

THE DERRILL ALLATT FOUNDATION

ANNUAL REPORT AND ACCOUNTS

5 APRIL 2021

PAYNE HICKS BEACH

Solicitors

10 New Square

Lincoln's Inn

London WC2A 3QG

THE DERRILL ALLATT FOUNDATION

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ADMINISTRATIVE INFORMATION ABOUT THE CHARITY, ITS TRUSTEES AND ADVISERS

<u>TRUSTEES</u>	:	Ms. Diana Hargreaves Payne Hicks Beach Trust Corporation Limited Ms. Clare Matthews
<u>PRINCIPAL ADDRESS</u>	:	10 New Square Lincoln's Inn London WC2A 3QG
<u>CHARITY REGISTRATION NUMBER</u>	:	1148440
<u>AUDITOR</u>	:	Buzzacott LLP 130 Wood Street London EC2V 6DL
<u>INVESTMENT MANAGERS</u>	:	Investec Wealth & Investment Management Limited 2 Gresham Street London EC2V 2QN
<u>SOLICITORS AND ADMINISTRATORS</u>	:	Payne Hicks Beach 10 New Square Lincoln's Inn London WC2A 3QG

TRUSTEES' REPORT - 5 APRIL 2021

The trustees present their statutory report together with the accounts of The Derrill Allatt Foundation for the year ended 5 April 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 15-18 of the attached accounts and comply with the charity's trust deed, applicable laws, accounting standards (United Kingdom Generally Accepted Accounting Practice), 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 United Kingdom and Republic of Ireland (FRS 102), second edition (October 2019).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

Derrill Victor Allatt died on 7 July 2011 and by his Will dated 7 November 2007 bequeathed 50% of the residue of his Estate for such charitable purposes as his trustees shall in their absolute discretion select. His Will was proved by his Executors and trustees Ms. Diana Hargreaves, Miss Alexandra Rhodes and Payne Hicks Beach Trust Corporation Limited and Probate was granted on 24 January 2012.

The Derrill Allatt Foundation is governed by a Declaration of Trust dated 1 August 2012 and made between the original trustees Ms. Diana Hargreaves, Miss Alexandra Rhodes and Payne Hicks Beach Trust Corporation Limited. The charity is registered under the Charities Act 2011, Charity Registration Number 1148440.

To date the sum of £2,332,709 had been settled into the charity by the trustees from the residue of Derrill Allatt's Estate. There is still a further small sum due to the charity.

The statutory power of appointment of new trustees by the continuing trustees applies.

The names of the trustees who served during the period are set out as part of the administrative information on page 1 of this Annual Report and Accounts. Brief biographical details are given below:

Ms. Diana Hargreaves

Ms. Hargreaves has worked as a journalist for many years and was a close personal friend of Derrill Allatt, having met him at Cambridge University in 1974. Ms. Hargreaves is an executrix of his estate.

Payne Hicks Beach Trust Corporation Limited

Payne Hicks Beach Trust Corporation Limited (PHBTCL) were appointed as Executor and Trustee under the Will of Derrill Allatt. PHBTCL is a trust corporation within the meaning of the Trustee Act 1925. All Directors are practising solicitors and partners of Payne Hicks Beach.

Ms. Clare Matthews

Clare Matthews had known the deceased settlor of the charity since 1974 as a friend. She was also a close friend and former colleague of Alexandra Rhodes whom she replaced as trustee.

TRUSTEES' REPORT - 5 APRIL 2021

GOVERNANCE, STRUCTURE AND MANAGEMENT (Continued)

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its income and expenditure during that year. In preparing accounts, to give a true and fair view the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet once a year to review the developments with regard to the charity, its grant giving activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the Private Client Department of Payne Hicks Beach. The Department ensures that grant applications are processed and presented to the trustees as appropriate; it administers payments and keeps the books and records of the charity.

At their meetings the trustees review the investment performance, and the investment manager attends the meetings to update the trustees in detail on the portfolio. The trustees review the proposals for grants to be made and approve such grants as appropriate.

TRUSTEES' REPORT - 5 APRIL 2021

GOVERNANCE, STRUCTURE AND MANAGEMENT (Continued)

Risk management

In line with the requirement for charity trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks The Derrill Allatt Foundation currently faces and have reviewed the safeguards in place, or needing to be put in place, to deal with them. The trustees have identified three main areas where risks may occur:

- Governance
- Operational
- Financial

Governance looks at the continuity of trusteeship, the skills and background of the trustees and the policies of regular meetings of the trustees to review their aims and activities.

Operational looks at the risk inherent in the delegation of statutory and legal requirements of the charity, its management and secretarial functions and delegation of certain of those functions, and its grant giving activities.

Financial risks include those inherent in delegation of investment management and custody to an independent investment manager, the financial record keeping of the charity, its investment policy, audit and review procedures.

Having assessed the major risks to which the charity is exposed, in particular those relating to its investments and its finances, the trustees believe that by ensuring controls exist over key financial systems incorporating the systems and controls implemented by Payne Hicks Beach, and by delegating the investment management function to investment managers, subject to regular monitoring, including periodic reviews of performance against benchmarks, they have established effective systems to mitigate those risks. In reaching this conclusion, the trustees have considered the impact on the charity of the Covid-19 pandemic.

The key risks faced by the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet once a year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

The charity carries out its objectives by providing grants to institutions that are also UK registered charities, whose objects comply with the charity's criteria. There is a risk that a grant provided by the charity may not reach the intended recipient and/or may be used for purposes not consistent with the charity's objects. Whilst the trustees are mindful of their own obligation to ensure that the charity benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

The risk assessment is kept under regular review and is fully reassessed every three years.

TRUSTEES' REPORT - 5 APRIL 2021

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Activities and specific objectives

The stated Objects of the charity in its Declaration of Trust are:

- The prevention or relief of poverty or financial hardship anywhere in the world but primarily in South and Central America, the Caribbean, Africa, Russia, Iraq, Indonesia, Pakistan, Portugal and the UK.
- To promote social inclusion for the public benefit.
- The relief of sickness and the presentation of health anywhere in the world.
- To help young people especially but not exclusively by developing skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
- To promote provision of facilities for the benefit of the public for the performing and visual arts, particularly at community level, and to encourage high standards in drama, ballet, singing, music, visual art and literature.
- To assist projects engaged in the alleviation of suffering of animals, particularly horses, dogs, and working animals and to promote health in animals in need of care and attention, particularly if no longer working and/or in old age.

The trustees operate a grant giving policy, providing funds at their discretion for the furtherance of the Objects.

The trustees will not consider unsolicited appeals from charities or individuals, preferring instead to carry out their own research into charitable projects which will meet with the criteria of the Objects.

The trustees' aim is to distribute the entire fund within the next 3-4 years in accordance with the Investment Policy statement.

Objectives and activities for the public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The charity carries out these objectives by providing grants to institutions that are also UK registered charities, whose objects comply with the charity's criteria. Whilst the trustees are mindful of their own obligation to ensure that the charity benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

Potential recipients of grants are identified by the trustees individually in areas where it is perceived that public benefit will be achieved. The opportunity to benefit is not restricted in any way except that the recipients should have a charitable need.

The trustees therefore consider that the charity's activities are for the benefit of the public generally.

TRUSTEES' REPORT - 5 APRIL 2021**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (Continued)****Key management**

The trustees comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and remuneration and any related party transactions are disclosed in note 5 to the accounts. As noted above, the day to day management of the charity's activities, and the implementation of policies, is delegated to the Private Client Department of Payne Hicks Beach.

Investment policy

The charity has a portfolio of investments with a market value as at 5 April 2021 of £502,622 (2020 - £504,136).

There are no restrictions on the charity's power to invest. However, the Trustees do not invest in the tobacco or public utilities industries. The investment strategy is agreed between the trustees and the investment managers, and is regularly reviewed. This is the subject of a policy statement which has been completed by the trustees and forms an integral part of the agreement with the investment manager to provide investment management services.

The overall investment policy is to maximise return by investment in a balanced portfolio comprised of equities, pooled funds, exotic stocks and funds, fixed interest and cash with a medium risk profile. Performance is measured by reference to a bespoke benchmark, which is as follows:

- Fixed interest (bonds/cash) - 40% FTSE Gov't All Stocks
- UK Equities - 25% FTSE All Shares
- Overseas Equities - 15% FTSE World ex UK
- Property - 5% IPD Monthly Index
- Alternatives - 10% IPD Monthly Index
- Cash - 5% IPD Monthly Index

The investment manager provides the trustees with a report on the performance of the portfolio every six months, which includes a comparison against the benchmark and general market issues.

ACHIEVEMENTS AND PERFORMANCE**Review of activities**

Total investment income and interest received in the period amounts to £13,891 (2020 - £23,836), which equates to a yield of 2.76% (based on the market valuation of the investment assets at the year end). The trustees awarded grants totalling £86,607 during the period in accordance with the charity's grant giving policy set out above. A detailed list of all grants made in the period is included in the Appendix on page 25.

The trustees feel that their objectives have been adequately met this period.

TRUSTEES' REPORT - 5 APRIL 2021**ACHIEVEMENTS AND PERFORMANCE (Continued)****Review of activities (Continued)**

However, the trustees are aware that there are external factors, which could affect the achievements of their objectives as a significant part of the charity's assets are made up of investments and cash, the result of which are dependent on the general performance of the UK and overseas stock markets. As noted above under risk management, in order to minimise this, the trustees have set prudent investment policies and place reliance on the investment managers to monitor and advise on the necessary investment changes and suitable asset allocation. These actions have been particularly relevant given the impact of Covid-19.

Investment performance

During the period the charity's investment assets achieved an income yield of 2.76% (based on the valuation of investment assets at the period end) and a capital increase of 20.63%. The investment manager continued to invest in accordance with the trustees' investment policy as reviewed and set out earlier in this report. At the end of the period the charity's portfolio of investments comprised of 29.22% UK fixed interest stocks, 39.17% UK equities and unit trusts, 0% property funds, 31.61% overseas equities and fixed interest. Cash of £14,877 was also held on the charity's behalf by the investment manager as at 5 April 2021.

The trustees are satisfied with the performance of the investments and are satisfied that their investment objectives will be met over the medium term.

FINANCIAL REVIEW**Results for the period**

A summary of the period's results can be found on page 13 of this report and accounts.

During the year ended 5 April 2021, total income amounted to £121,891 (2020 - £23,836), being income arising from the charity's investments, cash deposits and a further distribution from the Derrill Allatt estate of £108,000.

The trustees made grants totalling £86,607 (2020 - £195,337). After accounting for investment management costs of £4,744 (2020 - £6,910), grant administration costs of £24,641 (2020 - £23,041) and the governance costs of £1,956 (2020 - £2,647), total expenditure amounted to £117,948 (2020 - £227,935).

The investments yielded net investment gains during the year of £85,961 (2020 losses - £70,220).

This results in net income or a net increase in funds during the year of £89,904 (2020 - decrease £274,319).

Reserves policy and financial position***Reserves policy***

The unrestricted funds represent the funds received by the charity on the creation of the charity adjusted for net movements since that date. The trustees have the power to meet administrative expenses from this fund and may apply the income of the fund towards the general purposes of the charity.

TRUSTEES' REPORT - 5 APRIL 2021**FINANCIAL REVIEW (Continued)*****Reserves policy (Continued)***

The charity is operated as a grant giving charity, and the trustees' policy is to administer the investment assets on an absolute return basis.

Financial position

The balance sheet shows total funds of £503,265 (2020 - £413,361). The unrestricted fund comprises amounts which ultimately are free reserves but which are held by the trustees for investment so as to ensure the continued generation of income in future periods, thereby helping to safeguard the existence of the charity and the achievement of its objectives. The size of the unrestricted fund sustains and supports the levels of donations which the trustees wish to maintain and enhance over time. The trustees consider free reserves to be adequate but not excessive in the light of the charity's reserve policy set out above.

Future plans

The trustees do not anticipate any significant changes to the charity or its activities over the next two to three years. It is their intention to meet the following objectives:

- To ensure the investment performance achieves the criteria set by them so that there are sufficient funds to meet their grant giving policies.
- To continue to make grants at a reduced level than in past years.
- With a view to exhausting the total fund and ceasing activities during either the calendar year 2023 or 2024.

Signed on behalf of the trustees:



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Trustee

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Trustee

.....
Trustee

Approved by the trustees on: 4 February2021

INDEPENDENT AUDITOR'S REPORT - 5 APRIL 2021**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE DERRILL ALLATT FOUNDATION****OPINION**

We have audited the accounts of The Derrill Allatt Foundation (the 'charity') for the year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet, principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its income and expenditure 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 charity's ability to continue as a going concern for a period of at least twelve months from when the accounts 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 trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT - 5 APRIL 2021

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE DERRILL ALLATT FOUNDATION**

OTHER INFORMATION (CONTINUED)

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

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 Act 2011 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity'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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

INDEPENDENT AUDITOR'S REPORT - 5 APRIL 2021

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE DERRILL ALLATT FOUNDATION**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS (CONTINUED)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011); and
- The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of the charity's administrators as to their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Performed substantive testing on grant expenditure to gain assurance the expenditure was in line with the awards approved by trustees.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of the charity's administrators as to actual and potential litigation and claims.

INDEPENDENT AUDITOR'S REPORT - 5 APRIL 2021

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE DERRILL ALLATT FOUNDATION**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF THE REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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 auditor's 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.



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Buzzacott LLP
Statutory Auditor
130 Wood Street
London EC2V 6DL

4 February 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2021

<u>2020</u> <u>£</u>		<u>Notes</u>	<u>2021</u> <u>£</u>
	INCOME FROM:		
	Investments		
23,836	Investment income and interest receivable	2	13,891
	Voluntary income legacy	1	108,000
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23,836	TOTAL INCOME		121,891
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	EXPENDITURE ON:		
	Raising funds		
6,910	Investment management costs		4,744
	Charitable activities		
221,025	Promoting and enhancing charitable work	3	113,204
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227,935	TOTAL EXPENDITURE		117,948
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(204,099)	NET INCOME BEFORE INVESTMENTS GAINS		3,943
	Investments gains/(losses):		
3,004	Realised	7	45,827
(73,224)	Unrealised	7	40,134
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(274,319)	NET INCOME AND NET MOVEMENT IN FUNDS		89,904
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	RECONCILIATION OF FUNDS		
687,680	Total funds brought forward at 6 April 2020		413,361
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413,361	Total funds carried forward at 5 April 2021		503,265
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All recognised gains and losses are included in the above statement of financial activities.

BALANCE SHEET - 5 APRIL 2021

<u>2020</u> <u>£</u>	<u>2020</u> <u>£</u>	<u>Notes</u>	<u>2021</u> <u>£</u>	<u>2021</u> <u>£</u>
		<u>FIXED ASSETS</u>		
		Investments		
504,136		Listed Investments	7	502,622
		<u>CURRENT ASSETS</u>		
	17,675	Cash at bank and in hand	8	36,620
	1,805	Debtors	9	1,547
	19,480	Total current assets		38,167
		<u>LIABILITIES:</u>		
	(86,014)	Creditors: Amounts falling due within one year	10	(37,524)
(66,534)		<u>NET CURRENT (LIABILITIES) ASSETS</u>		643
437,602		<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		503,265
		Creditors: Amounts falling due after one year	10	-
(24,241)				
413,361		<u>NET ASSETS</u>		503,265
		<u>TOTAL FUNDS OF THE CHARITY</u>		
		Unrestricted Income Fund		
413,361		General Fund		503,265

Approved by the trustees:

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Trustee.....
Trustee.....
Trustee

Date of Approval: 2021

THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 5 April 2021 with comparative information presented in respect to the year to 5 April 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes of these accounts.

The accounts have been prepared 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) second edition (October 2019), the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- estimating the liability for multi-year grant commitments.
- determining the value of any legacy income to be accrued.
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and therefore despite the global uncertainty in relation to Covid-19, there are no concerns regarding the charity's ability to continued as a going concern. The most significant areas of judgement that affect items in the account are detailed above. With regard to the next accounting period, the year ending 5 April 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2021**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, income from investments and interest from deposits.

Donations are recognised when the charity has confirmation of both the amount and settlement date and include related Gift Aid tax reclaims.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income and recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligations can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between the activities is as follows:

- (a) Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes the fees paid to the investment manager in connection with the management of the charity's listed investments.
- (b) Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants payable in promoting and enhancing charitable work carried out by other charitable organisations, and related support costs including the cost of administering the activities of the charity and governance costs.

THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2021**Expenditure recognition (Continued)**

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of administration services.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the one charitable activity.

Fixed asset investments

Fixed asset investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited), to the statement of financial activities in the year in which they arise.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash in bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2021

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The general fund represent funds available for the general charitable purposes of the charity which may be applied at the discretion of the trustees.

Cash flow

The accounts do not include a cash flow statement because the charity is exempt from the requirement to prepare such a statement under the Charities SORP FRS 102.

NOTES TO THE ACCOUNTS - 5 APRIL 2021**1 VOLUNTARY INCOME**

<u>2020</u>		<u>2021</u>
<u>£</u>		<u>£</u>
	Legacy -	
	The charity received the following distributions from the Estate of Derrill Allatt:	
-	12 February 2021	108,000
<u> </u>		<u> </u>

2 INVESTMENT INCOME AND INTEREST RECEIVABLE

<u>2020</u>			<u>2021</u>
<u>£</u>			<u>£</u>
15,225	UK equities and unit trusts		6,137
109	(Property funds)		-
4,970	UK fixed interest securities		4,115
	Overseas:		
3,187	Equities	3,204	
329	Interest	435	
		<u> </u>	3,639
16	(Bank interest)		-
<u> </u>			<u> </u>
23,836			13,891
<u> </u>			<u> </u>

3 PROMOTING AND ENHANCING CHARITABLE WORK

<u>2020</u>		<u>2021</u>
<u>£</u>		<u>£</u>
195,337	Grants payable to institutions	86,607
23,041	Grant and other administration costs	24,641
2,647	Governance costs (note 4)	1,956
<u> </u>		<u> </u>
221,025		113,204
<u> </u>		<u> </u>

The grants payable to institutions are detailed in the Appendix (page 24) to these accounts.

NOTES TO THE ACCOUNTS - 5 APRIL 2021**3 PROMOTING AND ENHANCING CHARITABLE WORK (Continued)**

A reconciliation of the grants payable and grant commitments figures shown in these accounts is as follows:

<u>2020</u>		<u>2021</u>
<u>£</u>		<u>£</u>
112,600	Grant commitment at 6 April 2020	90,982
195,337	Grants agreed during the period	86,607
307,937		177,589
(216,955)	Grants payments paid during the period	(153,348)
<u>90,982</u>	Grant commitments at 5 April 2021	<u>24,241</u>

4 GOVERNANCE COSTS

<u>2020</u>		<u>2021</u>
<u>£</u>		<u>£</u>
1,956	Statutory audit fee	1,956
691	(Trustees' expenses)	-
<u>2,647</u>		<u>1,956</u>

5 STAFF COSTS, TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

The charity employed no staff during the year (2020 - none).

No trustee received any remuneration in respect of their services during the period (2020 - £nil).

No trustees were reimbursed for expenditure incurred in the performance of their duties during the year (2020 two trustees - £691).

Payne Hicks Beach Trust Corporation Limited ("PHBTCL") is a trustee of the charity and a trust corporation within the meaning of the Trustee Act 1925. All directors of PHBTCL are practising solicitors and partners of Payne Hicks Beach, the firm of solicitors which administers payments and keeps the books and records of the charity.

The key management personnel of the charity in charge of directing and controlling the charity comprise the trustees.

The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £nil (2020 - £nil).

There were no other related party transactions during the period of report (2020 - none).

NOTES TO THE ACCOUNTS - 5 APRIL 2021**6 TAXATION**

The Derrill Allatt Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the exemptions available to registered charities.

7 INVESTMENTS

<u>2020</u>		<u>2021</u>
<u>£</u>		<u>£</u>
LISTED INVESTMENTS		
Movements in listed investments during the year were as follows:		
771,967	Market value at 6 April 2020	504,136
17,263	Additions at cost	340,941
(211,870)	Disposals at book value (proceeds: £428,416; gains £45,827)	(382,589)
(73,224)	Net unrealised gains/(losses) in period	40,134
<hr/>		<hr/>
504,136	Market value at 5 April 2021	502,622
<hr/>		<hr/>
453,289	Cost of listed investments 5 April 2021	445,309
<hr/>		<hr/>

All investments were dealt in on a recognised stock exchange:

<u>2020</u>			<u>2021</u>
<u>£</u>			<u>£</u>
Listed investments held at 5 April 2021 comprise the following investments all listed on a UK stock exchange:			
185,293	UK equities and unit trusts		196,864
143,437	UK government and fixed interest securities		146,889
30,154	Property funds		-
<hr/>			<hr/>
358,884	Overseas investments		343,753
136,039	Equities	150,089	
9,213	Fixed interest	8,780	
<hr/>		<hr/>	158,869
<hr/>			<hr/>
504,136			502,622
<hr/>			<hr/>

NOTES TO THE ACCOUNTS - 5 APRIL 2021**7 INVESTMENTS (Continued)**

At 5 April 2021 the following were considered of material value.

95 IShares Trust Core S&P 500 ETF	27,641
£28,500 A2D Funding plc 4.75% Bonds 18.10.2022	29,986
23,000 Royal London Asset Management Sterling Credit Instl Inc Z	32,936
950 Vanguard Investment Series Ftse 100 Etf Inc Nav	28,222

8 CASH AT BANK AND IN HAND

<u>2020</u>		<u>2021</u>
£		£
8,479	Investec Wealth & Investment Management Limited	14,877
9,196	Payne Hicks Beach	21,743
<hr/>		<hr/>
17,675		36,620
<hr/>		<hr/>

9 DEBTORS

<u>2020</u>		<u>2021</u>
£		£
1,805	Accrued Income	1,547
<hr/>		<hr/>

NOTES TO THE ACCOUNTS - 5 APRIL 2021**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

<u>2020</u>		<u>2021</u>
<u>£</u>		<u>£</u>
13,561	Grant administration costs	10,833
	Statutory audit fee	
3,804	(2019/2020)	-
-	2020/2021	1,956
1,265	Investment manager's fee	494
	Grants:	
3,000	(Oxford Lieder)	-
3,000	(National Youth Choirs of Great Britain)	-
1,000	(London Youth Choir)	-
30,000	(Children on the Edge)	-
5,500	(I CAN)	-
10,000	(Step by Step)	-
	Wolfson College Oxford	
14,241	- Oxford Centre for Life-Writing	14,241
643	(Trustees Expenses)	-
-	Step by Step	10,000
<hr/>		<hr/>
86,014		37,524
<hr/>		<hr/>

11 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

<u>2020</u>		<u>2021</u>
<u>£</u>		<u>£</u>
	Grants:	
10,000	(Step by Step)	-
	(Wolfson College Oxford)	
14,241	(- Oxford Centre for Life-Writing)	-
<hr/>		<hr/>
24,241		-
<hr/>		<hr/>

NOTES TO THE ACCOUNTS - 5 APRIL 2021**12 UNREALISED GAINS**

	<u>2021</u>
	<u>£</u>
Unrealised gains on listed investments	57,313
Reconciliation of movements in unrealised gains on investment assets	
Unrealised gains at 6 April 2020	50,847
Adjusted in respect of disposals in year	(33,668)
	<hr/> 17,179
Add: Net gain arising on investment revaluation in year	40,134
	<hr/>
Unrealised gains at 5 April 2021	57,313

APPENDIX: GRANTS PAYABLE**GRANTS PAYABLE:**

Institution	<u>Amount</u>
	£
The Berkeley Ensemble	486
Central School of Ballet Charitable Trust	18,000
Children on the Edge	1,000
The Calvert Trust	23,500
Enham Appeals	1,000
Global Giving for Marefat School	1,000
The Global Fund for Children, UK Trust	1,000
Independent Arts	5,000
Medecins Sans Frontieres (UK)	1,000
MAF - Grant for Charity's work in South Sudan	1,121
The Mud House Children's Foundation	11,500
Normandy Community Therapy Garden	12,000
Southbank Sinfonia	9,000
The University of Manchester	1,000
	<hr/>
	86,607
	<hr/>

Total grants and donations made to institutions including future commitments to 5 April 2020 amounted to £195,337