



**Annual Report and Financial Statements**

**Year ended**

**31 December 2020**

**Registered charity number 1078217**

**[www.potterfoundation.com](http://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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Contents	Page
Report of the Trustees	2
Independent Auditors' Report	11
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes forming part of the Financial Statements	17

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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**

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### **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
<b>TOTAL</b>	<b>£21,050,394</b>		<b>497</b>

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
<b>TOTAL GRANTS AWARDED 2020</b>	<b>£901,271</b>	

# The David and Elaine Potter Foundation

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

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### 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*)

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### **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*)

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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
<b>Total income</b>	<b>345,880</b>	<b>325,013</b>	<b>526,432</b>	<b>308,341</b>
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
<b>Total return in Sterling per annum</b>	<b>5.07%</b>	<b>4.13%</b>	<b>(1.04)%</b>	<b>(0.15)%</b>
<b>Global Currency Index (GCI)</b>				
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
<b>Increase/(Decrease) in value of Sterling versus GCI</b>	<b>2.69%</b>	<b>(2.63)%</b>	<b>4.20%</b>	<b>(1.68)%</b>
<b>Values in Global Currency Index</b>	<b>GCI</b>	<b>GCI</b>	<b>GCI</b>	<b>GCI</b>
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
<b>Total return in GCI per annum</b>	<b>7.62%</b>	<b>1.00%</b>	<b>3.11%</b>	<b>(1.80)%</b>

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)*

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### 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.

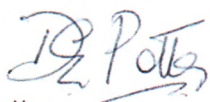
The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 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

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### 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)*

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### 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  
.....

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						
<b>Income from:</b>							
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
<b>Total income and endowments</b>		<b>216,741</b>	<b>91,600</b>	<b>308,341</b>	<b>406,632</b>	<b>119,800</b>	<b>526,432</b>
<b>Expenditure on:</b>							
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
<b>Total resources</b>		<b>1,026,987</b>	<b>130,171</b>	<b>1,157,158</b>	<b>1,121,068</b>	<b>158,483</b>	<b>1,279,551</b>
Net (losses) on	11	-	(154,576)	(154,576)	-	(498,469)	(498,469)
<b>Net outgoing resources before transfers</b>		<b>(810,246)</b>	<b>(193,147)</b>	<b>(1,003,393)</b>	<b>(714,436)</b>	<b>(537,152)</b>	<b>(1,251,588)</b>
Gross transfers between funds		810,246	(810,246)	-	714,436	(714,436)	-
<b>Net movement in funds</b>		<b>-</b>	<b>(1,003,393)</b>	<b>(1,003,393)</b>	<b>-</b>	<b>(1,251,588)</b>	<b>(1,251,588)</b>
Fund balances at 1 January 2020		-	17,475,603	17,475,603	-	18,727,191	18,727,191
<b>Fund balances at 31 December 2020</b>		<b>-</b>	<b>16,472,210</b>	<b>16,472,210</b>	<b>-</b>	<b>17,475,603</b>	<b>17,475,603</b>

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

All income and expenditure derive from continuing activities.

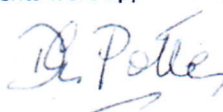
The notes on pages 17 to 27 form part of these financial statements.

# The David and Elaine Potter Foundation

## Balance Sheet as at 31 December 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	13		16,573,550		17,481,630
<b>Current assets</b>					
Debtors	14	91,600		119,800	
Cash at bank and in hand		101,638		124,737	
		<u>193,238</u>		<u>244,537</u>	
<b>Creditors: amounts falling due within one</b>	15	<u>(287,577)</u>		<u>(243,464)</u>	
Net current (liabilities)/assets			(94,339)		1,073
<b>Total assets less current liabilities</b>			16,479,211		17,482,703
<b>Creditors: amounts falling due after more than one year</b>	16		(7,001)		(7,100)
<b>Net assets</b>			<u>16,472,210</u>		<u>17,475,603</u>
<b>Capital funds</b>					
Endowment funds - general					
Expendable endowment		<u>16,472,210</u>		<u>17,475,603</u>	
	17		16,472,210		17,475,603
<b>Income funds</b>					
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 26<sup>th</sup> 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 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	20		(924,569)		(1,150,686)
<b>Investing activities</b>					
Withdrawals from investment fund		901,470		1,184,730	
Interest received		-		5,378	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			901,470		1,190,108
<b>Net cash used in financing activities</b>			<u>          </u>		<u>          </u>
			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(23,099)		39,422
Cash and cash equivalents at beginning of year			<u>124,737</u>		<u>85,315</u>
<b>Cash and cash equivalents at end of year</b>			<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

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### 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)*

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### *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 £
<b>Donations and gifts</b>						
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):						
<b>Arts</b>						
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	-
<b>Non-strategic</b>						
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
<b>Civil Society</b>						
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>
<b>Employment costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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>

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 £
<b>Cost or valuation</b>			
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
<b>Carrying amount</b>			
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 £
<b>Amounts falling due within one year:</b>		
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)*

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### 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
	<b>Cash absorbed by operations</b>	<b>(924,569)</b>	<b>(1,150,686)</b>

## 21 Analysis of changes in net funds

The Foundation had no debt during the year.