



**Annual Report and Financial Statements**

**Year ended**

**31 December 2023**

**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 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

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### 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
<b>TOTAL</b>	<b>£23,287,340</b>		<b>554</b>

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*)

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### 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*)

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### 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
<b>Total income</b>	<b>308,341</b>	<b>271,189</b>	<b>153,804</b>	<b>271,875</b>
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
<b>Total return in Sterling per annum</b>	<b>(0.15)%</b>	<b>6.46%</b>	<b>3.42%</b>	<b>0.42%</b>
<b>Global Currency Index (GCI)</b>				
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
<b>Increase/(Decrease) in value of Sterling versus GCI</b>	<b>(1.68)%</b>	<b>1.67%</b>	<b>(5.26)%</b>	<b>5.62%</b>
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
<b>Total return in GCI per annum</b>	<b>(1.80)%</b>	<b>8.24%</b>	<b>(2.03)%</b>	<b>6.14%</b>

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*)

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### 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)*

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### 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

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### 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*)**

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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 (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	£	£
<b><u>Income from:</u></b>			
Donations and legacies	3	5,500	59,433
Investments	4	266,375	94,371
<b>Total income</b>		271,875	153,804
<b><u>Expenditure on:</u></b>			
Investment management costs	5	144,578	138,251
Charitable activities	6	811,919	915,768
<b>Total resources expended</b>		956,497	1,054,019
Net gains/(losses) on investments	11	(203,868)	525,548
<b>Net movement in funds</b>		(888,490)	(374,667)
Fund balances at 1 January 2023		16,211,942	16,586,609
<b>Fund balances at 31 December 2023</b>		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	£	£
<b>Fixed assets</b>			
Investments	12	15,493,198	16,170,832
<b>Current assets</b>			
Debtors	13	-	50,933
Cash at bank and in hand		102,797	159,945
		<u>102,797</u>	<u>210,878</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(261,043)</u>	<u>(169,768)</u>
Net current assets / (liabilities)		(158,246)	41,110
<b>Total assets less current liabilities</b>		15,334,952	16,211,942
<b>Creditors: amounts falling due after more than one year</b>	15	(11,500)	-
<b>Net assets</b>		<u>15,323,452</u>	<u>16,211,942</u>
<b>Income funds</b>			
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	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	17		(757,148)		(1,196,145)
<b>Investing activities</b>					
Withdrawals from investment fund		<u>700,000</u>		<u>1,053,002</u>	
<b>Net cash generated from investing activities</b>			<u>700,000</u>		<u>1,053,002</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(57,148)		(143,143)
Cash and cash equivalents at beginning of year			<u>159,945</u>		<u>303,088</u>
<b>Cash and cash equivalents at end of year</b>			<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

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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

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*)

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### 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 £
<b>Donations and gifts</b>		
In-Kind volunteer support	5,500	8,500
Gift Aid	-	50,933
<b>Total</b>	<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
<b>Arts</b>		
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
<b>Sub-total – Arts</b>	<b>65,000</b>	<b>90,007</b>
<b>Non-Strategic</b>		
British Red Cross	-	10,000
Disasters Emergency Committee	-	40,000
Listening Place	-	10,000
MS Society	20,000	-
<b>Sub-total – Non-strategic</b>	<b>20,000</b>	<b>60,000</b>

# 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
<b>Civil Society</b>		
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
<b>Sub-total – Civil Society</b>	<b>349,732</b>	<b>331,374</b>
<b>Education</b>		
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
<b>Sub-total - Education</b>	<b>230,039</b>	<b>299,742</b>
<b>TOTAL</b>	<b>664,771</b>	<b>781,123</b>

	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
<b>Employment costs</b>	<b>2023</b>	<b>2022</b>
	£	£
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
	£	£		£
<b>Cost or valuation</b>				
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
	£	£
<b>Amounts falling due within one year:</b>		
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)
<b>Cash absorbed by operations</b>	<b>(757,148)</b>	<b>(1,196,145)</b>

### 18 Analysis of changes in net debt

The Foundation had no debt during the year.