

THE ELSIE DAVIS TRUST
(A charitable company limited by guarantee)

UNAUDITED REPORT AND FINANCIAL STATEMENTS

31 MARCH 2022

Registered company number 12515601
Registered charity number 1193055

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE ELSIE DAVIS TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2022

CONTENTS

Page

1	Reference and administrative details
2 to 4	Report of the trustees
5	Independent examiner's report
6	Statement of financial activities
7	Summary income and expenditure account
8	Balance sheet
9 to 13	Notes to the financial statements

THE ELSIE DAVIS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

31 MARCH 2022

Charity number: 1193055

Company number: 12515601

Trustees

C J Bates

M W Clark

G V Penn

(Chair)

D I Richardson

(Appointed 5 April 2022)

Secretary

Muckle Secretary Limited

Registered office

Time Central

32 Gallowgate

Newcastle upon Tyne

NE1 4BF

Independent examiner

D R Gold

Joseph Miller

Milburn House

Dean Street

Newcastle upon Tyne

NE1 1LE

Bankers

NatWest Bank Plc

Newcastle City

16 Northumberland Street

Newcastle upon Tyne

NE1 7EL

Investment advisers

Investec Wealth & Investment Limited

The Colmore Building

Colmore Circus

Birmingham

B4 6AT

Solicitors

Muckle LLP

Time Central

32 Gallowgate

Newcastle upon Tyne

NE1 4BF

THE ELSIE DAVIS TRUST

REPORT OF THE TRUSTEES

31 MARCH 2021

The trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and financial statements for Company Act purposes.

Comparative period figures relate to the period from 12 March 2020, the date of incorporation, to 31 March 2021 and are therefore not fully comparable.

Reference and administrative details set out on page 1 form part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – Charities SORP FRS 102 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

The charity is a company limited by guarantee, incorporated on 12 March 2020 and registered as a charity on 11 January 2021. It is governed by its memorandum and articles of association.

Appointment of trustees

The trustees may appoint, and the trustees may co-opt, any person either to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. At each AGM, one third of the trustees retire by rotation. The trustees appoint one of their number to be the chair of their meetings.

The trustees for the purpose of charity law, who are also directors for the purpose of company law, who served during the period and up to the date of this report are set out on page 1.

Induction and training of trustees

New trustees are briefed on the powers and responsibilities of the trustees, the grant making process, investments and the recent financial performance of the charity.

Organisation

The charity is managed by the trustees, who will meet quarterly. The number of trustees may not be less than three, but is not subject to any maximum. The quorum for the transaction of business is one tenth of the trustees or two trustees, whichever is greater.

Risk management

The trustees have carried out a risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this will be reviewed each year. Detailed procedures will be established to enable the trustees to monitor and mitigate those risks.

Objectives and activities

The objects of The Elsie Davis Trust are for the benefit of the public generally, in the United Kingdom and in particular but not restricted to the counties of Northumberland, Tyne and Wear, Durham, Tees Valley and Cumbria and its surrounding areas to further charitable purposes as the trustees from time to time decide in accordance with the laws of England and Wales.

In planning and carrying out the charity's activities for the year, the trustees have considered the guidance produced by the Charity Commission on public benefit and are confident that this will be achieved through the grants made.

Grant making policy

The charity may make grants to support charities or charitable projects within the following themes or areas:

- amateur sport
- education and training
- promotion of health and relief from sickness or disability; or
- in exceptional circumstances any other charitable purposes

THE ELSIE DAVIS TRUST

REPORT OF THE TRUSTEES

31 MARCH 2022

Grant making policy

Grants are usually made to organisations, rather than individuals, whose activities fall within and are consistent with the charity's own objects. In the case of training awards or scholarships, for example, grants can only be made to individuals provided that their applications are supported by educational institutions.

Achievements and performance

The charity received a further gift of shares of £982,824 from Mrs G V Penn on 30 September 2021. These shares were included within an investment portfolio managed by the charity's investment manager, Investec Wealth & Investment Limited and are being reinvested to generate investment income from which grants may be paid.

Grants of £14,250 were payable during the year. Note 7 provides further details.

Financial review

The principal sources of unrestricted income comprised dividends and interest receivable amounting to £61,080 (2021: £949). Against this was expenditure of £20,441 (2021: £7,180), resulting in net income of £40,639 (2021: £4,065).

Reserves policy

The free reserves at 31 March 2022 were £44,704 (2021: £4,065). The reserves policy and the target level of reserves will be developed once the charity has accumulated income of approximately £100,000, at which point the trustees will determine the level of funds to be distributed as grants.

Investment policy and performance

The memorandum and articles of association permit the charity to invest the monies of the charity not immediately required for its purposes in such investments, securities or property as may be thought fit and to delegate the management of the investments to a financial expert.

The charity's investment portfolio and investment policy are evolving and at 31 March 2022, the value of the charity's investment portfolio stood at £6,672,115 (2021: £5,330,028).

Plans for future periods

Grant applications will be considered with reference to the charity's available income.

Responsibilities of the trustees

The trustees (who are also the directors of The Elsie Davis Trust for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the income and application of resources, including the income or expenditure, of the charitable company 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

THE ELSIE DAVIS TRUST

REPORT OF THE TRUSTEES

31 MARCH 2022

Responsibilities of the trustees *(continued)*

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the trustees

Mrs G V Penn
Trustee
17 December 2022

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

THE ELSIE DAVIS TRUST

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2022, which are set out on pages 6 to 13.

Responsibilities and basis of report

As the charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Act 2006').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

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

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those accounting records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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 accounts to be reached.

D R GOLD BA FCA
Independent Examiner
Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE
19 December 2022

THE ELSIE DAVIS TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds £	Endowment fund £	Total funds 2022 £	Period from 12/03/2020 to 31/03/2021 £
Income and endowments from:					
Donations	4	-	982,824	982,824	5,010,323
Investments	5	61,080	-	61,080	949
Total income		61,080	982,824	1,043,904	5,011,272
Expenditure on:					
Raising funds	6	2,855	25,694	28,549	3,023
Charitable activities	8	17,586	-	17,586	7,180
Total expenditure		20,441	25,694	46,135	10,203
Net (losses) gains on investments:					
(Losses) gains on revaluation of investments	10	-	(166,577)	(166,577)	252,823
Realised gains on disposal of investments		-	548,379	548,379	77,286
		-	381,802	381,802	330,109
Net income and net movement in funds		40,639	1,338,932	1,379,571	5,331,178
Reconciliation of funds					
Total funds brought forward		4,065	5,327,113	5,331,178	-
Total funds carried forward	13	44,704	6,666,045	6,710,749	5,331,178

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 9 to 13 form part of these financial statements.

THE ELSIE DAVIS TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	2022	Period from 12/03/2020 to 31/03/2021
	£	£
Gross income	61,080	11,245
Total expenditure	(20,441)	(7,180)
Net income for the period	40,639	4,065

All income and expenditure derives from continuing activities.

Total income of £61,080 comprises unrestricted income only. A detailed analysis of income by source is provided in the statement of financial activities and note 5.

Detailed analysis of expenditure is provided in the statement of financial activities and notes 6 to 8.

The summary income and expenditure account is derived from the statement of financial activities on page 6 and excludes all income and expenditure on the endowment fund. The statement of financial activities, together with the notes on pages 9 to 13, provides full information on the movements during the period on all funds of the charity.

THE ELSIE DAVIS TRUST

BALANCE SHEET

Company number: 12515601

AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Investments	10		6,672,115		5,330,028
Current assets					
Debtors	11	17,084		949	
Cash at bank		35,014		5,000	
		<u>52,098</u>		<u>5,949</u>	
Creditors: amounts falling due within one year	12	<u>(13,464)</u>		<u>(4,799)</u>	
Net current assets			38,634		1,150
Net assets			<u>6,710,749</u>		<u>5,331,178</u>
Funds of the charity					
Endowment fund	13		6,666,045		5,327,113
Unrestricted income funds	13		44,704		4,065
Total charity funds			<u>6,710,749</u>		<u>5,331,178</u>

For the year ended 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- (i) The members have not required the charity to obtain an audit of its financial statements for the period in question in accordance with section 476; and
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the trustees and authorised for issue on 17 December 2022.

Mrs G V Penn
Chair

The notes on pages 9 to 13 form part of these financial statements

THE ELSIE DAVIS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. It is registered in England and Wales.
The address of the registered office is Time Central, 32 Gallowgate, Newcastle upon Tyne, Tyne and Wear, NE1 4BF.
The liability of each member in the event of winding up is limited to £10.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes. They 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 UK and Republic of Ireland - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Elsie Davis Trust meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling which is the functional and presentational currency of the charity.

b) Preparation of the financial statements on a going concern basis

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

c) Fund accounting

Unrestricted income fund

The income fund is credited with the investment income arising from the charity's investments and is charged with grants made by the charity, support and governance costs. Any surplus on the income fund is carried forward and available for future grants.

Endowment fund

This represents gifts of shares made by Mrs G V Penn. Although the endowment fund is expendable at the trustees' discretion, a grant made out of capital would normally involve the sale of investments and would only be made in exceptional circumstances.

d) Fixed asset investments:

Listed investments

Investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the mid-market price.

Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

e) Cash at bank

Cash at bank consists of a current account.

THE ELSIE DAVIS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

f) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

g) Financial instruments

With the exception of investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

h) Income recognition

All income is included in the statement of financial activities when the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Investment income such as dividends and interest from endowment fund investments are unrestricted and included when receivable.

Donations are received by way of grants and donations and are included in full in the statement of financial activities when receivable. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

i) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprises those costs relating to financing, managing and maintaining the investments.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs represents expenditure incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Where support costs relate to more than one activity, they are allocated on the basis of time spent.

3. Net income

	2022	Period from 12/03/2020 to 31/03/2021
	£	£
Net income for the year is stated after charging:		
Independent examination and accountancy services:		
Independent examination	420	-
Accountancy services	1,962	1,884

THE ELSIE DAVIS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4. Donations

	Unrestricted funds £	Endowment fund £	2022 £	Period from 12/03/2020 to 31/03/2021 £
Donations - Mrs G V Penn	-	982,824	982,824	5,010,323

Donations - prior year

	Unrestricted funds £	Endowment fund £	Period from 12/03/2020 to 31/03/2021 £
Donations - Mrs G V Penn	10,296	5,000,027	5,010,323

5. Investment income

	Unrestricted funds £	Endowment fund £	2022 £	Period from 12/03/2020 to 31/03/2021 £
Dividends and interest receivable	61,080	-	61,080	949

6. Raising funds:

Investment management costs

	Unrestricted funds £	Endowment fund £	2022 £	Period from 12/03/2020 to 31/03/2021 £
Investment management fees	2,855	25,694	28,549	2,915
Other charges	-	-	-	108
	2,855	25,694	28,549	3,023

7. Grants

	2022 £	Period from 12/03/2020 to 31/03/2021 £
Grants to institutions:		
Cambo School PTA	250	-
Friends of LV50	1,500	-
Sports Driving	10,000	-
	11,750	-
Grants to individuals	2,500	-
	14,250	-

THE ELSIE DAVIS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

8. Charitable activities

	Unrestricted funds £	Endowment fund £	2022 £	Period from 12/03/2020 to 31/03/2021 £
i) Charitable activities:				
Grants payable (see note 7)	14,250	-	14,250	-
ii) Governance costs:				
Accountancy fees	1,962	-	1,962	1,884
Independent examination fee	420	-	420	-
Legal fees	954	-	954	5,296
Total expenditure on charitable activities	17,586	-	17,586	7,180

9. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

The charity considers its key management personnel to be the trustees.

10. Fixed asset investments

Investments at fair value comprised:

	2022 £	2021 £
Investments	6,582,421	5,083,564
Cash available for reinvestment by investment advisers	89,694	246,464
	6,672,115	5,330,028
At 1 April 2021	5,083,564	-
Additions at cost	4,100,188	6,759,818
Disposals at carrying value	(2,434,754)	(1,929,077)
Unrealised (losses) gains on revaluation	(166,577)	252,823
Market value at 31 March 2022	6,582,421	5,083,564
Historical cost at 31 March 2022	6,502,330	4,830,741

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for investments is equivalent to the market value using the mid-market price.

THE ELSIE DAVIS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11. Debtors

	2022	2021
	£	£
Dividends and interest receivable	17,084	949

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,884	-
Accruals	10,080	4,799
Grants payable	1,500	-
	13,464	4,799

13. Analysis of net assets between funds

	Fixed asset investments £	Net current assets (liabilities) £	Total 2022 £	Total 2021 £
Endowment fund	6,672,115	(6,070)	6,666,045	5,327,113
Unrestricted income funds	-	44,704	44,704	4,065
Total funds	6,672,115	38,634	6,710,749	5,331,178

Analysis of net assets between funds - prior year

	Fixed asset investments £	Net current assets (liabilities) £	Total 2021 £
Endowment fund	5,330,028	(2,915)	5,327,113
Unrestricted income funds	-	4,065	4,065
Total funds	5,330,028	1,150	5,331,178