

THE DERRILL ALLATT FOUNDATION

ANNUAL REPORT AND ACCOUNTS

5 APRIL 2023

PAYNE HICKS BEACH LLP

Solicitors

10 New Square

Lincoln's Inn

London WC2A 3QG

THE DERRILL ALLATT FOUNDATION

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THE DERRILL ALLATT FOUNDATION

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>Independent Examiner</u>	:	Paul Davis FCA Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG
<u>INVESTMENT MANAGERS</u>	:	Investec Wealth & Investment Management Limited 2 Gresham Street London EC2V 2QN
<u>SOLICITORS AND ADMINISTRATORS</u>	:	Payne Hicks Beach LLP 10 New Square Lincoln's Inn London WC2A 3QG

THE DERRILL ALLATT FOUNDATION

TRUSTEES' REPORT - 5 APRIL 2023

The trustees present their statutory report together with the accounts of The Derrill Allatt Foundation for the year ended 5 April 2023.

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 £2,440,709 had been settled into the charity by the trustees from the residue of Derrill Allatt's Estate. There is still a further unknown sum due to the charity from the Estate of Derrill Allatt.

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. A full list of the company's directors is available from its registered office.

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.

THE DERRILL ALLATT FOUNDATION**TRUSTEES' REPORT - 5 APRIL 2023****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.

THE DERRILL ALLATT FOUNDATION

TRUSTEES' REPORT - 5 APRIL 2023

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.

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.

THE DERRILL ALLATT FOUNDATION

TRUSTEES' REPORT - 5 APRIL 2023

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 before the 5 April 2024.

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.

THE DERRILL ALLATT FOUNDATION

TRUSTEES' REPORT - 5 APRIL 2023

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 LLP.

Investment policy

The charity has a portfolio of investments with a market value as at 5 April 2023 of £231,563 (2022 - £317,095).

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 £9,238 (2022 - £10,830), which equates to a yield of 3.99% (based on the market valuation of the investment assets at the year end). The trustees awarded grants totalling £176,229 (2022 - £154,557) 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 24.

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

THE DERRILL ALLATT FOUNDATION

TRUSTEES' REPORT - 5 APRIL 2023

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.

Investment performance

During the period the charity's investment assets achieved an income yield of 3.99% (based on the valuation of investment assets at the period end) and a capital decrease of 9.07%. 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 9% UK fixed interest stocks, 38% UK equities and unit trusts, 52% overseas equities and fixed interest. Cash of £3,213 was also held on the charity's behalf by the investment manager as at 5 April 2023.

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 2023, total income amounted to £117,238 (2022 - £10,830), being income arising from the charity's investments and cash deposits and a distribution from the Derrill Allatt estate of £108,000.

The trustees made grants totalling £176,229 (2022 - £154,557). After accounting for investment management costs of £2,596 (2022 - £3,844), grant administration costs of £24,613 (2022 - £20,510) and the governance costs of £6,386 (2022 - £2,059), total expenditure amounted to £209,824 (2022 - £180,970).

The investments had net investment losses during the year of £23,086 (2022 gains - £14,605).

This results in a net decrease in funds during the year of £115,672 (2022 - decrease of £155,505).

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.

THE DERRILL ALLATT FOUNDATION

TRUSTEES' REPORT - 5 APRIL 2023

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 £232,088 (2022 - £347,760). 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

It is the trustees' intention meet the following objectives:

- To distribute the remaining funds with a view to exhausting the total fund and ceasing activities before the 5 April 2024, subject to receiving the final anticipated distributions from the estate of the settlor.
- The trustees consider that the foundation will cease to exist as a legal entity within the next 12 months following the date of approval of these accounts, and therefore do not consider the foundation to remain a going concern.

Signed on behalf of the trustees:



Trustee

Director
Payne Hicks Beach Trust Corporation Limited

Trustee

Trustee

Approved by the trustees on: 9/22024

THE DERRILL ALLATT FOUNDATION

INDEPENDENT EXAMINER'S REPORT - 5 APRIL 2023

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

I report to the Trustees on my examination of the accounts of The Derrill Allatt Foundation ('the Charity') for the year ended 5 April 2023.

Responsibilities and basis of report

As the Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with General Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving my cause to believe that in any material respect:

1. accounting records were not kept in respect of the trust as required by Section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



.....
Paul Davis FCA
Independent Examiner
Bright Grahame Murray
Chartered Accountants
114a Cromwell Road
Kensington
London SW7 4AG

Dated: 21 February 2024

THE DERRILL ALLATT FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2023

<u>2022</u>		<u>Notes</u>	<u>2023</u>
£			£
	INCOME FROM:		
	Investments		
10,830	Investment income and interest receivable	2	9,238
	Voluntary income:		
-	Voluntary income legacy	1	108,000
10,830	TOTAL INCOME		117,238
	EXPENDITURE ON:		
	Raising funds		
3,844	Investment management costs		2,596
	Charitable activities		
177,126	Promoting and enhancing charitable work	3	207,228
180,970	TOTAL EXPENDITURE		209,824
(170,140)	NET (EXPENDITURE)/INCOME BEFORE INVESTMENTS GAINS		(92,586)
	Investments gains/(losses):		
6,761	Realised	7	(4,283)
7,844	Unrealised	7	(18,803)
30	Currency gain on foreign exchange		-
(155,505)	NET (EXPENDITURE)/INCOME AND NET MOVEMENT IN FUNDS		(115,672)
	RECONCILIATION OF FUNDS		
503,265	Total funds brought forward at 6 April 2022		347,760
347,760			232,088
347,760	Total funds carried forward at 5 April 2023		232,088

All recognised gains and losses are included in the above statement of financial activities.

THE DERRILL ALLATT FOUNDATION
BALANCE SHEET AS AT 5 APRIL 2023

<u>2022</u> <u>£</u>	<u>2022</u> <u>£</u>		<u>Notes</u>	<u>2023</u> <u>£</u>	<u>2023</u> <u>£</u>
		<u>FIXED ASSETS</u>			
		Investments			
317,095		Listed Investments	7		231,563
		<u>CURRENT ASSETS</u>			
	55,745	Cash at bank and in hand	8	23,495	
	1,205	Debtors	9	583	
	56,950	Total current assets		24,078	
		<u>LIABILITIES:</u>			
	(26,285)	Creditors: Amounts falling due within one year	10	(23,553)	
30,665		<u>NET CURRENT ASSETS</u>			525
347,760		<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			232,088
		Creditors: Amounts falling due after one year			-
347,760		<u>NET ASSETS</u>			232,088
		<u>TOTAL FUNDS OF THE CHARITY</u>			
		Unrestricted Income Fund			
347,760		General Fund			232,088

Approved by the trustees:



 Trustee
 Director, Page Hites Bend Trust Corporation Limited

.....
 Trustee

Date of Approval: 19/2 2023-2024

THE DERRILL ALLATT FOUNDATION

THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2023

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 2023 with comparative information presented in respect to the year to 5 April 2022.

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 there are no concerns regarding the charity's ability to continue 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 2023, 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 DERRILL ALLATT FOUNDATION

THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2023

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, it is quantifiable, and 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 DERRILL ALLATT FOUNDATION**THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2023****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 a 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.

THE DERRILL ALLATT FOUNDATION

THE PRINCIPAL ACCOUNTING POLICIES - 5 APRIL 2023

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.

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.

THE DERRILL ALLATT FOUNDATION
NOTES TO THE ACCOUNTS - 5 APRIL 2023

1 VOLUNTARY INCOME

<u>2022</u> £		<u>2023</u> £
-	Legacy - The charity received the following distribution from the Estate of Derrill Allatt on 16 September 2022:	108,000
<u>-</u>		<u>108,000</u>

2 INVESTMENT INCOME AND INTEREST RECEIVABLE

<u>2022</u> £			<u>2023</u> £
1,873	UK equities and unit trusts		1,411
1,739	UK unit trust interest		1,845
3,166	UK fixed interest securities		1,680
(105)	UK Accrued Interest Income		0
	Overseas:		
	Equities	3,408	
3,847	Interest	687	
309	Excess Income	24	
-			
4,156		<u>4,119</u>	
1	Bank interest		183
<u>10,830</u>			<u>9,238</u>

3 PROMOTING AND ENHANCING CHARITABLE WORK

<u>2022</u> £		<u>2023</u> £
154,557	Grants payable to institutions	176,229
20,510	Grant and other administration costs	24,613
2,059	Governance costs (note 4)	6,386
<u>177,126</u>		<u>207,228</u>

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

THE DERRILL ALLATT FOUNDATION
NOTES TO THE ACCOUNTS - 5 APRIL 2023

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>2022</u> £		<u>2023</u> £
24,241	Grant commitment at 6 April 2022	8,545
154,557	Grants agreed during the period	176,229
<hr/>		<hr/>
178,798		184,774
(170,254)	Grants payments paid during the period	(184,774)
<hr/>		<hr/>
8,545	Grant commitments at 5 April 2023	-
<hr/>		<hr/>

4 GOVERNANCE COSTS

<u>2022</u> £		<u>2023</u> £
2,016	Audit Fee	-
-	Independent examiner's fee	3,300
	Prior year Statutory fee under provision	2,184
43	Trustee Expenses	902
<hr/>		<hr/>
2,059		6,386
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5 STAFF COSTS, TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

The charity employed no staff during the year (2022 - none).

No trustee received any remuneration in respect of their services during the period (2022 - £nil).

Trustees were reimbursed for expenditure incurred in the performance of their duties during the year of £902 (2022 - £43).

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 LLP, 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.

During the year, grant and other administration costs of £24,613 (2022 - £20,510) were paid to Payne Hicks Beach LLP.

The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £nil (2022 - £nil).

There were no other related party transactions during the period of report (2022 - none).

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.

THE DERRILL ALLATT FOUNDATION
NOTES TO THE ACCOUNTS - 5 APRIL 2023

7 INVESTMENTS

<u>2022</u> £		<u>2023</u> £
LISTED INVESTMENTS		
Movements in listed investments during the year were as follows:		
502,622	Market value at 6 April 2022	317,095
42,709	Additions at cost	91,913
(236,080)	Disposals at book value (proceeds: £154,359; realised losses (£4,283))	(158,642)
7,844	Net unrealised gains/(losses) in period	(18,803)
<u>317,095</u>	Market value at 5 April 2023	<u>231,563</u>
<u>275,617</u>	Cost of listed investments 5 April 2023	<u>230,420</u>
All investments were dealt in on a recognised stock exchange:		
<u>2022</u> £		<u>2023</u> £
Listed investments held at 5 April 2023 comprise the following investments all listed on a UK stock exchange:		
38,752	UK equities and unit trusts	39,221
106,887	UK government and fixed interest securities	70,356
<u>145,639</u>		<u>109,577</u>
	Overseas investments	
132,717	Equities	68,239
38,739	Fixed interest	53,747
<u>171,456</u>		<u>121,986</u>
<u>317,095</u>		<u>231,563</u>

THE DERRILL ALLATT FOUNDATION
NOTES TO THE ACCOUNTS - 5 APRIL 2023

7 INVESTMENTS (Continued)

At 5 April 2023 the following were considered of material value.

<u>Units</u>		<u>£</u>
18,000	Barclays Bank Plc 5.75% Sb Mtn 14/9/2026 Gbp'105(Var)	18,275
20,000	Goldman Sachs Stlg Lqd Reserves(Instl)nav	20,000
8,000	HICL Infrastructure plc Ordinary 0.0001p Shares	12,448
77	Invesco Physical Markets Secured Gold Linked Notes 31/12/2100 GBP	12,045
23,000	Royal London Asset Management Sterling Credit Instl Inc Z	22,135
2,939	Ishares II plc USD Tips Ucits Etf GBP Dis Hedged	14,770
23,000	Fil Investment Services(Uk)limited Money Builder Income I GBP Dis	18,423

8 CASH AT BANK AND IN HAND

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
51,541	Investec Wealth & Investment Management Limited	3,213
4,204	Payne Hicks Beach LLP	20,282
<u>55,745</u>		<u>23,495</u>

9 DEBTORS

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
<u>1,205</u>	Accrued Income	<u>583</u>

THE DERRILL ALLATT FOUNDATION
NOTES TO THE ACCOUNTS - 5 APRIL 2023

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
12,855	Grant administration costs	15,610
	Statutory audit fee	
1,956	2020/2021	1,956
2,059	2021/2022	2,184
-	Independent examination fees	3,300
870	Investment manager's fee	503
	Grants:	
5,000	Brecon Festival Ballet	-
2,027	MAF UK	-
-	Step by Step	-
-	Mud House Children's Foundation	-
1,518	Oxford Centre for Life Writing	-
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26,285		23,553
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11 UNREALISED GAINS

	<u>2023</u>
	<u>£</u>
Unrealised gains on listed investments	1,144
	<hr/>
Reconciliation of movements in	
unrealised gains on investment assets	
Unrealised gains at 6 April 2022	41,479
Adjusted in respect of disposals in year	(21,532)
	<hr/>
	19,947
	<hr/>
Add: Net gain/(loss) arising on	
investment revaluation in year	(18,803)
	<hr/>
Unrealised gains at 5 April 2023	1,144
	<hr/>

THE DERRILL ALLATT FOUNDATION

APPENDIX: GRANTS PAYABLE

GRANTS PAYABLE:	<u>Amount</u>
Institution	£
Mud House Children's Foundation	16,000
Independent Arts	30,000
Greatwood	20,000
Enham Trust	15,000
Speech and Language UK	15,000
Step by Step	15,000
Ability Dog 4 Young People	10,000
National Theatre	10,000
Cambridge Africa	10,000
Help Age International	10,000
Primary Robins	10,229
Oxford Centre for Life Writing	5,000
The Therapy Garden	5,000
South Bank Sinfonia	5,000
	<hr/>
	176,229
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Total grants and donations made to institutions including future commitments to 5 April 2022 amounted to £154,557.