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 (FRS 102) (effective 1 January 2019)". The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Based on the Charity's financial forecasts, the unrestricted funds available and level of commitments at the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

All voluntary income is accounted for when received. Investment income is accounted for on accruals basis. Gifts in kind are included at fair value to the charity.

1.5 Expenditure

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Allocation of overhead, governance and support costs

Overhead, governance and support costs have been allocated entirely to charitable activities. They have then been apportioned based on the grant awards made.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit and legal fees. These are reallocated to charitable activities.

Expenditure on raising funds

Expenditure on raising funds consists of investment management fees directly attributable to managing the investment portfolio.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

The Foundation 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 Foundation's balance sheet when the Foundation 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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

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 Foundation 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.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the Trustees 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.

There were no estimates within these financial statements.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts		
In-Kind volunteer support	8,500	8,500
Gift Aid	50,933	-
Donation from Dr David Potter	-	<u>111,907</u>
Total	<u>59,433</u>	<u>120,407</u>

Two paid employees of Dr David Potter provided administrative support on a voluntary basis to the Foundation during the reporting period.

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from fixed asset investments	<u>94,371</u>	<u>150,782</u>

5 Investment management costs

	Unrestricted funds	Unrestricted Funds
	2022	2021
	£	£
Goldman Sachs	39,870	35,181
Delft Investments Limited	<u>98,381</u>	<u>111,908</u>
	<u>138,251</u>	<u>147,089</u>

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

6 Charitable activities

For the year ended 31 December 2022	Arts	Non- strategic	Civil Society	Education	Total
	2022	2022	2022	2022	2022
	£	£	£	£	£
Grant funding of activities (see note 7)	90,007	60,000	331,374	299,742	781,123
Share of support costs (see note 8)	26,209	9,425	51,987	47,024	134,645
	<u>116,216</u>	<u>69,425</u>	<u>383,361</u>	<u>346,766</u>	<u>915,768</u>

For the year ended 31 December 2021	Arts	Non- strategic	Civil Society	Education	Total
	2021	2021	2021	2021	2021
	£	£	£	£	£
Grant funding of activities (see note 7)	90,000	-	391,953	312,099	794,052
Share of support costs (see note 8)	15,111	-	58,131	47,041	120,283
	<u>105,111</u>	<u>-</u>	<u>450,084</u>	<u>359,140</u>	<u>914,335</u>

7 Grants awarded

	Total 2022	Total 2021
Arts		
Almeida Theatre	-	10,000
Donmar Warehouse	10,000	-
Hampstead Theatre	10,000	-
National Youth Jazz Orchestra	10,000	-
Performa	30,007	30,000
Philharmonia	30,000	50,000
Sub-total – Arts	90,007	90,000
Non-Strategic		
British Red Cross	10,000	-
Disasters Emergency Committee	40,000	-
Listening Place	10,000	-
Sub-total – Non-strategic	60,000	-

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

7 Grants awarded (continued)

	Total 2022	Total 2021
Civil Society		
Border Forensics	-	41,953
Corruption Watch South Africa	45,562	-
Death Penalty Project	45,000	35,000
Global Legal Action Network	40,000	-
Index on Censorship (Writers & Scholars Educational Trust)	-	40,000
Inkululeko South Africa Media	65,812	-
Open Trust (openDemocracy)	-	40,000
Prisoners Abroad	35,000	-
Reprieve	-	50,000
Spotlight on Corruption	-	35,000
Transparency International UK	-	50,000
Trust for the Bureau of Investigative Journalism	100,000	100,000
Sub-total – Civil Society	331,374	391,953
Education		
Access Project, the	20,000	-
Brilliant Club, the	35,000	-
Centre for Evaluation and Monitoring, University of Durham	-	(5,079)
Challenge Partners	36,658	-
Engineering Development Trust	35,800	-
Future Frontiers	-	35,000
IkamvaYouth	35,438	24,434
IntoUniversity	-	100,000
MyBigCareer	25,000	-
Nuffield College, University of Oxford	-	50,000
University of Cape Town	111,846	107,744
Sub-total - Education	299,742	312,099
TOTAL	781,123	794,052

	2022 Number	2022 £	2021 Number	2021 £
Grants paid to institutions	21	781,123	18	794,052

No grants were awarded to individuals in 2022 (2021 – zero).

One grant was awarded to the University of Cape Town in 2022 (2021 – three).

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	85,316	-	85,316	83,245	-	83,245
Audit fees	-	14,760	14,760	-	12,332	12,332
Accountancy services	-	6,090	6,090	-	-	-
Bank charges	119	-	119	482	-	482
Other expenses	1,921	-	1,921	2,549	-	2,549
Website, web hosting and grant system costs	4,985	-	4,985	4,945	-	4,945
Foreign exchange (gain)/loss	4,854	-	4,854	8,230	-	8,230
Volunteer in-kind costs	8,500	-	8,500	8,500	-	8,500
Legal fees	8,100	-	8,100	-	-	-
	<u>113,795</u>	<u>20,850</u>	<u>134,645</u>	<u>107,951</u>	<u>12,332</u>	<u>120,283</u>
Analysed between charitable activities						

Governance costs includes payments to the auditors of £20,850, comprising £14,760 relating to audit fees (2021: £12,332), and £6,090 relating to accountancy services, comprising primarily accounts preparation (including an under accrual from the prior year of £1,800) and the reclassification of the Foundation's Endowment Fund in the 2021 accounts.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>1</u>	<u>1</u>
Employment costs	2022 £	2021 £
Wages and salaries	44,528	44,674
Social security costs	21,618	19,401
Other pension costs	19,170	19,170
	<u>85,316</u>	<u>83,245</u>

There was one employee whose emoluments (including pensions) were in the range between £70,001 and £80,000 (2021 - one).

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Investments gains / (losses)	525,548	904,634

12 Fixed asset investments

	Listed investments	Cash and cash equivalent	Other investments	Total
	£	£		£
Cost or valuation				
At 1 January 2022	6,219,886	10,445,805	(21,906)	16,643,785
Dividends and interest received	-	94,371	-	94,371
Valuation changes	1,072,686	(602,096)	54,958	525,548
Withdrawals from investment fund	-	(1,053,002)	-	(1,053,002)
Investment manager's fees	-	(39,870)	-	(39,870)
At 31 December 2022	7,292,572	8,845,208	33,052	16,170,832
Carrying amount				
At 31 December 2022	7,292,572	8,845,208	33,052	16,170,832
At 31 December 2021	6,219,886	10,445,805	(21,906)	16,643,785

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	50,933	111,907

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Grants payable	121,814	265,975
Other creditors and accruals	47,954	192,001
	169,768	457,976

15 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Grants payable	-	14,195

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

16 Related party transactions

Dr David Potter is a Director of:

- Delft Investments Limited
- The Bureau of Investigative journalism

Dr Elaine Potter is a Trustee of the following organisations:

- Writers and Scholars Educational Trust (Index on Censorship) (resigned October 2021);
- openDemocracy Limited (non-exec director) (resigned May 2021);
- University of Cape Town Trust (resigned November 2022); and
- Westminster School Foundation (UK) Limited

and a Director of:

- The Bureau of Investigative journalism

and a non-Executive Director of:

- Delft Investments Limited

Mr Samuel Potter is a Trustee of the following organisation:

- Numeric

and a Director of:

- Delft Investments Limited

Grant commitments during the year to the above organisations were:

- The Bureau of Investigative Journalism - £nil (2021 - £nil)
- The Trust for the Bureau of Investigative Journalism - £100,000 (2021 - £100,000)
- Numeric - £nil (2021 - £nil)
- openDemocracy (Open Trust) - £nil (2021 - £40,000)
- University of Cape Town - £111,846 (2021 - £107,744)
- Westminster School - £nil (2021 - nil)
- Writers and Scholars Educational Trust (Index on Censorship) - £nil (2021 - £40,000)

Transactions with Delft Investments Limited were conducted on an arm's length basis. The total amount paid to Delft Investments Limited in the reporting period was £98,381 (2021 - £111,907).

17 Cash generated from operations

	2022 £	2021 £
(Deficit) / surplus for the year	(374,667)	114,399
Adjustments for:		
Investment income recognised in statement of financial activities	(94,371)	(150,782)
Investment management fees paid from portfolio	39,870	35,181
Fair value (gains) and losses on investments	(525,548)	(904,634)
Movements in working capital:		
(Increase) / decrease in debtors	60,974	(20,307)
Increase / (decrease) in creditors	(302,403)	177,593
Cash absorbed by operations	(1,196,145)	(748,550)

18 Analysis of changes in net debt

The Foundation had no debt during the year.

DAVID AND ELAINE POTTER FOUNDATION

England & Wales - Charity number 1078217

Accounts



Annual Report and Financial Statements

Year ended

31 December 2021

Registered charity number 1078217

www.potterfoundation.com

The David and Elaine Potter Foundation

Annual Report and Financial Statements for the year ended 31 December 2021

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Trustees

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Director

Ben Stewart

Registered office

6 Hamilton Close, London, NW8 8QY

Registered charity number

1078217

Auditor

HW Fisher LLP, Acre House, 11-15 William Road, London NW1 3ER

Bankers

Lloyds Banking Group, Ground Floor, 3 City Park, The Droveway, Hove, BN3 7AU
Goldman Sachs International Ltd, River Court, 120 Fleet Street, London, EC4A 2BE

Investment advisors

Delft Investments Limited, 6 Hamilton Close, London, NW8 8QY

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021

Report of the Trustees

The Trustees present their report and financial statements for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in the *Notes forming part of the financial statements* and comply with the Foundation's trust deed, 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 (FRS 102) (effective 1 January 2019)".

The Trustees have paid due regard to the Charity Commission's guidance on public benefit.

Structure, governance and management

The David and Elaine Potter Foundation was established on 28 September 1999 under a Declaration of Trust, which is the governing document. The governing body is the Board of Trustees. Trustees are proposed by the founders, Dr David Potter and Dr Elaine Potter, and introduced to the Board for approval.

At the Trustees' meetings, held three times during 2021, the Board discussed the efficacy of the strategy, the accounts and investments, reviewed grant proposals and reports, and considered the administrative and management needs of the Foundation.

Trustees

The Trustees who served during the year and up to the date of signature of the financial statements were:

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Objectives and activities

The objects of the Foundation, as laid out in the Declaration of Trust, are the advancement of education and research for public benefit in the UK and abroad, and also provides for general charitable purposes; there has been no change in these during the year. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Our goals are benevolent with a particular focus to support projects and provide grants that contribute to economic development and well-being in a plural, rational and tolerant society. Our purpose is to support projects promoting reason and education that will improve understanding, governance and a stronger civil society in the UK and South Africa. We believe that the advancement of education and research support the wider goals. We have an international perspective and our charitable objects are pursued across a range of countries, with a primary focus on the UK and South Africa.

In some countries the delivery of public benefit in education, research and economic development has been impeded by corruption or failures in governance. For this reason, the Trustees support the development of a strong civil society, which encompasses human rights, anti-corruption, good governance, transparency and the rule of law, in order to ensure that any grants made to education are built on strong foundations. We look for conditions meeting these basic standards to ensure our funds fulfil their purposes. We are committed to providing core support, multi-year grants, and programme support, depending on the needs of the grantees that we serve.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Total number of grants and total amount awarded since 2000:

Since 2000 we have made 515 grants, providing £21,844,446 of support to 204 organisations.

Area	Total spend (£)	% of total spend	Number of grants
Education	8,086,661	37.0%	195
Civil Society	6,350,830	29.1%	136
Research	4,846,265	22.2%	17
Arts & Non-strategic	1,801,701	8.2%	116
Community & Health	758,989	3.5%	51
TOTAL	£21,844,446		515

The Foundation originated with a gift from Dr David Potter. Over the following years additional funds have been received through gifts from the Founders and positive investment returns from capital. Since the Foundation started operating in 2000, £21,844,446 has been awarded in grants. Of this, £12,932,926 (59.2%) has been granted for the original primary objects of education and research in the UK and Africa. To support these primary objects, we have also made grants totalling £6,350,830 (29.1%) that support the development of a strong civil society; which consists of the promotion of good governance (£3,427,685 – 15.7%), human rights (£2,495,145 – 11.4%) and the development of the rule of law (£428,000 – 2.0%). Further grants totalling £2,560,690 (11.7%) have been given under the general objects of the Trust Deed for the support of the Arts, Community and Health projects and other charitable donations not related to our strategy.

The Foundation has provided support to postgraduate scholarships in South Africa, teacher training initiatives, mentoring programmes for disadvantaged children, literacy projects, distance learning programmes and the testing of new technologies in education. Major grants supporting governance and human rights, with a particular focus on Africa, have been provided to the Universities of Cambridge, Oxford and Pretoria. Grants to support the development of an effective civil society have been made to organisations such as Amnesty International, Reprieve, Human Rights Watch, Global Witness, Transparency International, Liberty, Africa's Voices Foundation, Forensic Architecture, the Trust for the Bureau of Investigative Journalism and the Bingham Centre for the Rule of Law.

We believe that our record is strong in its effect and in fulfilling its strategic purposes. We also believe it is important to regularly review the strategy, direction and goals of the Foundation to ensure our giving is making a difference and having the most benefit.

Grant making policies

Our website contains information about what we do and do not fund which is informed by our strategy. It also contains details of all grants made since the Foundation started in 2000. In-depth case studies of a number of grants are used to illustrate the Foundation's support, and the use of Google Analytics allows analysis of site traffic to monitor and improve its usability. We also publish additional information on all grants awarded since 2013, in order to meet the 360Giving standard. We believe that with better information, grant makers can be more effective and strategic decision-makers. 360Giving provides support for grant makers to publish their grants data openly, to understand their data, and to use the data to create online tools that make grant making more effective.

The Foundation does not support individuals directly and only registered charities (or locally registered equivalents) are eligible to apply. Applications are by invitation only, and those organisations that are invited to apply must use our forms and guidelines. In some instances, we may encourage projects or search for partner charities with similar goals. The Director provides guidance for applicants and additional support for major applications, which in turn will be reviewed in more depth by Trustees, and in some instances by peer review. We have a simple online grants management system that covers grant application, monitoring and reporting requirements.

The Director is responsible for all administration, the processing of applications and due diligence, the review and management of grants and the preparation of annual reports. Trustees review applications and reports and reach final decisions on awards.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Assessment and learning

We monitor and follow up all grants to ensure that they are spent effectively and in line with our charitable objects. As a minimum requirement, all grant holders are required to submit a final report on the work funded and carried out under the grant. We review the structure and form of our reporting to gain a better understanding of the difference our grants make and to inform future grant making and share learning.

We support the dissemination of best practice, the principles of open access, the use of open source data and the use of Creative Commons licenses (a set of licenses which automatically give permission to reuse and distribute online and digital content) to support the sharing of learning from the grants we fund. We want to encourage a process of reflection and learning among our grantees, so they are better able to understand and improve their work. Grantees need to understand what they are doing, how well they are doing it, and what they need to change in order to deliver their mission. We believe that an accountable organisation is one that learns and improves as a result.

Grants awarded during the year 2021

In 2021 we awarded 18 new grants totalling £799,131:

Almeida Theatre	10,000	Arts
Performa	30,000	Arts
Philharmonia	50,000	Arts
Open Trust (openDemocracy)	40,000	Civil Society - Governance
Spotlight on Corruption	35,000	Civil Society - Governance
Transparency International UK	50,000	Civil Society - Governance
Trust for the Bureau of Investigative Journalism	100,000	Civil Society - Governance
Border Forensics	41,953	Civil Society - Human Rights
Death Penalty Project	35,000	Civil Society - Human Rights
Index on Censorship	40,000	Civil Society - Human Rights
Reprieve	50,000	Civil Society - Human Rights
Future Frontiers	35,000	Education
IkamvaYouth	24,434	Education
IntoUniversity	100,000	Education
Nuffield College, University of Oxford	50,000	Education
University of Cape Town	92,718	Education
University of Cape Town	10,000	Education
University of Cape Town	5,026	Education

TOTAL GRANTS AWARDED 2021 **£799,131**

Centre for Evaluation and Monitoring, University of Durham (repaid)	(5,079)	Education
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NET GRANTS AWARDED 2021 **£794,052** (See Note 7)

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Highlights of major grants awarded in 2021:

University of Cape Town, project grant of ZAR 1,897,324 (£92,718)

We provide support for scholarships for South African students across a broad array of subject areas at the doctoral and masters level at the University of Cape Town in South Africa. An important criterion for support, beyond academic excellence, is a strong engagement with civil society. The scholarships aim to identify future leaders in South Africa that will provide the base of a vibrant and successful civil society. In 2021 the programme entered its nineteenth year, supporting seven new students. Over this period a total amount of £1,996,319 has been awarded for scholarships, supporting 119 postgraduate students. A number of these scholars have since set up their own non-profit organisations in South Africa and are contributing to the development of the country, including Numeric, IkamvaYouth, Women in Engineering, Dikakapa-Everyday Heroes and the Teacher Development Initiative.

IntoUniversity, core funding grant of £100,000

IntoUniversity runs learning centres in locations across the UK, providing long-term education programmes that address underachievement and social exclusion. It targets children and young people most at risk of failing to meet their full potential, owing to economic and social disadvantage, providing them with a programme of long-term academic and pastoral support. IntoUniversity has three main elements to their programmes. The first element is academic support, where students visit their local centre after school to receive weekly help with their homework from staff and trained volunteers. Young people are encouraged to develop effective study skills, and to become curious, independent and successful learners. The second element is a mentoring programme, where university undergraduates and corporate mentors act as inspirational role models to support students' learning and help sustain their academic and personal aspirations. The final element involves specially designed study weeks, days and workshops that aim to promote a love of learning. These encourage young people to be informed about future educational and career opportunities, providing them with the tools and knowledge to take responsibility for their own development. IntoUniversity has an effective model, impressive management, and good evidence of the difference they are making. In 2021 its operations were still affected by the Covid-19 pandemic and it continued to provide a blended model of in-person and remote support to its learners. Despite the challenges of the last couple of years, it is still growing and is partnering with more local communities and universities to open new centres around the UK in order to reach more young people.

Nuffield College, University of Oxford, project grant of £50,000

Nuffield College have established a vision to fully fund every single graduate student by endowing graduate scholarships at the College. They have created the first endowed scholarship in Politics at Nuffield, which honours Emeritus Fellow Sir David Butler – the Oxford Nuffield David Butler Scholarship in Politics. The scholarship is open to all students applying for graduate study in Politics (MPhil and DPhil) at Nuffield, who have the potential to become successful academics, researchers, policy makers, journalists and social scientists. The scholarship covers 100% of the student's University and College fees, as well as providing them with a living allowance. We made a contribution of £50,000 to help establish the newly endowed scholarship fund.

Transparency International UK, core funding grant of £50,000

Transparency International UK is the country's leading anti-corruption organisation, and the UK chapter of the global Transparency International movement. Their priorities are stopping corrupt capital, raising public service integrity, improving global anti-corruption standards, and being the accountability watchdog for key UK institutions and law enforcement. They do this through designing practical tools and working with organisations, companies and individuals wishing to combat corruption, producing research on corruption in the UK and internationally, empowering individuals, companies and civil society to engage in the fight against corruption, and advocating for legal and regulatory reform both nationally and internationally.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Trust for the Bureau of Investigative Journalism, core funding grant of £100,000

The Bureau of Investigative Journalism (BIJ) was founded in 2010 to provide a trusted and reliable source of information and facts to improve understanding of the complex issues affecting society, and to hold the increasing global networks of power to account. Since then the organisation has undergone considerable change and significant growth, doubling in size since 2015. The BIJ's mission is to inform the public about the realities of power in today's world. Through fact-based, unbiased reporting, it exposes systemic wrongs, counters misinformation and sparks change. It seeks to provide the evidence base that informs public and political debate around serious issues, calls for transparency and accountability in governments and corporations, strengthens civil society and democratic processes, and supports the rights of vulnerable individuals and communities across the UK and more widely.

The Trust for the Bureau of Investigative Journalism (TBIJ) was established in 2018, allowing charitable donations to be made to the BIJ for the parts of its work that are clearly charitable. In 2021 we funded the charitable aspects of the BIJ's work through the TBIJ.

Reprieve, core funding grant of £50,000

Reprieve is a UK charity that provides free legal and investigative support to some of the world's most vulnerable people: those facing execution and those victimised by states' abusive counter-terror policies (rendition, torture, extrajudicial imprisonment and extrajudicial killing).

Reprieve:

- litigates on behalf of prisoners on death row around the world, appealing their sentences and ensuring that their trials are fair and just;
- represents cleared detainees in Guantánamo Bay, helping to secure their safe release;
- campaigns to raise awareness about unlawful CIA drone strikes which routinely kill civilians in Pakistan and Yemen, helping their partners in these countries to challenge strikes in court;
- works with the pharmaceutical industry to help them put a stop to US departments of corrections abusing their medicines in executions;
- represents men detained in US run secret prisons, where alleged terrorists are tortured and detained without trial beyond the rule of law; and,
- investigates allegations of abuse by the police or government authorities when British civilians are arrested and detained overseas.

The Philharmonia Orchestra, core funding grant of £50,000

The Philharmonia Orchestra is one of the world's great orchestras, being renowned for the quality of its playing, innovative work with residencies, music education, audience development and the use of new technology to reach a global audience. The Orchestra normally performs more than 160 concerts a year, across the world, as well as recording music for films, video games and commercial audio releases. We provided a core funding grant to the Philharmonia to support their recovery from the pandemic and to help them return to live programming (both online and in-person).

Director's report

2021 was another extremely difficult year for the organisations and sectors that we support. We were pleased that the majority of them have strong organisational structures, governance and management which helped them continue to operate. As restrictions have changed these organisations were well placed to continue, and resume, their work. Given the unprecedented challenges they have faced over the last two years we continued to be flexible in our monitoring, reporting and payment processes to support these organisations as needed. Many of them pivoted their work online early in the pandemic to continue helping the communities they serve, which whilst universally challenging, was largely successful. We were pleased that they were able to continue their work and have been interested in how they are returning to the post-pandemic landscape and in how they are adapting some of the most successful online practices into more blended delivery models going forward.

We continue to monitor developments in South Africa closely but have not, as yet, seen enough positive change to move back into supporting strategic mainstream education projects.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

The Covid-19 pandemic continued to impact our ability to function normally but, as our systems and processes were all able to be carried out remotely, there was little impact on our day to day work. The greatest impact continued to be on our ability to meet with potential applicants and grant holders, especially those in South Africa. This meant we had to work smarter and harder with our due diligence and monitoring and reporting processes. We are committed to helping those organisations we fund survive this crisis so that they can continue their important work.

We also kept an extremely close watch over our investment portfolio, which continued to be affected by difficult global market environments. The portfolio continued to perform well throughout 2021, given our close and effective management of risk and our diversity of the investment portfolio. The Trustees continue to be aware that if the portfolio loses value, our ability to support the organisations carrying out vital work will be affected.

Despite these ongoing challenges, we continue to look at how we work with and support our grantees so that our funding can make the biggest difference. We partner with civil society organisations and other funders to share knowledge and learning, something which is more important than ever. We continue to be members of the International Education Funders Group and Ariadne and liaise closely with organisations such as 360Giving, the Transparency & Accountability Initiative, the Independent Philanthropy Association of South Africa and the Association of Charitable Foundations in the UK.

Financial review

The *Statement of Financial Activities* for the year, *Balance Sheet* and *Cash Flow Statement* are set out on pages 14 to 16.

The opening balance of funds in the Foundation on 1 January 2021 was £16,472,210. The capital value of investments increased by £904,634 (2020 – decreased by £154,576) in sterling and there were charges of £147,089 (2020 - £130,171) for investment management. The Foundation's total incoming resources during the year were £271,189 (2020 – £308,341). After support and governance costs of £120,283 (2020 – £125,716) and grants payable of £794,052 (2020 – £901,271), funds at the end of the year were £16,586,609.

The investment policy of the Foundation is to generate secure income annually by investing over a wide and diversified global portfolio of bonds, money deposits, equity, and property. The Foundation manages and monitors risks rigorously and targets low volatility. The spread offered by a global portfolio is likely to produce optimum returns subject to a small risk profile.

To mitigate the volatility of individual currencies in a global portfolio, the Foundation uses a compound of currencies weighted by gross domestic product in the major economic zones – the global currency index (GCI). This is a geometric weighting based on 30% US Dollars, 20% Euros, 20% Chinese Renminbi, 10% Japanese Yen, 10% Great British Pounds and 10% Australian Dollars. It is similar in form to the International Monetary Fund special drawing rights. Investment performance is measured in GCI. In this measure total returns during the year were a gain of 8.24% (2020 – loss of 1.80%). The volatility of the portfolio was 3.93% (2020 – 6.28%). During the year, sterling rose relative to other currencies, as measured by the GCI, and recorded a gain of 1.67% (2020 – loss of 1.68%). The investment performance in sterling produced a gain of 6.46% (2020 – sterling loss of 0.15%).

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Financial review (*continued*)

Value in Sterling	2018 £	2019 £	2020 £	2021 £
Investment income	309,816	377,245	186,536	150,782
Donations and legacies	15,197	149,187	121,805	120,407
Total income	325,013	526,432	308,341	271,189
Opening funds	18,986,569	18,727,191	17,475,603	16,472,210
Costs of investment management and charitable activities	(1,043,289)	(1,279,551)	(1,157,158)	(1,061,424)
Movement on capital funds	458,898	(498,469)	(154,576)	904,634
Closing funds	18,727,191	17,475,603	16,472,210	16,586,609
Total return in Sterling per annum	4.13%	(1.04)%	(0.15)%	6.46%
Global Currency Index (GCI)				
Exchange rate currency index/£ January 1st	0.7908	0.8122	0.7795	0.7926
Exchange rate currency index/£ December 31st	0.8122	0.7795	0.7926	0.7796
Increase/(Decrease) in value of Sterling versus GCI	(2.63)%	4.20%	(1.68)%	1.67%
Values in Global Currency Index	GCI	GCI	GCI	GCI
Investment income – GCI, year end	400,164	675,346	213,994	203,218
Opening funds	24,009,318	23,057,364	22,421,842	20,878,391
Income less grants and expenses	(1,284,522)	(1,641,502)	(1,115,752)	(1,064,636)
Movement on capital funds	332,568	1,005,980	(427,699)	1,528,247
Closing funds	23,057,364	22,421,842	20,878,391	21,342,002
Total return in GCI per annum	1.00%	3.11%	(1.80)%	8.24%

The market value of investments at year end was £16,643,785 (2020 - £16,573,550). After grants committed and not yet paid, the funds of the Foundation were £16,586,609 (2020 - £16,472,210).

There are no restrictions on the Trustees' powers of investment. The investment policy of the Trustees is to optimise income and maintain the real value of capital, while mitigating risk through a secure investment spread over a range of assets and currencies.

At the year-end, investments held were spread between cash and deposits, public equities and high quality bonds. The currency spread of assets was US Dollars 30%, Euros 25%, Chinese Renminbi 20%, Australian Dollars 9%, Japanese Yen 8%, Great British Pounds 1%, and other currencies 7%.

The compound average return over the last five years in the GCI is 1.7% with an average annualised volatility of 3.6%. For comparison, the compound average return over the last five years in Sterling is 4.4% with annualised volatility of 7.6%.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Financial review (*continued*)

The value of a standard currency base can be seen over an extended period. During the financial crisis between the summer of 2007 to December 2010, Sterling fell some 40% against an index of currencies. Over the last few years there had been a partial recovery, undermined by the decline in the pound following the UK referendum to leave the European Union. Over the past sixteen years from 2006 to 2021, which includes the great recession and Covid-19 crash, compound average returns in GCI were 4.1% with an average volatility of 3.7%. In Sterling average compound returns were 5.5% with a volatility of 7.6%. The average Sharpe ratio of returns relative to the GCI is 1.1. Due to the volatility of Sterling, the average Sharpe ratio of returns relative to Sterling is 0.7.

Reserves

As set out in note 12 to the financial statements, the Foundation's reserves have been reclassified from expendable endowment to unrestricted funds. The charity now has free reserves of £16.6m. The Trustees are currently considering their reserves policy and will disclose the policy in next year's financial statements.

Office facilities

The Trustees were very grateful for the use of office space in London in 2021, which was provided, at no cost, by Dr David Potter. The financial statements do not provide for this benefit.

Volunteers

The Trustees were very grateful for the use of a finance officer and personal assistant, whose time was paid for by Dr David Potter. The financial statements provide for this benefit.

Risk management

The Trustees have examined the major strategic, business, investment and operational risks that the charity faces and confirm that the systems in place remain adequate to manage risk. The results over the last few years demonstrate tight control of the investment portfolio during an extremely volatile period in world markets. Funds have been maintained such as to ensure funding of the charitable activities for as long as possible.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable would be presented in the financial statements as "Donations and legacies". As a private Foundation, the David and Elaine Potter Foundation does not undertake any fundraising activities whatsoever.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that year.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Statement of Trustees' responsibilities (*continued*)

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Trustees confirm that in so far as each of the Trustees is aware:

- There is no relevant audit information of which the charity's auditor is not aware; 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 auditor is aware of that information.

By order of the Board of Trustees

David P

Dr David Potter
Chair of Trustees

Date 25 Oct 2022

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DAVID AND ELAINE POTTER FOUNDATION

Opinion

We have audited the financial statements of the David and Elaine Potter Foundation (the 'Foundation') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, cash flow statement and the notes forming part of the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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 Foundation'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2021 (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or,
- sufficient accounting records have not been kept; or,
- the financial statements are not in agreement with the accounting records; or,
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees 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 Foundation'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Regulations 2008 and the Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2021 (*continued*)

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of investment valuations and bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation, such as the charity board minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP

HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom
25 Oct 2022
.....

HW Fisher LLP is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

The David and Elaine Potter Foundation

Statement of Financial Activities Including income and expenditure account for the year ended 31 December 2021

		Unrestricted funds 2021 £	Unrestricted funds as restated 2020 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	120,407	121,805
Investments	4	150,782	186,536
Total income		271,189	308,341
<u>Expenditure on:</u>			
Raising funds	5	147,089	130,171
Charitable activities	6	914,335	1,026,987
Total resources expended		1,061,424	1,157,158
Net gains/(losses) on investments	11	904,634	(154,576)
Net incoming/(outgoing) resources before transfers		114,399	(1,003,393)
Net movement in funds		114,399	(1,003,393)
Fund balances at 1 January 2021		16,472,210	17,475,603
Fund balances at 31 December 2021		16,586,609	16,472,210

All funds are now regarded as unrestricted as explained in note 12 to the financial statements.

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 17 to 25 form part of these financial statements.

The David and Elaine Potter Foundation

Balance Sheet as at 31 December 2021

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments	13		16,643,785		16,573,550
Current assets					
Debtors	14	111,907		91,600	
Cash at bank and in hand		303,088		101,638	
		414,995		193,238	
Creditors: amounts falling due within one year	15	(457,976)		(287,577)	
Net current liabilities			(42,981)		(94,339)
Total assets less current liabilities			16,600,804		16,479,211
Creditors: amounts falling due after more than one year	16		(14,195)		(7,001)
Net assets			16,586,609		16,472,210
Income funds					
Unrestricted funds			16,586,609		16,472,210
			16,586,609		16,472,210

The financial statements were approved by the Board and authorised for issue on 25 Oct 2022 2022.

David P

Dr D Potter
Chair of Trustees

The notes on pages 17 to 25 form part of these financial statements.

The David and Elaine Potter Foundation

Cash Flow Statement for the year ended 31 December 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	18		(748,550)		(924,569)
Investing activities					
Withdrawals from investment fund		<u>950,000</u>		<u>901,470</u>	
Net cash generated from investing activities			950,000		901,470
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			201,450		(23,099)
Cash and cash equivalents at beginning of year			<u>101,638</u>		<u>124,737</u>
Cash and cash equivalents at end of year			<u><u>303,088</u></u>		<u><u>101,638</u></u>

The notes on pages 17 to 25 form part of these financial statements.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2021

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation'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 (FRS 102) (effective 1 January 2019)". The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

There has been a prior year adjustment in respect of the reclassification of funds as unrestricted as explained in note 12 to the financial statements.

1.2 Going concern

The Trustees have considered the effect of the Covid-19 outbreak. The Trustees consider that the outbreak so far has caused little disruption to the Charity's business and do not anticipate any future significant disruption.

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

All voluntary income is accounted for when received. Investment income is accounted for on accruals basis. Gifts in kind are included at fair value to the charity.

1.5 Expenditure

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Allocation of overhead, governance and support costs

Overhead, governance and support costs have been allocated entirely to charitable activities. They have then been apportioned based on the grant awards made.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit and legal fees. These are reallocated to charitable activities.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

Expenditure on raising funds

Expenditure on raising funds consists of investment management fees directly attributable to managing the investment portfolio.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

The Foundation 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 Foundation's balance sheet when the Foundation 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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 operations 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1.9 Employee benefits

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 Foundation 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.

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the Trustees 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.

There were no estimates within these financial statements.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts		
In-Kind office space	-	21,705
In-Kind volunteer support	8,500	8,500
Donation from Dr David Potter	<u>111,907</u>	<u>91,600</u>
Total	<u>120,407</u>	<u>121,805</u>

Delft Investments Limited no longer provide free use of office space in central London for the Foundation as they sub-let the office. The Foundation moved back to a private property owned by Dr David Potter.

Two paid employees of Dr David Potter provided administrative support on a voluntary basis to the Foundation during the reporting period.

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from fixed asset investments	150,782	186,536

5 Investment management

	Unrestricted funds	Unrestricted Funds
	2021 £	2020 £
Goldman Sachs	35,181	38,570
Delft Investments Limited	111,908	91,601
	147,089	130,171

6 Charitable activities

For the year ended 31 December 2021

	Arts	Non- strategic	Civil Society	Education	Total
	2021 £	2021 £	2021 £	2021 £	2021 £
Grant funding of activities (see note 7)	90,000	-	391,953	312,099	794,052
Share of support costs (see note 8)	15,111	-	58,131	47,041	120,283
	105,111	-	450,084	359,140	914,335

For the year ended 31 December 2020

	Arts	Non- strategic	Civil Society	Education	Total
	2020 £	2020 £	2020 £	2020 £	2020 £
Grant funding of activities (see note 7)	110,000	25,000	419,951	346,320	901,271
Share of support costs (see note 8)	15,344	3,487	58,578	48,307	125,716
	125,344	28,487	478,529	394,627	1,026,987

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

7 Grants awarded

	Total 2021	Total 2020
Arts		
Almeida Theatre	10,000	10,000
Donmar Warehouse	-	10,000
Performa	30,000	30,000
Philharmonia	50,000	50,000
Royal Opera House	-	10,000
Sub-total – Arts	90,000	110,000
Non-Strategic		
Blood Cancer UK	-	5,000
Listening Place	-	10,000
National Youth Jazz Orchestra	-	10,000
Sub-total – Non-strategic	-	25,000
Civil Society		
Bingham Centre for the Rule of Law	-	40,000
Border Forensics	41,953	-
Corruption Watch South Africa	-	44,951
Death Penalty Project	35,000	-
Ethical Journalism Network	-	10,000
Index on Censorship (Writers & Scholars Educational Trust)	40,000	-
openDemocracy (Open Trust)	40,000	60,000
Relieve	50,000	50,000
Spotlight on Corruption	35,000	20,000
Transparency International UK	50,000	45,000
Trust for the Bureau of Investigative Journalism	100,000	150,000
Sub-total – Civil Society	391,953	419,951
Education		
Centre for Evaluation and Monitoring, University of Durham	(5,079)	-
Future Frontiers	35,000	-
IkamvaYouth	24,434	-
IntoUniversity	100,000	100,000
MyBnk	-	25,000
Nuffield College, University of Oxford	50,000	-
Numeric		
(Bluestream Education)	-	48,462
Ubuntu Pathways	-	35,000
Ukwanda Projects	-	31,000
University of Cape Town (three grants awarded in 2021, one in 2020)	107,744	106,858
Sub-total - Education	312,099	346,320
TOTAL	794,052	901,271

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

7 Grants awarded (continued)

	2021 Number	2021 £	2020 Number	2020 £
Grants paid to institutions	18	794,052	22	901,271

No grants were awarded to individuals in 2021 (2020 – zero).

Three (3) grants were awarded to the University of Cape Town in 2021 (2020 – one).

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	83,245	-	83,245	85,382	-	85,382
Audit and accountancy	-	12,332	12,332	-	13,080	13,080
Bank charges	482	-	482	57	-	57
Other expenses	2,549	-	2,549	2,831	-	2,831
Website, web hosting and grant system costs	4,945	-	4,945	4,835	-	4,835
Foreign exchange (gain)/loss	8,230	-	8,230	(10,674)	-	(10,674)
Office in-kind costs	-	-	-	21,705	-	21,705
Volunteer in-kind costs	8,500	-	8,500	8,500	-	8,500
Analysed between charitable activities	107,951	12,332	120,283	112,636	13,080	125,716

Governance costs includes payments to the auditors of £12,332 (2020 - £13,080) for audit fees.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	1	1
	<u>1</u>	<u>1</u>
Employment costs	2021	2020
	£	£
Wages and salaries	44,674	44,261
Social security costs	19,401	21,951
Other pension costs	19,170	19,170
	<u>83,245</u>	<u>85,382</u>

There was one employee whose emoluments (including pensions) were in the range between £70,001 and £80,000 (2020 - one).

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Investments gains / (losses)	904,634	(154,576)
	<u>904,634</u>	<u>(154,576)</u>

12 Prior year adjustment

Historically, the Statement of Financial Activities distinguished between unrestricted funds and expendable endowment funds. An annual adjustment was made to transfer all funds carried forward from unrestricted funds to endowment funds.

The Foundation has received legal advice that the Foundation's funds are not by nature "expendable endowment" but more properly unrestricted funds.

A prior year adjustment has therefore been made to amalgamate all funds, totalling £16,472,210 at 31 December 2020, as unrestricted.

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

13 Fixed asset investments

	Listed investments	Cash in Portfolio	Other investments	Total
	£	£		£
Cost or valuation				
At 1 January 2021	9,018,737	7,479,471	75,342	16,573,550
Dividends and interest received	-	150,782	-	150,782
Valuation changes	(2,798,851)	3,800,733	(97,248)	904,634
Withdrawals from investment fund	-	(950,000)	-	(950,000)
Investment manager's fees	-	(35,181)	-	(35,181)
At 31 December 2021	6,219,886	10,445,805	(21,906)	16,643,785
Carrying amount				
At 31 December 2021	6,219,886	10,445,805	(21,906)	16,643,785
At 31 December 2020	9,018,737	7,479,471	75,342	16,573,550

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	111,907	91,600

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Grants payable	265,975	200,247
Other creditors and accruals	192,001	87,330
	457,976	287,577

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Grants payable	14,195	7,001

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

17 Related party transactions

Dr David Potter is a Director of:

- Delft Investments Limited
- The Bureau of Investigative journalism

Dr Elaine Potter is a Trustee of the following organisations:

- Writers and Scholars Educational Trust (Index on Censorship) (resigned October 2021);
 - openDemocracy Limited (non-exec director) (resigned May 2021);
 - University of Cape Town Trust; and
 - Westminster School Foundation (UK) Limited
- and a Director of:
- The Bureau of Investigative journalism

Mr Samuel Potter is a Trustee of the following organisation:

- Numeric
- and a Director of:
- Delft Investments Limited

Grant commitments during the year to the above organisations were:

- a) The Bureau of Investigative Journalism - £nil (2020 - £nil)
- b) The Trust for the Bureau of Investigative Journalism - £100,000 (2020 - £150,000)
- c) Numeric - £nil (2020 - £48,462)
- d) openDemocracy (Open Trust) - £40,000 (2020 - £60,000)
- e) Philharmonia Orchestra (Philharmonia Ltd) - £50,000 (2020 - £50,000)
- f) University of Cape Town - £107,744 (2020 - £106,858)
- g) Westminster School - £nil (2020 - nil)
- h) Writers and Scholars Educational Trust (Index on Censorship) - £40,000 (2020 - nil)

Transactions with Delft Investments Limited were conducted on an arm's length basis. The total amount paid to Delft Investments Limited in the reporting period was £111,907 (2020 - £91,600).

Included within creditors is £146,621 owed to Dr David Potter (2020 - £58,108). This consists of a short term loan provided and a duplicate receipt of the 2020 Delft Investments Limited fees incorrectly received by the Foundation. The full amount was paid to Dr David Potter post year end.

18 Cash generated from operations	2021 £	2020 £
Surplus / (deficit) for the year	114,399	(1,003,393)
Adjustments for:		
Investment income recognised in statement of financial activities	(150,782)	(186,536)
Investment management fees paid from portfolio	35,181	38,570
Fair value (gains) and losses on investments	(904,634)	154,576
Movements in working capital:		
(Increase) / decrease in debtors	(20,307)	28,200
Increase in creditors	177,593	44,014
Cash absorbed by operations	(748,550)	(924,569)

19 Analysis of changes in net funds

The Foundation had no debt during the year.

DAVID AND ELAINE POTTER FOUNDATION

England & Wales - Charity number 1078217

Accounts



Annual Report and Financial Statements

Year ended

31 December 2020

Registered charity number 1078217

www.potterfoundation.com

The David and Elaine Potter Foundation

Annual Report and Financial Statements for the year ended 31 December 2020

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Trustees

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Director

Ben Stewart

Registered office

6 Hamilton Close, London, NW8 8QY

Registered charity number

1078217

Auditors

HW Fisher LLP, Acre House, 11-15 William Road, London NW1 3ER

Bankers

Lloyds Banking Group, Ground Floor, 3 City Park, The Drove Way, Hove, BN3 7AU
Goldman Sachs International Ltd, River Court, 120 Fleet Street, London, EC4A 2BE

Solicitors

Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA

Investment advisors

Delft Investments LLP, 6 Hamilton Close, London, NW8 8QY

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020

Report of the Trustees

The Trustees present their report and financial statements for the year ended 31 December 2020. 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 Foundation's trust deed, 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 (FRS 102) (effective 1 January 2019)". The Trustees have paid due regard to the Charity Commission's guidance on public benefit.

Structure, governance and management

The David and Elaine Potter Foundation was established on 28 September 1999 under a Declaration of Trust, which is the governing document. The governing body is the Board of Trustees. Trustees are proposed by the founders, Dr David Potter and Dr Elaine Potter, and introduced to the Board for approval.

At the Trustees' meetings, held three times during 2020, the Board discussed the efficacy of the strategy, the accounts and investments, reviewed grant proposals, and considered the administrative and management needs of the Foundation.

Trustees

The Trustees who served throughout the year and to the date of this report were:

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Objectives and activities

The objects of the Foundation, as laid out in the Declaration of Trust, are the advancement of education and research for public benefit in the UK and abroad. As a grant making charity, the Trust Deed also provides general charitable purposes.

Our goals are benevolent with a particular focus to support projects and provide grants that contribute to economic development and well-being in a plural, rational and tolerant society. Our purpose is to support projects promoting reason and education that will improve understanding, governance and a stronger civil society in the UK and South Africa. We believe that the advancement of education and research support the wider goals. We have an international perspective and our charitable objects are pursued across a range of countries, with a primary focus on the UK and South Africa.

In some countries the delivery of public benefit in education, research and economic development has been impeded by corruption or failures in governance. For this reason, the Trustees support the development of a strong civil society, which encompasses human rights, anti-corruption, good governance, transparency and the rule of law, in order to ensure that any grants made to education are built on strong foundations. We look for conditions meeting these basic standards to ensure our funds fulfil their purposes. We are committed to providing core support, multi-year grants, and programme support, depending on the needs of the grantees that we serve.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (continued)

Total number of grants and total amount awarded since 2000:

Area	Total spend (£)	% of total spend	Number of grants
Education	7,774,562	36.9%	188
Civil Society	5,958,877	28.3%	128
Research	4,846,265	23.0%	17
Arts & Non-strategic	1,711,701	8.1%	113
Community & Health	758,989	3.6%	51
TOTAL	£21,050,394		497

The Foundation was originally endowed with a gift from Dr David Potter. Over the following years additional funds have been received through gifts from the Founders and positive investment returns from capital. Since the Foundation started operating in 2000, £21,050,394 has been awarded in grants. Of this, £12,620,827 (59.9%) has been granted for the original primary objects of education and research in the UK and Africa. To support these primary objects, we have also made grants totalling £5,958,877 (28.3%) that support the development of a strong civil society; which consists of the promotion of good governance (£3,202,685 – 15.2%), human rights (£2,328,192 - 11.1%) and the development of the rule of law (£428,000 – 2.0%). Further grants totalling £2,470,690 (11.7%) have been given under the general objects of the Trust Deed for the support of the Arts, Community and Health projects and other charitable donations not related to our strategy.

The Foundation has provided support to postgraduate scholarships in South Africa, teacher training initiatives, mentoring programmes for disadvantaged children, literacy projects, distance learning programmes and the testing of new technologies in education. Major grants supporting governance and human rights, with a particular focus on Africa, have been provided to the Universities of Cambridge, Oxford and Pretoria. Grants to support the development of an effective civil society have been made to organisations such as Amnesty International, Reprieve, Human Rights Watch, Global Witness, Transparency International, Liberty, Africa's Voices Foundation, Forensic Architecture, the Trust for the Bureau of Investigative Journalism and the Bingham Centre for the Rule of Law.

We believe that our record is strong in its effect and in fulfilling its strategic purposes. We also believe it is important to regularly review the strategy, direction and goals of the Foundation to ensure our giving is making a difference and having the most benefit.

Grant making policies

Our website contains information about what we do and do not fund which is informed by our strategic framework. It also contains details of all grants made since the Foundation started in 2000. In-depth case studies of a number of grants are used to illustrate the Foundation's support, and the use of Google Analytics allows analysis of site traffic to monitor and improve its usability. We also publish additional information on all grants awarded since 2013, in order to meet the 360Giving standard. We believe that with better information, grant makers can be more effective and strategic decision-makers. 360Giving provides support for grant makers to publish their grants data openly, to understand their data, and to use the data to create online tools that make grant making more effective.

The Foundation does not support individuals directly and only registered charities (or locally registered equivalents) are eligible to apply. Applications are by invitation only, and those organisations that are invited to apply must use our forms and guidelines. In some instances, we may encourage projects or search for partner charities with similar goals. The Director provides guidance for applicants and additional support for major applications, which in turn will be reviewed in more depth by Trustees and in some instances by peer review. We have a simple online grants management system that covers grant application, monitoring and reporting requirements.

The Director is responsible for all administration, the processing of applications, the review and management of grants and the preparation of annual reports. Trustees review applications and reports and reach final decisions on awards.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (continued)

Assessment and learning

We monitor and follow up all grants to ensure that they are spent effectively and in line with our charitable objects. As a minimum requirement, all grant holders are required to submit a final report on the work funded and carried out under the grant. We review the structure and form of our reporting to gain a better understanding of the difference our grants make and to inform future grant making and share learning.

We support the dissemination of best practice, the principles of open access, the use of open source data and the use of Creative Commons licenses (a set of licenses which automatically give permission to reuse and distribute online and digital content) to support the sharing of learning from the grants we fund. We want to encourage a process of reflection and learning among our grantees, so they are better able to understand and improve their work. Grantees need to understand what they are doing, how well they are doing it, and what they need to change in order to deliver their mission. We believe that an accountable organisation is one that learns and improves as a result.

Grants awarded during the year 2020

Over the 21 years we have been running, we have made 497 grants, providing £21,050,394 of support to 201 organisations. Grants have been made to support education, research, human rights, civil society, health, the rule of law and the arts. The Trustees have an enthusiastic commitment to education and we have continued our work with charities and educational institutions in the UK and internationally, most notably in South Africa.

In 2020 we awarded 22 new grants totalling £901,271:

Almeida Theatre	10,000	Arts
Donmar Warehouse	10,000	Arts
Performa	30,000	Arts
Philharmonia Orchestra	50,000	Arts
Royal Opera House	10,000	Arts
IntoUniversity	100,000	Education
MyBnk	25,000	Education
Numeric (Bluestream Education)	48,462	Education
Ubuntu Pathways	35,000	Education
Ukwanda Projects	31,000	Education
University of Cape Town	106,858	Education
Corruption Watch South Africa	44,951	Civil Society - Governance
Ethical Journalism Network	10,000	Civil Society - Governance
openDemocracy (Open Trust)	60,000	Civil Society - Governance
Spotlight on Corruption	20,000	Civil Society - Governance
Transparency International UK	45,000	Civil Society - Governance
Trust for the Bureau of Investigative Journalism	150,000	Civil Society - Governance
Reprieve	50,000	Civil Society - Human Rights
Bingham Centre for the Rule of Law	40,000	Civil Society - Law & Rehabilitation
Blood Cancer UK	5,000	Non-strategic
Listening Place, The	10,000	Non-strategic
National Youth Jazz Orchestra	10,000	Non-strategic
TOTAL GRANTS AWARDED 2020	£901,271	

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Highlights of major grants awarded in 2020:

University of Cape Town, project grant of ZAR 2,205,000 (£106,858)

We provide support for scholarships for South African students across a broad array of subject areas at the doctoral and masters level at the University of Cape Town in South Africa. An important criterion for eligibility, beyond academic excellence, is a strong engagement with civil society. The scholarships aim to identify future leaders in South Africa that will provide the base of a vibrant and successful civil society. In 2020 the programme entered its eighteenth year, supporting five new students. Over this period a total amount of £1,903,601 has been awarded for scholarships, supporting 112 postgraduate students. A number of these scholars have since set up their own non-profit organisations in South Africa and are contributing to the development of the country, including Numeric, IkamvaYouth, Women in Engineering, Dikakapa-Everyday Heroes and the Teacher Development Initiative.

IntoUniversity, core funding grant of £100,000

IntoUniversity runs learning centres in locations across the UK, providing long-term education programmes that address underachievement and social exclusion. It targets children and young people most at risk of failing to meet their full potential, owing to economic and social disadvantage, providing them with a programme of long-term academic and pastoral support. IntoUniversity normally has three elements to their programmes. The first element is academic support, where students visit their local centre after school to receive weekly help with their homework from staff and trained volunteers. Young people are encouraged to develop effective study skills, and to become curious, independent and successful learners. The second element is a mentoring programme, where university undergraduates and corporate mentors act as inspirational role models to support students' learning and help sustain their academic and personal aspirations. The final element involves specially designed study weeks, days and workshops that aim to promote a love of learning. These encourage young people to be informed about future educational and career opportunities, providing them with the tools and knowledge to take responsibility for their own development. IntoUniversity has an effective model, impressive management, and good evidence of the difference they are making. In 2020 its operations were severely affected by Covid and it had to adapt its programmes to reach as many of the young people as possible through different means, primarily remotely, which brought additional challenges to them as an organisation. Despite the pandemic, it is still hoping to grow over the next few years and partner with more local communities and universities in order to reach more young people.

openDemocracy (the Open Trust), core funding grant of £60,000

openDemocracy is a global media platform for plural political debate that challenges power and inspires change through cutting-edge investigative reporting, thoughtful analysis and debate centred on the values of democracy, liberty and free thought. openDemocracy is the main site, and publishes independent, public interest journalism in the form of rigorous debate, comment, analysis and reporting. It is also the organisational hub for several other openDemocracy sections, providing administrative, editorial and publishing support for their operations. Throughout 2020 openDemocracy continued to lead the investigative work into the dark money affecting UK and global politics and extensively investigated ongoing issues surrounding Covid-19 related procurement processes. We funded the charitable aspects of openDemocracy's work through the Open Trust.

Trust for the Bureau of Investigative Journalism, project grant of £150,000

The Bureau of Investigative Journalism (BIJ) was founded in 2010 to provide a trusted and reliable source of information and facts to improve understanding of the complex issues affecting society, and to hold the increasing global networks of power to account. Since then the organisation has undergone considerable change and significant growth, doubling in size since 2015. The BIJ's mission is to inform the public about the realities of power in today's world. Through fact-based, unbiased reporting, it exposes systemic wrongs, counters misinformation and sparks change. It seeks to provide the evidence base that informs public and political debate around serious issues, calls for transparency and accountability in governments and corporations, strengthens civil society and democratic processes, and supports the rights of vulnerable individuals and communities across the UK and more widely.

The Trust for the Bureau of Investigative Journalism (TBIJ) was established in 2018, allowing charitable donations to be made to the BIJ for the parts of its work that are clearly charitable. Bureau Local is an innovative journalism and technology project working with local reporters to dig into datasets and tell the stories that matter to communities across the UK. It was launched in March 2017 with lead funding from Google's Digital News Initiative and has had a significant impact with its collaborative investigations. In 2020 we funded the charitable aspects of Bureau Local through the TBIJ.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Reprieve, core funding grant of £50,000

Reprieve is a UK charity that provides free legal and investigative support to some of the world's most vulnerable people: those facing execution and those victimised by states' abusive counter-terror policies (rendition, torture, extrajudicial imprisonment and extrajudicial killing).

Reprieve:

- litigates on behalf of prisoners on death row around the world, appealing their sentences and ensuring that their trials are fair and just;
- represents cleared detainees in Guantánamo Bay, helping to secure their safe release;
- campaigns to raise awareness about unlawful CIA drone strikes which routinely kill civilians in Pakistan and Yemen, helping their partners in these countries to challenge strikes in court;
- works with the pharmaceutical industry to help them put a stop to US departments of corrections abusing their medicines in executions;
- represents men detained in US run secret prisons, where alleged terrorists are tortured and detained without trial beyond the rule of law; and,
- investigates allegations of abuse by the police or government authorities when British civilians are arrested and detained overseas.

The Philharmonia Orchestra, core funding grant of £50,000

The Philharmonia Orchestra is one of the world's great orchestras, being renowned for the quality of its playing, innovative work with residencies, music education, audience development and the use of new technology to reach a global audience. The Orchestra normally performs more than 160 concerts a year, across the world, as well as recording music for films, video games and commercial audio releases. We provided a core funding grant to the Philharmonia to help them through the pandemic and its live (online) programmes in 2020 and in-person concerts in 2021.

Director's report

2020 was an extremely difficult year for the organisations that we support. We have been pleased that most of them have strong organisational structures, governance and management to lead them through these difficult times and they look to be well placed to continue their work once restrictions have eased. Given the unprecedented challenges they have faced, we have been flexible in our monitoring, reporting and payment processes to support them as needed. Many of these organisations have pivoted their work online to continue helping the communities they serve, which whilst universally challenging, has been largely successful. We have been heartened by hearing about these successes and in how they plan to adopt some of the most successful practices in the future into more blended delivery models.

Given the Trustee's long running concerns over the high levels of corruption in South Africa that affect the state and state run organisations, they further agreed to limit the funding programme there. From 2021 support was largely limited to our long standing scholarships programme at the University of Cape Town and some legacy education projects. We continue to monitor the situation in South Africa closely and hope that we will be able to move back into supporting strategic mainstream education projects before too long.

The Covid-19 pandemic did impact our ability to function as a normal organisation but, as our systems and processes could all be carried out remotely, the day to day impact was not particularly severe. The biggest impact was on our ability to meet with potential applicants and grant holders, especially those in South Africa, which made our due diligence, monitoring and reporting processes harder to carry out. We are committed to helping those organisations we fund survive this crisis so that they can continue their important work once vaccination programmes are rolled out and lockdown restrictions eased.

We have also been keeping an extremely close watch over our investment portfolio, which has been affected by the difficult global market environments. The portfolio managed to perform relatively well throughout 2020, given our effective management of risk and our diverse investment portfolio. The Trustees are very aware that if the portfolio loses value, our ability to support the organisations carrying out vital work will be affected.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Despite these ongoing challenges, we continue to look at how we work with and support our grantees so that our funding can make the biggest difference. We partner with civil society organisations and other funders to share knowledge and learning, something which is more important than ever at this time. We continue to be members of the International Education Funders Group and Ariadne and liaise closely with organisations such as 360Giving, the Transparency & Accountability Initiative, the European Journalism Centre and the Association of Charitable Foundations.

Financial review

The *Statement of Financial Activities* for the year, *Balance Sheet* and *Cash Flow Statement* are set out on pages 14 to 16.

The opening balance of funds in the Foundation on 1 January 2020 was £17,475,603. The capital value of investments decreased by £154,576 (2019 – decreased by 498,469) in sterling and there were charges of £130,171 (2019 - £158,483) for investment management. The Foundation's total incoming resources during the year were £308,341 (2019 - 526,432). After support and governance costs of £125,716 (2019 - 113,368) and grants payable of £901,271 (2019 - 1,007,700), endowment funds at the end of the year were £16,472,210.

The investment policy of the Foundation is to generate secure income annually by investing over a wide and diversified global portfolio of bonds, money deposits, equity, and property. The Foundation manages and monitors risks rigorously and targets low volatility. The spread offered by a global portfolio is likely to produce optimum returns subject to a small risk profile.

To mitigate the volatility of individual currencies in a global portfolio, the Foundation uses a compound of currencies weighted by gross domestic product in the major economic zones – the global currency index (GCI). This is a geometric weighting based on 30% US Dollars, 20% Euros, 20% Chinese Renminbi, 10% Japanese Yen, 10% Great British Pounds and 10% Australian Dollars. It is similar in form to the International Monetary Fund special drawing rights. Investment performance is measured in GCI. In this measure total returns during the year were a loss of 1.80% (2019 - gain of 3.11%). The volatility of the portfolio was 6.28%. During the year, sterling fell relative to other currencies, as measured by the GCI, and recorded a loss of 1.68% (2019 – gain of 4.20%). The investment performance in sterling produced a loss of 0.15% (2019 – sterling loss of 1.04%).

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (continued)

Financial review (continued)

Value in Sterling	2017 £	2018 £	2019 £	2020 £
Investment income	339,949	309,816	377,245	186,536
Donations and legacies	5,931	15,197	149,187	121,805
Total income	345,880	325,013	526,432	308,341
Opening funds	19,384,084	18,986,569	18,727,191	17,475,603
Costs of investment management and charitable activities	(1,380,186)	(1,043,289)	(1,279,551)	(1,157,158)
Movement on capital funds	636,791	458,898	(498,469)	(154,576)
Closing funds	18,986,569	18,727,191	17,475,603	16,472,210
Total return in Sterling per annum	5.07%	4.13%	(1.04)%	(0.15)%
Global Currency Index (GCI)				
Exchange rate currency index/£ January 1st	0.8121	0.7908	0.8122	0.7795
Exchange rate currency index/£ December 31st	0.7908	0.8122	0.7795	0.7926
Increase/(Decrease) in value of Sterling versus GCI	2.69%	(2.63)%	4.20%	(1.68)%
Values in Global Currency Index	GCI	GCI	GCI	GCI
Investment income – GCI, year end	437,380	400,164	675,346	213,994
Opening funds	23,867,600	24,009,318	23,057,364	22,421,842
Income less grants and expenses	(1,745,303)	(1,284,522)	(1,641,502)	(1,115,752)
Movement on capital funds	1,887,021	332,568	1,005,980	(427,699)
Closing funds	24,009,318	23,057,364	22,421,842	20,878,391
Total return in GCI per annum	7.62%	1.00%	3.11%	(1.80)%

The market value of investments at year end was £16,573,550 (2019 - £17,481,630). After grants committed and not yet paid, the funds of the Foundation were £16,472,210 (2019 - £17,475,603).

There are no restrictions on the Trustees' powers of investment. The investment policy of the Trustees is to optimise income and maintain the real value of capital, while mitigating risk through a secure investment spread over a range of assets and currencies.

At the year-end, investments held were spread between cash and deposits, public equities and high quality bonds. The currency spread of assets was Euros 22%, US Dollars 20%, Chinese Renminbi 19%, Australian Dollars 15%, Great British Pounds 10%, Japanese Yen 9% and other currencies 5%.

The compound average return over the last five years in the GCI is 1.7% with an average annualised volatility of 3.6%. For comparison, the compound average return over the last five years in Sterling is 4.4% with annualised volatility of 7.6%.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Financial review (*continued*)

The value of a standard currency base can be seen over an extended period. During the financial crisis between the summer of 2007 to December 2010, Sterling fell some 40% against an index of currencies. Over the last few years there had been a partial recovery, undermined by the decline in the pound following the UK referendum to leave the European Union. Over the past fifteen years from 2006 to 2020, which includes the great recession and Covid-19 crash, compound average returns in GCI were 3.8% with an average volatility of 3.7%. In Sterling average compound returns were 5.4% with a volatility of 7.6%. The average Sharpe ratio of returns relative to the GCI is 1.0. Due to the volatility of Sterling, the average Sharpe ratio of returns relative to Sterling is 0.7.

Office facilities

The Trustees were very grateful for the use of office space in central London in 2020, which was provided, at no cost, by Delft Investments LLP. The financial statements provide for this benefit. In January 2021 the Foundation relocated to its previous offices in Hamilton Close, London, NW8.

Volunteers

The Trustees were very grateful for the use of a finance officer and personal assistant, whose time was paid for by Dr David Potter. The financial statements provide for this benefit.

Reserves

The free reserves of the Foundation at 31 December 2020 were £nil. The Trustees can draw funds from the expendable endowment fund to meet the operational needs and grant commitments made.

Risk management

The Trustees have examined the major strategic, business, investment and operational risks that the charity faces and confirm that the systems in place remain adequate to manage risk. The results over the last few years demonstrate tight control of the investment portfolio during an extremely volatile period in world markets. The endowment has been maintained such as to ensure funding of the charitable activities for as long as possible.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable would be presented in the financial statements as “Donations and legacies”. As an endowed Foundation, the David and Elaine Potter Foundation does not undertake any fundraising activities whatsoever.

Trustees’ responsibilities

The Trustees are responsible for preparing the Trustees’ Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that year.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2020 (continued)

Financial review (continued)

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

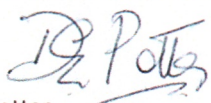
The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Trustees confirm that in so far as each of the Trustees is aware:

- There is no relevant audit information of which the charity's auditor is not aware; 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 auditor is aware of that information.

By order of the Board of Trustees



Dr David Potter
Chair of Trustees

Date

26th October 2021

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DAVID AND ELAINE POTTER FOUNDATION

Opinion

We have audited the financial statements of the David and Elaine Potter Foundation (the 'Foundation') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, cash flow statement and the notes forming part of the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation 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 Foundation'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2020 (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or,
- sufficient accounting records have not been kept; or,
- the financial statements are not in agreement with the accounting records; or,
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees 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 Foundation'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Regulations 2008 and the Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The David and Elaine Potter Foundation

Independent Auditor's Report for the year ended 31 December 2020 (continued)

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and endowment funds.
- Obtaining third-party confirmation of bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation, such as the charity board minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

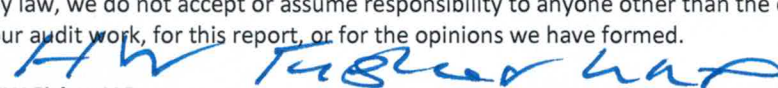
Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

28 October 2021
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HW Fisher LLP is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

The David and Elaine Potter Foundation

Statement of Financial Activities for the year ended 31 December 2020

		Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	3	30,205	91,600	121,805	29,387	119,800	149,187
Investments	4	186,536	-	186,536	377,245	-	377,245
Total income and endowments		216,741	91,600	308,341	406,632	119,800	526,432
Expenditure on:							
Raising funds	5	-	130,171	130,171	-	158,483	158,483
Charitable activities	6	1,026,987	-	1,026,987	1,121,068	-	1,121,068
Total resources		1,026,987	130,171	1,157,158	1,121,068	158,483	1,279,551
Net (losses) on	11	-	(154,576)	(154,576)	-	(498,469)	(498,469)
Net outgoing resources before transfers		(810,246)	(193,147)	(1,003,393)	(714,436)	(537,152)	(1,251,588)
Gross transfers between funds		810,246	(810,246)	-	714,436	(714,436)	-
Net movement in funds		-	(1,003,393)	(1,003,393)	-	(1,251,588)	(1,251,588)
Fund balances at 1 January 2020		-	17,475,603	17,475,603	-	18,727,191	18,727,191
Fund balances at 31 December 2020		-	16,472,210	16,472,210	-	17,475,603	17,475,603

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

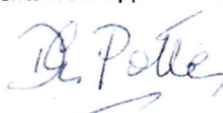
The notes on pages 17 to 27 form part of these financial statements.

The David and Elaine Potter Foundation

Balance Sheet as at 31 December 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	13		16,573,550		17,481,630
Current assets					
Debtors	14	91,600		119,800	
Cash at bank and in hand		101,638		124,737	
		<u>193,238</u>		<u>244,537</u>	
Creditors: amounts falling due within one	15	<u>(287,577)</u>		<u>(243,464)</u>	
Net current (liabilities)/assets			(94,339)		1,073
Total assets less current liabilities			16,479,211		17,482,703
Creditors: amounts falling due after more than one year	16		(7,001)		(7,100)
Net assets			<u>16,472,210</u>		<u>17,475,603</u>
Capital funds					
<u>Endowment funds - general</u>					
Expendable endowment		<u>16,472,210</u>		<u>17,475,603</u>	
	17		16,472,210		17,475,603
Income funds					
Unrestricted funds			<u>-</u>		<u>-</u>
			<u>16,472,210</u>		<u>17,475,603</u>

The financial statements were approved by the Board and authorised for issue on 26th October 2021.



Dr D Potter
Chair of Trustees

The notes on pages 17 to 27 form part of these financial statements.

The David and Elaine Potter Foundation

Cash Flow Statement for the year ended 31 December 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(924,569)		(1,150,686)
Investing activities					
Withdrawals from investment fund		901,470		1,184,730	
Interest received		-		5,378	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			901,470		1,190,108
Net cash used in financing activities			<u> </u>		<u> </u>
			-		-
Net (decrease)/increase in cash and cash equivalents			(23,099)		39,422
Cash and cash equivalents at beginning of year			<u>124,737</u>		<u>85,315</u>
Cash and cash equivalents at end of year			<u>101,638</u>		<u>124,737</u>

The notes on pages 17 to 27 form part of these financial statements.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2020

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation'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 (FRS 102) (effective 1 January 2019)". The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees have considered the effect of the Covid-19 outbreak. The Trustees consider that the outbreak so far has caused little disruption to the Charity's business and does not anticipate any future significant disruption.

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Expendable endowment funds are those where the trust terms provide for conversion of capital to income under certain circumstances.

1.4 Income

All voluntary income is accounted for when received. Investment income is accounted for on accruals basis. Gifts in kind are included at fair value to the charity.

1.5 Expenditure

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Allocation of overhead, governance and support costs

Overhead, governance and support costs have been allocated entirely to charitable activities. They have then been apportioned based on the grant awards made.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit and legal fees. These are reallocated to charitable activities.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

Expenditure on raising funds

Expenditure on raising funds consists of investment management fees directly attributable to managing the investment portfolio.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

The Foundation 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 Foundation's balance sheet when the Foundation 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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1.9 Employee benefits

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 Foundation 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 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the Trustees 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.

There were no estimates within these financial statements.

3 Donations and legacies

	Unrestricted funds general 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Endowment funds 2019 £	Total 2019 £
Donations and gifts						
In-Kind office space	21,705	-	21,705	21,762	-	21,762
In-Kind volunteer support	8,500	-	8,500	7,625	-	7,625
Donation from Dr David Potter	-	<u>91,600</u>	<u>91,600</u>	-	<u>119,800</u>	<u>119,800</u>
Total	<u>30,205</u>	<u>91,600</u>	<u>121,805</u>	<u>29,387</u>	<u>119,800</u>	<u>149,187</u>

Delft Investments LLP provided free use of office space in central London for the Foundation during the reporting period.

Two paid employees of Dr David Potter provided administrative support on a voluntary basis to the Foundation during the reporting period.

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Income from fixed asset investments	186,536	377,245

5 Raising funds

	Endowment funds general	Endowment funds general
	2020	2019
	£	£
Goldman Sachs	38,570	38,683
Delft Investments	91,601	119,800
	130,171	158,483

6 Charitable activities

For the year ended 31 December 2020

	Arts	Non-strategic	Civil Society	Education	Total
	2020	2020	2020	2020	2020
	£	£	£	£	£
Grant funding of activities (see note 7)	110,000	25,000	419,951	346,320	901,271
Share of support costs (see note 8)	15,344	3,487	58,578	48,307	125,716
	125,344	28,487	478,529	394,627	1,026,987

For the year ended 31 December 2019

	Arts	Non-strategic	Civil Society (Restated)	Education (Restated)	Total
	2019	2019	2019	2019	2019
	£	£	£	£	£
Grant funding of activities (see note 7)	105,000	61,000	494,737	346,963	1,007,700
Share of support costs (see note 8)	12,040	6,995	55,440	38,893	113,368
	117,040	67,995	550,177	385,856	1,121,068

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

7 Grants awarded

	Arts	Non- strategic	Civil Society	Education	Total 2020	Total 2019 (Restated)
	2020	2020	2020	2020		
	£	£	£	£	£	£
Grants to institutions (22):						
Arts						
Almeida Theatre	10,000	-	-	-	10,000	8,000
Donmar Warehouse	10,000	-	-	-	10,000	6,000
Old Vic	-	-	-	-	-	6,000
Performa	30,000	-	-	-	30,000	30,000
Philharmonia	50,000	-	-	-	50,000	50,000
Royal Court Theatre (English Stage Company)	-	-	-	-	-	5,000
Royal Opera House	10,000	-	-	-	10,000	-
Non-strategic						
Blood Cancer UK	-	5,000	-	-	5,000	-
Listening Place	-	10,000	-	-	10,000	-
National Youth Jazz Orchestra	-	10,000	-	-	10,000	-
One to One Children's Fund	-	-	-	-	-	10,000
St Mark's Hospital Foundation	-	-	-	-	-	31,000
Stuart Hall Foundation	-	-	-	-	-	20,000
Civil Society						
Bingham Centre for the Rule of Law	-	-	40,000	-	40,000	-
Black Sash	-	-	-	-	-	20,179
Bonavero Institute of Human Rights, University of Oxford	-	-	-	-	-	15,000
Corruption Watch South Africa	-	-	44,951	-	44,951	42,039
Council for At-Risk Academics	-	-	-	-	-	(22,685)
Ethical Journalism Network	-	-	10,000	-	10,000	-
Global Leadership Foundation	-	-	-	-	-	30,000
Index on Censorship (Writers & Scholars Educational Trust)	-	-	-	-	-	80,000
Inkululeko South Africa Media	-	-	-	-	-	75,204
openDemocracy (Open Trust)	-	-	60,000	-	60,000	60,000
Reprieve	-	-	50,000	-	50,000	-
Spotlight on Corruption	-	-	20,000	-	20,000	-
Transparency International UK	-	-	45,000	-	45,000	45,000
Trust for the Bureau of Investigative Journalism	-	-	150,000	-	150,000	150,000

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

7 Grants awarded (continued)

Education

Donald Woods Foundation	-	-	-	-	-	15,000
Ikamva Youth	-	-	-	-	-	28,027
IntoUniversity	-	-	-	100,000	100,000	-
MyBnk	-	-	-	25,000	25,000	-
Numeric						
(Bluestream Education)	-	-	-	48,462	48,462	74,927
Ubuntu Pathways	-	-	-	35,000	35,000	-
Ukwanda Projects	-	-	-	31,000	31,000	-
University of Cape Town	-	-	-	106,858	106,858	129,009
Westminster School						
(Ben Johnson Foundation)	-	-	-	-	-	100,000
	<u>110,000</u>	<u>25,000</u>	<u>419,951</u>	<u>346,320</u>	<u>901,271</u>	<u>1,007,700</u>

For the year ended 31 December 2019

	Arts	Non-Strategic	Civil Society (Restated)	Education (Restated)	Total
	£	£	£	£	£
Net grants to institutions (24 grants):	<u>105,000</u>	<u>61,000</u>	<u>494,737</u>	<u>346,963</u>	<u>1,007,700</u>

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	85,382	-	85,382	83,343	-	83,343
Audit and accountancy	-	13,080	13,080	-	11,160	11,160
Bank charges	57	-	57	188	-	188
Other expenses	2,831	-	2,831	6,365	-	6,365
Website, web hosting and grant system costs	4,835	-	4,835	4,980	-	4,980
Foreign exchange (gain)/loss	(10,674)	-	(10,674)	(22,055)	-	(22,055)
Office in-kind costs	21,705	-	21,705	21,762	-	21,762
Volunteer in-kind costs	8,500	-	8,500	7,625	-	7,625
	<u>112,636</u>	<u>13,080</u>	<u>125,716</u>	<u>102,208</u>	<u>11,160</u>	<u>113,368</u>
Analysed between charitable activities						

Governance costs includes payments to the auditors of £10,020 (2019 - £10,020) for audit fees.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	1	1
	<u>1</u>	<u>1</u>
Employment costs	2020	2019
	£	£
Wages and salaries	44,261	44,260
Social security costs	21,951	19,913
Other pension costs	19,170	19,170
	<u>85,382</u>	<u>83,343</u>
	<u>85,382</u>	<u>83,343</u>

There was one employee whose emoluments (including pensions) were in the range between £70,001 and £80,000 (2019 - one).

11 Net gains/(losses) on investments

	Endowment funds general 2020 £	Endowment funds general 2019 £
Revaluation of investments	(154,576)	(498,469)
	<u>(154,576)</u>	<u>(498,469)</u>

12 Transfers

Funds have been transferred from the expendable endowment fund to unrestricted funds in order to match the net outgoings arising during the year on unrestricted funds.

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

13 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2020	11,044,334	6,437,296	17,481,630
Dividends and interest received	-	186,536	186,536
Valuation changes	(154,576)	-	(154,576)
Withdrawals from investment fund	-	(901,470)	(901,470)
Investment manager's fees	-	(38,570)	(38,570)
	<u>10,889,758</u>	<u>5,683,792</u>	<u>16,573,550</u>
At 31 December 2020	10,889,758	5,683,792	16,573,550
Carrying amount			
At 31 December 2020	<u>10,889,758</u>	<u>5,683,792</u>	<u>16,573,550</u>
At 31 December 2019	<u>11,044,334</u>	<u>6,437,296</u>	<u>17,481,630</u>

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	<u>91,600</u>	<u>119,800</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Grants payable	200,247	187,905
Other creditors and accruals	<u>87,330</u>	<u>55,559</u>
	<u>287,577</u>	<u>243,464</u>

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	<u>7,001</u>	<u>7,100</u>

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

17 Endowment funds

Endowment funds represent assets which must be held permanently by the Foundation. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	2020 Expendable endowment fund £	2019 Expendable endowment fund £
Opening balance	17,475,603	18,727,191
Incoming resources	91,600	119,800
<i>Movement in funds</i>		
Resources expended	(130,171)	(158,483)
Transfers	(810,246)	(714,436)
Revaluations gains and losses	(154,576)	(498,469)
Closing balance	16,472,210	17,475,603

18 Analysis of net assets between funds

	Endowment funds 2020 £	Unrestricted funds 2020 £	Total 2020 £	Endowment funds 2019 £	Unrestricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Investments	16,573,550	-	16,573,550	17,481,630	-	17,481,630
Current assets/(liabilities)	(94,339)	-	(94,339)	1,073	-	1,073
Long term liabilities	(7,001)	-	(7,001)	(7,100)	-	(7,100)
	16,472,210	-	16,472,210	17,475,603	-	17,475,603

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

19 Related party transactions

Dr David Potter is a Partner of:

- Delft Investments LLP
- and a Director of:
- The Bureau of Investigative journalism
 - Rite Digital Ltd (resigned November 2020)
- and a Trustee of:
- Philharmonia Ltd (resigned November 2019)

Dr Elaine Potter is a Trustee of the following organisations:

- Writers and Scholars Educational Trust (Index on Censorship);
 - openDemocracy Limited (non-exec director);
 - University of Cape Town Trust; and
 - Westminster School Foundation (UK) Limited
- and a Director of:
- The Bureau of Investigative journalism

Mr Samuel Potter is a Trustee of the following organisation:

- Numeric
- and a Partner of:
- Delft Investments LLP

Grant commitments during the year to the above organisations were:

- a) The Bureau of Investigative Journalism - £nil (2019 - £nil)
- b) The Trust for the Bureau of Investigative Journalism - £150,000 (2019 - £150,000)
- c) Numeric - £48,462 (2019 - £74,927)
- d) openDemocracy (Open Trust) - £60,000 (2019 - £60,000)
- e) Philharmonia Orchestra (Philharmonia Ltd) - £50,000 (2019 - £50,000)
- f) University of Cape Town - £106,858 (2019 - £129,009)
- g) Westminster School - £nil (2019 - £100,000)
- h) Writers and Scholars Educational Trust (Index on Censorship) - £nil (2019 - £80,000)

Transactions with Delft Investments LLP were conducted on an arm's length basis. The total amount paid to Delft Investments LLP in the reporting period was £91,600 (2019 - £119,800).

Included within creditors is £58,108 owed to David Potter (2019: £2,183). This consists of a short term loan provided and a receipt incorrectly received by the Foundation. The full amount was paid to David Potter post year end.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

20	Cash generated from operations	2020 £	2019 £
	Deficit for the year	(1,003,393)	(1,251,588)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(186,536)	(377,245)
	Investment management fees paid from portfolio	38,570	38,683
	Fair value gains and losses on investments	154,576	498,469
	Movements in working capital:		
	Decrease/(increase) in debtors	28,200	(110,293)
	Increase in creditors	44,014	51,288
	Cash absorbed by operations	(924,569)	(1,150,686)

21 Analysis of changes in net funds

The Foundation had no debt during the year.