

# NORTHCOTT DEVON FOUNDATION

England & Wales · Charity number 201277

## Details

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**Status** Registered

**Legal form** Trust

**Registered** 1969-07-15

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 1b Victoria Road  
Exmouth  
EX8 1DL

**Phone** 01395269204

**Website** [www.northcottdevon.co.uk](http://www.northcottdevon.co.uk)

## Activities

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**Objects:** FOR SUCH CHARITABLE INSTITUTION OR INSTITUTIONS OR OTHER CHARITABLE OBJECT OR OBJECTS WITHIN THE AREA OF THE ADMINISTRATIVE COUNTY OF DEVON AND THE CITIES AND COUNTY BOROUGH OF EXETER AND PLYMOUTH AS THE TRUSTEES SHALL SELECT

**Activities:** To provide support by means of grants to individuals and registered charities which seek to improve the living conditions of disabled or disadvantaged persons.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups

## Geography

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- **Area of benefit:** SEE OBJECTS
- Devon
- Plymouth City
- Torbay

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-08-31	£0	£0	-	-
2024-08-31	£0	£0	-	-
2023-08-31	£249,953	£6,344,465	-	-
2022-05-31	£185,483	£218,511	-	-
2021-05-31	£154,468	£187,721	-	-
2020-05-31	£190,645	£250,682	-	-

## Trustees

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Name	Role	Appointed
PATRICIA ANNE LANE		2009-03-17

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**NORTHCOTT DEVON FOUNDATION**

England & Wales - Charity number 201277

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# Accounts

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**NORTHCOTT DEVON FOUNDATION**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE 15 MONTH PERIOD ENDED 31 AUGUST 2023**

**NORTHCOTT DEVON FOUNDATION**

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## NORTHCOTT DEVON FOUNDATION

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 AUGUST 2023

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<b>Trustees</b>	J Grey, Chairman (resigned 13 September 2023) J Shorters (resigned 15 March 2023) P Lane (resigned 13 September 2023) G Wood (appointed 15 March 2023, resigned 13 September 2023) Northcott Devon Foundation (charity number 1202638) (appointed 13 September 2023)
<b>Charity registered number</b>	201277
<b>Principal office</b>	1(b) Victoria Road Exmouth Devon EX8 1DL
<b>Accountants</b>	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
<b>Bankers</b>	Barclays Bank Plc 20 High Street Exeter EX1 1LX
<b>Solicitors</b>	Michelmores Woodwater House Pynes Hill Exeter Devon EX2 5WR
<b>Investment Advisor</b>	Charles Stanley and Company Limited Broadwalk House Southernhay West Exeter EX1 1TS

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2023**

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The Trustees present their annual report together with the financial statements of the Northcott Devon Foundation for the period 1 June 2022 to 31 August 2023.

#### **Objectives and activities**

##### **a. Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The principal objects of the charity are to provide support for individuals in Devon and to assist registered charities which seek to improve the living conditions of disabled or disadvantaged persons resident in Devon.

There have been no changes in the objectives since the last annual report.

##### **b. Strategies for achieving objectives**

The strategy for achieving objectives covers four specific areas.

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding.

Monitoring governance and administrative support costs - again ensuring that the funds available for grant funding will be maximised.

Making information about the charity widely known. This will ensure that as many people and groups as possible who are in need of assistance can benefit from the funds of the charity.

To make grants that are appropriate and that make a genuine difference to people and organisations in Devon.

##### **c. Activities undertaken to achieve objectives**

Grant making and investment policies and activities are considered separately below.

The charity has also continued to maintain public awareness about its activities and this has resulted in requests for grant funding significantly exceeding funds available at each meeting of the advisory committee.

##### **d. Grant-making policies**

The charity considers applications from individuals primarily through the County Social Services departments and other registered charities and community care organisations. It also responds to appeals from other charitable organisations operating in Devon.

The charity has a policy of paying small grants, but normally up to £200, to all applicants who meet the agreed criteria rather than a small number of large grants. The agreed criteria are designed to ensure that grants are only paid to those with a genuine need and where the receipt of the grant will make a beneficial difference to that individual or organisation.

**Objectives and activities (CONTINUED)**

**e. Main Activities Undertaken to Further the Charity's Purposes For Public Benefit**

In deciding on both the policies and criteria, the charity has referred to the Charity Commission's general guidance on public benefit. In particular the trustees consider how the planned policies and activities will contribute to the aims and objectives they have set.

The nature of the grant making policies as set out above are such that the charity is able to benefit individuals in particular, who would otherwise have no contact with the charity, at times of great need. Whilst each grant offered is relatively small it is hoped that each grant may make a significant difference to that individual or organisation's circumstances.

**f. Volunteers**

Members of the advisory committee offer their services free of charge. They normally meet on a monthly basis with the Trustees to consider the grant applications received by the charity during that month. There are no other voluntary helpers.

**Achievements and performance**

**a. Review of activities**

In 1960 a donation was received from Mr George Vernon Northcott CBE, which was invested and at the year end had a value in excess of £6.3 million. This in turn generates income to be used in accordance with the objects of the charity and represents the principal funding source for the charity. Income during the 15 month period amounted to £249,953 (2022: 12 months - £185,483). The level of income reflects the continuing use of the "total return" basis when considering the choice of investments and investment performance but is also a reflection of the returns being generated by markets generally. The income was used to fund grants of £183,112 (2022: £141,951) together with associated support and governance costs. All expenditure supported the principal objectives of the charity.

The trustees consider the key performance measure to be the amount of grants that the charity is able to distribute whilst maintaining the capital base so as to ensure that a high level of grant distributions can be maintained in the long term. The trustees consider that these performance measures have been met.

Having taken professional advice, the trustees concluded that it was in the long term interest of the Charity to carry out the activities through a Charitable Incorporated Organisation (CIO), rather than through this unincorporated entity. This gave the Charity a more modern structure and should enable the easier recruitment of trustees in future. During the period the CIO was established and approval for the transfer obtained from the Charity Commission. The date agreed for the transfer was 31 August 2023 and this accounting period was extended so as to coincide with this date.

Unrestricted funds (before the transfer to the new Charitable Incorporated Organisation (see below) increased by £1,975 (2022: £2,086 decreased) over the period.

**b. Summary of Achievements**

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding. The charity considers that it has achieved this goal.

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2023**

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#### **Achievements and performance (CONTINUED)**

##### **c. Investment policy and performance**

There are no restrictions on the charity's power to invest and the investment policy is to maximise the total return of the portfolio whether this be by capital growth or by income received, whilst adopting a medium risk approach. The benchmark for the investment advisors is to track and ideally out perform the MSCI WMA private Investor Balanced Total Return Index. The strategy is reviewed with the investment advisor on a regular basis.

Realised and unrealised losses in the period amounted to £295,805 reflecting market conditions compared to the prior year (2022: gains of £71,105).

#### **Financial review**

##### **a. Going concern**

On 31 August 2023, the Trustees transferred the assets and operations of this Charity to a new charitable incorporated organisation (CIO), Northcott Devon Foundation (charity number 1202638) which has similar objects to this unincorporated trust. Following the transfer, the day to day operations of the CIO are similar to those of the existing charity and this charity will have no further activity. Accordingly, these accounts are prepared on a basis other than going concern.

##### **b. Reserves and Investment Policy**

It is the intention of the charity to retain a portfolio of investments within the endowment funds and to principally use this to generate income which will fund the grant payments and other expenditure of the charity. An element of these funds may periodically be transferred to free reserves under the "total return" policy. The trustees seek to maintain the indexed value of this fund so as to protect the future long term ability of the charity to meet its charitable objectives.

General unrestricted reserves (prior to the transfer to the new Charitable Incorporated Organisation) increased during the period from £169 to £2,144. As a result of the "total return" policy the charity now considers it necessary to hold only a minimal amount in free reserves and the current level of reserves (prior to the transfer) reflects this policy. Periodic transfers are made from the endowment funds to top up the free reserves as required. There was a transfer during the year under review from the endowment fund to unrestricted fund of £5,000 (2022:£Nil). Endowment funds have decreased during the period from £6,390,148 to £6,051,338, immediately prior to the transfer to the CIO.

#### **Structure, governance and management**

##### **a. Constitution**

Northcott Devon Foundation is a registered charity, number 201277, and is constituted under a Trust deed.

##### **b. Methods of appointment or election of Trustees**

New trustees are appointed by the board of trustees at a regular board meeting. The organisation seeks to recruit trustees with skills, values and experience that compliment and benefit the organisation.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 AUGUST 2023**

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**Structure, governance and management (CONTINUED)**

**c. Organisational structure and decision-making policies**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The trustees normally meet four times a year and in addition to being empowered by the deed to appoint additional trustees they also appoint persons to serve with them on an advisory committee which considers all grant applications. The advisory committee normally meets twelve times a year.

The trustees and members of the advisory committee offer their services free of charge. There are no other voluntary helpers. The secretary is employed on a part time basis and there is one (2022 - one) other part time administrative employee. The secretary undertakes the day to day management of the charity but is not empowered to undertake actions without authority from the board of trustees.

The board remains conscious of the need to keep the skills requirements of the board of trustees under review and seeks independent professional advice where this is considered necessary.

**d. Policies adopted for the induction and training of Trustees**

The board are aware of the need to remain up to date with current legislation and best practice and will arrange for training to be provided to trustees as and when the need arises.

When a new trustee is appointed, they are allowed to attend a meeting prior to appointment and will be provided with legal, financial and background information about the charity. They also provide any prospective trustee with the Charity Commission guidance documentation on the responsibilities of trustees. The existing trustees give a full briefing to any new trustees.

**e. Related party relationships**

Members of the board of trustees and the advisory committee are required to declare any potential conflict of interest if they are connected with any grant application and to refrain from being involved in the decision making process in respect of any such application.

**f. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The steps taken include:

- Obtaining insurance against liability
- Taking professional advice where appropriate
- Ensuring the safe custody of investments
- Implementing appropriate procedures and controls to prevent fraud and loss
- Arranging for the future activities and operations to be undertaken through a Charitable Incorporated Organisation

**Plans for future periods**

Following the transfer to the new CIO on 31 August 2023, this Trust has ceased operation. All future activity is being undertaken by the new CIO.

## NORTHCOTT DEVON FOUNDATION

### TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2023

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#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

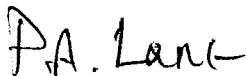
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**P Lane**  
**(on behalf of Northcott Devon Foundation**  
**- charity number 1202638)**  
**Trustee**

Date: 13 March 2024

## NORTHCOTT DEVON FOUNDATION

### INDEPENDENT EXAMINER'S REPORT FOR THE PERIOD ENDED 31 AUGUST 2023

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#### Independent Examiner's Report to the Trustees of Northcott Devon Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the period ended 31 August 2023.

#### Responsibilities and Basis of Report

As the Trustees of the Charity 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 Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed 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 the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

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

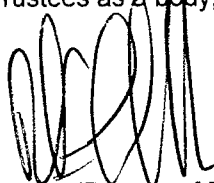
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: R E T Borton



Dated:

15 March 2024

Richard Edward Timothy Borton (Partner of Bishop Fleming LLP)

FCA DChA

**Bishop Fleming LLP**  
Chartered Accountants  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

**NORTHCOTT DEVON FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE PERIOD ENDED 31 AUGUST 2023**

	Note	Endowment funds 15 Month Period ended 31 August 2023 £	Unrestricted funds 15 Month Period ended 31 August 2023 £	Total funds 15 Month Period ended 31 August 2023 £	Total funds Year ended 31 May 2022 £
<b>Income and endowments from:</b>					
Investments	3	-	249,953	249,953	185,483
<b>Total income and endowments</b>		-	249,953	249,953	185,483
<b>Expenditure on:</b>					
Raising funds	4	38,005	-	38,005	30,942
Charitable activities	5	-	252,978	252,978	187,569
Other expenditure	6	6,051,338	2,144	6,053,482	-
<b>Total expenditure</b>		6,089,343	255,122	6,344,465	218,511
<b>Net expenditure before net (losses)/gains on investments</b>		(6,089,343)	(5,169)	(6,094,512)	(33,028)
Net (losses)/gains on investments		(295,805)	-	(295,805)	71,105
<b>Net (expenditure)/income</b>		(6,385,148)	(5,169)	(6,390,317)	38,077
Transfers between funds	15	(5,000)	5,000	-	-
<b>Net movement in funds</b>		(6,390,148)	(169)	(6,390,317)	38,077
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,390,148	169	6,390,317	6,352,240
Net movement in funds		(6,390,148)	(169)	(6,390,317)	38,077
<b>Total funds carried forward</b>		-	-	-	6,390,317

The Statement of Financial Activities includes all gains and losses recognised in the period.

All activities were discontinued on 31 August 2023.

The notes on pages 10 to 22 form part of these financial statements.

**NORTHCOTT DEVON FOUNDATION**

**BALANCE SHEET  
AS AT 31 AUGUST 2023**

	Note	31 August 2023 £	31 May 2022 £
<b>Fixed assets</b>			
Tangible assets	10	-	1,053
Investments	11	-	6,342,377
		-	6,343,430
<b>Current assets</b>			
Debtors	12	-	337
Cash at bank and in hand		-	60,266
		-	60,603
Creditors: amounts falling due within one year	13	-	(13,716)
		-	46,887
<b>Net current assets</b>		-	46,887
<b>Total net assets</b>		-	6,390,317
<b>Charity funds</b>			
Endowment funds	15	-	6,390,148
Restricted funds	15	-	-
Unrestricted funds	15	-	169
		-	6,390,317
<b>Total funds</b>		-	6,390,317

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

*P. A. Lane*

**P Lane**  
**(on behalf of Northcott Devon Foundation**  
**- charity number 1202638)**  
**Trustee**

Date: *13 March 2024*

The notes on pages 10 to 22 form part of these financial statements.

## NORTHCOTT DEVON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2023

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#### 1. GENERAL INFORMATION

Northcott Devon Foundation is constituted under a Trust deed dated 31 December 1960 and is a registered charity, number 201277. The principle office is 1B Victoria Road, Exmouth, EX8 1DL.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Northcott Devon Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 2.2 GOING CONCERN

On 31 August 2023 all of the assets, liabilities and activities of the Charity were transferred to a new charitable incorporated organisation (CIO), Northcott Devon Foundation (charity number 1202638). From that date, this Charity ceased all activities.

Accordingly, these accounts are prepared on a basis other than going concern. However, given that the the activities of this Charity are being carried on by Northcott Devon Foundation (charity number 1202638), no adjustments to, or reclassifications of, the amounts included in these accounts have been required.

##### 2.3 CHANGE IN REPORTING PERIOD

The current accounting period had been extended to be a 15 month period from 1 June 2022 to 31 August 2023 to align the accounting reference date with the date the Charity ceased operations. The comparatives are therefore not entirely comparable.

##### 2.4 INCOME

All income is recognised once 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

##### 2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds represents investment management expenses.

**2. ACCOUNTING POLICIES (continued)**

**2.5 EXPENDITURE (CONTINUED)**

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.6 INTEREST RECEIVABLE**

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 institution with whom the funds are deposited.

**2.7 TAXATION**

The charity is not registered for VAT. Irrecoverable VAT is charged to the Statement of Financial Activities.

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 to the extent that such income or gains are applied exclusively to charitable purposes.

**2.8 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets costing £500 or more are capitalised. Tangible fixed assets costing £500 or less are written off in the period of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Office equipment	- 20% Straight line
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023

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**2. ACCOUNTING POLICIES (continued)**

**2.9 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between the sales proceeds and the fair value at the start of the financial quarter in which they are disposed (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (purchase date if later).

**2.10 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.11 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.12 LIABILITIES AND PROVISIONS**

Liabilities 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.

**2.13 FINANCIAL INSTRUMENTS**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.14 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**2.15 PENSIONS**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the period.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023**

**2. ACCOUNTING POLICIES (continued)**

**2.16 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Endowment funds represent a single expendable fund provided by Mr George Vernon Northcott CBE. The terms of the fund allow income to be accumulated and the capital to be spent if the trustees so determine.

Investment income, gains and losses are allocated to the appropriate fund with income being classified as unrestricted funds and gains and losses as part of the endowment fund.

**3. INVESTMENT INCOME**

	<b>Unrestricted funds 15 Month Period ended 31 August 2023 £</b>	<b>Total funds 15 Month Period ended 31 August 2023 £</b>	<b>Total funds Year ended 31 May 2022 £</b>
Income from UK listed investments	249,593	<b>249,593</b>	185,479
Interest receivable	360	<b>360</b>	4
	<u>249,953</u>	<u><b>249,953</b></u>	<u>185,483</u>
<b>TOTAL 2022</b>	<u>185,483</u>	<u><b>185,483</b></u>	

**4. INVESTMENT MANAGEMENT COSTS**

	<b>Endowment funds 15 Month Period ended 31 August 2023 £</b>	<b>Total funds 15 Month Period ended 31 August 2023 £</b>	<b>Total funds Year ended 31 May 2022 £</b>
Investment management fees	38,005	<b>38,005</b>	30,942
	<u>30,942</u>	<u><b>30,942</b></u>	
<b>TOTAL 2022</b>	<u>30,942</u>	<u><b>30,942</b></u>	

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023**

**5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

**Summary by fund type**

	<b>Unrestricted funds 15 Month Period ended 31 August 2023 £</b>	<b>Total 15 Month Period ended 31 August 2023 £</b>	<b>Total Year ended 31 May 2022 £</b>
Grants payable to individuals and organisations in Devon	252,978	<b>252,978</b>	187,569
TOTAL 2022	187,569	187,569	

**6. OTHER EXPENDITURE**

	<b>Endowment funds 15 Month Period ended 31 August 2023 £</b>	<b>Unrestricted funds 15 Month Period ended 31 August 2023 £</b>	<b>Total funds 15 Month Period ended 31 August 2023 £</b>	<b>Total funds Year ended 31 May 2022 £</b>
Transfer to Northcott Devon Foundation CIO	6,051,338	2,144	<b>6,053,482</b>	-

On 31 August 2023 all of the assets, liabilities and activities of the Charity were transferred to a new charitable incorporated organisation (CIO), Northcott Devon Foundation (charity number 120263) and the above expenditure represents the transfer. Further details are provided in note 17.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities 15 Month Period ended 31 August 2023 £	Support costs 15 Month Period ended 31 August 2023 £	Total funds 15 Month Period ended 31 August 2023 £	Total funds Year ended 31 May 2022 £
Grants payable to individuals and organisations in Devon	183,112	69,866	<b>252,978</b>	187,569
	<u>183,112</u>	<u>69,866</u>	<u><b>252,978</b></u>	
TOTAL 2022	<u>141,951</u>	<u>45,618</u>	<u>187,569</u>	

ANALYSIS OF DIRECT COSTS

	Grants payable 15 Month Period ended 31 August 2023 £	Total funds 15 Month Period ended 31 August 2023 £	Total funds Year ended 31 May 2022 £
Grants to individuals	182,612	<b>182,612</b>	140,651
Grants to organisations	500	<b>500</b>	1,300
	<u>183,112</u>	<u><b>183,112</b></u>	<u>141,951</u>
TOTAL 2022	<u>141,951</u>	<u>141,951</u>	

All grants awarded were in accordance with the objects of the charity. In particular the grants sought to provide funding to individuals, and a small number of organisations that would improve the living conditions of quality of life of disabled or disadvantaged persons resident in Devon.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Grants payable 15 Month Period ended 31 August 2023 £	Total funds 15 Month Period ended 31 August 2023 £	Total funds Year ended 31 May 2022 £
Wages and Salaries	26,685	<b>26,685</b>	19,989
Office and general costs	11,324	<b>11,324</b>	4,649
Premises costs	2,500	<b>2,500</b>	2,500
Professional Fees	29,357	<b>29,357</b>	18,480
	<u>69,866</u>	<u><b>69,866</b></u>	<u>45,618</u>
TOTAL 2022	<u>45,618</u>	<u>45,618</u>	

During the year ended 31 August 2023, the charity incurred the following Governance costs:

£12,271 (2022: £7,888) included within the table above allocated to Grants payable to individuals and organisations in Devon.

8. INDEPENDENT EXAMINER'S REMUNERATION

	15 Month Period ended 31 August 2023 £	Year ended 31 May 2022 £
Independent examination fees	<b>3,245</b>	2,945
Fees payable to the Charity's independent examiner in respect of: Other accountancy and professional services provided by the independent examiner	<u><b>26,112</b></u>	<u>15,535</u>

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023**

**9. STAFF COSTS**

	<b>15 Month Period ended 31 August 2023 £</b>	Year ended 31 May 2022 £
Wages and salaries	<b>25,537</b>	19,128
Social security costs	<b>572</b>	429
Other pension costs	<b>576</b>	432
	<u><b>26,685</b></u>	<u>19,989</u>

The average number of persons employed by the Charity during the period was as follows:

	<b>15 Month Period ended 31 August 2023 No.</b>	Year ended 31 May 2022 No.
Administrative staff	<b>2</b>	2
	<u><b>2</b></u>	<u>2</u>

The average headcount expressed as full-time equivalents was:

	<b>15 Month Period ended 31 August 2023 No.</b>	Year ended 31 May 2022 No.
Administrative staff	<b>1</b>	1
	<u><b>1</b></u>	<u>1</u>

No employee received remuneration amounting to more than £60,000 in either year.

The trustees constitute the key management personnel of the charity. No trustee received any remuneration or other benefits or expenses during the year (2022: £Nil).

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023

10. TANGIBLE FIXED ASSETS

	Office equipment £
At 1 June 2022	9,513
Disposals	(9,513)
At 31 August 2023	-
At 1 June 2022	8,460
Charge for the period	275
On disposals	(8,735)
At 31 August 2023	-
<b>NET BOOK VALUE</b>	
At 31 August 2023	-
At 31 May 2022	1,053

11. FIXED ASSET INVESTMENTS

	Listed quoted share, stocks and funds £	Cash held as part of the investment portfolio £	Total £
At 1 June 2022	6,160,981	181,396	6,342,377
Additions	923,916	-	923,916
Disposals	(6,803,864)	(181,396)	(6,985,260)
Revaluations	(281,033)	-	(281,033)
AT 31 AUGUST 2023	-	-	-

All fixed asset investments are managed in the UK.

In addition to the revaluations noted above, realised losses on disposal amounted to £14,772 (2022: £5,328 gains)

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023**

**12. DEBTORS**

	<b>31 August 2023</b>	31 May 2022
	£	£
<b>DUE WITHIN ONE YEAR</b>		
Prepayments and accrued income	-	337
	<u>-</u>	<u>337</u>
	<u>-</u>	<u>337</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 August 2023</b>	31 May 2022
	£	£
Accruals and deferred income	-	3,076
Grants accrued - individual	-	5,790
Grants accrued - institutional	-	4,850
	<u>-</u>	<u>13,716</u>
	<u>-</u>	<u>13,716</u>

**14. FINANCIAL INSTRUMENTS**

	<b>31 August 2023</b>	31 May 2022
	£	£
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	-	60,266
	<u>-</u>	<u>60,266</u>

Financial assets measured at amortised cost comprise cash at bank and cash held as part of the investment portfolio.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT PERIOD

	Balance at 1 June 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>UNRESTRIC'D FUNDS</b>						
General Funds	169	249,953	(255,122)	5,000	-	-
<b>ENDOWMENT FUNDS</b>						
Endowment Funds	6,390,148	-	(6,089,343)	(5,000)	(295,805)	-
<b>TOTAL OF FUNDS</b>	<b>6,390,317</b>	<b>249,953</b>	<b>(6,344,465)</b>	<b>-</b>	<b>(295,805)</b>	<b>-</b>

The endowment fund represents a donation originally provided by Mr George Vernon Northcott, CBE that has subsequently been invested. The fund, and in particular the income generated by it, is used to make grants to individuals and organisations in Devon in accordance with the objects of the charity.

In the opinion of the trustees, sufficient resources are held in the endowment fund, and in an appropriate form, to enable the requirements of the fund to be met.

The charity has adopted the "total return" basis for maximising investment returns. As part of this basis the trustees need to periodically make transfers from the endowment fund to unrestricted funds. Such transfers are permitted under the terms of the endowment. The transfer above represents such a transfer.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023

15. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR PERIOD

	Balance at 1 June 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 May 2022 £
<b>UNRESTRICTED FUNDS</b>					
General Funds	2,255	185,483	(187,569)	-	169
<b>ENDOWMENT FUNDS</b>					
Endowment Funds	6,349,985	-	(30,942)	71,105	6,390,148
<b>TOTAL OF FUNDS</b>	<b>6,352,240</b>	<b>185,483</b>	<b>(218,511)</b>	<b>71,105</b>	<b>6,390,317</b>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Total funds 31 August 2023 £
<b>TOTAL</b>	<b>-</b>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Endowment funds 31 May 2022 £	Unrestricted funds 31 May 2022 £	Total funds 31 May 2022 £
Tangible fixed assets	-	1,053	1,053
Fixed asset investments	6,342,377	-	6,342,377
Current assets	47,771	12,832	60,603
Creditors due within one year	-	(13,716)	(13,716)
<b>TOTAL</b>	<b>6,390,148</b>	<b>169</b>	<b>6,390,317</b>

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2023**

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**17. TRANSFER TO NORTHCOTT DEVON FOUNDATION CIO**

On 31 August 2023 all of the assets, liabilities and activities of the Charity were transferred to a new charitable incorporated organisation (CIO). Details of the assets and liabilities transferred are as follows:

	<b>31 August 2023 £</b>
Tangible fixed assets	778
Fixed asset investments	6,005,367
Debtors	227
Cash at bank	67,483
Creditors	(20,373)
	<hr/> <b>6,053,482</b> <hr/>

**NORTHCOTT DEVON FOUNDATION**

England & Wales - Charity number 201277

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# Accounts

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**NORTHCOTT DEVON FOUNDATION**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2022**

# NORTHCOTT DEVON FOUNDATION

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## NORTHCOTT DEVON FOUNDATION

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MAY 2022

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<b>Trustees</b>	J Grey, Chairman J Shorters P Lane
<b>Charity registered number</b>	201277
<b>Principal office</b>	1B Victoria Road Exmouth EX8 1DL
<b>Accountants</b>	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
<b>Bankers</b>	Barclays Bank Plc 20 High Street Exeter EX1 1LX
<b>Solicitors</b>	Michelmores Woodwater House Pynes Hill Exeter Devon EX2 5WR
<b>Investment Advisor</b>	Charles Stanley and Company Limited Broadwalk House Southerhay West Exeter EX1 1TS

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2022**

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The Trustees present their annual report together with the financial statements of the Northcott Devon Foundation for the 1 June 2021 to 31 May 2022.

#### **Objectives and activities**

##### **a. Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The principal objects of the charity are to provide support for individuals in Devon and to assist registered charities which seek to improve the living conditions of disabled or disadvantaged persons resident in Devon.

There have been no changes in the objectives since the last annual report.

##### **b. Strategies for achieving objectives**

The strategy for achieving objectives covers four specific areas.

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding.

Monitoring governance and administrative support costs - again ensuring that the funds available for grant funding will be maximised.

Making information about the charity widely known. This will ensure that as many people and groups as possible who are in need of assistance can benefit from the funds of the charity.

To make grants that are appropriate and that make a genuine difference to people and organisations in Devon.

##### **c. Activities undertaken to achieve objectives**

Grant making and investment policies and activities are considered separately below.

The charity has also continued to maintain public awareness about its activities and this has resulted in requests for grant funding significantly exceeding funds available at each meeting of the advisory committee.

##### **d. Grant-making policies**

The charity considers applications from individuals primarily through the County Social Services departments and other registered charities and community care organisations. It also responds to appeals from other charitable organisations operating in Devon.

The charity has a policy of paying small grants, but normally up to £200, to all applicants who meet the agreed criteria rather than a small number of large grants. The agreed criteria are designed to ensure that grants are only paid to those with a genuine need and where the receipt of the grant will make a beneficial difference to that individual or organisation

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022**

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#### **Objectives and activities (CONTINUED)**

##### **e. Main Activities Undertaken to Further the Charity's Purposes For Public Benefit**

In deciding on both the current and future policy and criteria, the charity has referred to the Charity Commission's general guidance on public benefit. In particular the trustees consider how the planned policies and activities will contribute to the aims and objectives they have set.

The nature of the grant making policies as set out above are such that the charity is able to benefit individuals in particular, who would otherwise have no contact with the charity, at times of great need. Whilst each grant offered is relatively small it is hoped that each grant may make a significant difference to that individual or organisation's circumstances.

##### **f. Volunteers**

Members of the advisory committee offer their services free of charge. They normally meet on a monthly basis with the Trustees to consider the grant applications received by the charity during that month. There are no other voluntary helpers.

#### **Achievements and performance**

##### **a. Review of activities**

In 1960 a donation was received from Mr George Vernon Northcott CBE, which was invested and at the year end had a value in excess of £6.3 million. This in turn generates income to be used in accordance with the objects of the charity and represents the principal funding source for the charity. Income during the period amounted to £185,483 (2021: £154,468). The level of income reflects the continuing use of the "total return" basis when considering the choice of investments and investment performance but is also a reflection of the returns being generated by markets generally. The income was used to fund grants of £141,951 (2021: £115,946) together with associated support and governance costs. All expenditure supported the principal objectives of the charity.

The trustees consider the key performance measure to be the amount of grants that the charity is able to distribute whilst maintaining the capital base so as to ensure that a high level of grant distributions can be maintained in the long term. The trustees consider that these performance measures have been met.

Unrestricted funds decreased by £2,086 over the year.

##### **b. Summary of Achievements**

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding. The charity considers that it has achieved this goal.

##### **c. Investment policy and performance**

There are no restrictions on the charity's power to invest and the investment policy is to maximise the total return of the portfolio whether this be by capital growth or by income received, whilst adopting a medium risk approach. The benchmark for the investment advisors is to track and ideally out perform the MSCI WMA private Investor Balanced Total Return Index. The strategy is reviewed with the investment advisor on a regular basis.

Realised and unrealised gains in the period amounted to £71,105 reflecting market conditions compared to the prior year (2021: gains of £632,554).

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022**

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#### **Financial review**

##### **a. Going concern**

Subject to Charity Commission approval, the Trustees are planning to transfer the assets and operations of this Charity to a new charitable incorporated organisation (CIO) which will have similar objects to the existing unincorporated trust. Following the transfer, it is expected that the day to day operations of the CIO will be similar to those of the existing charity. The Trustees hope to complete the transfer as soon as possible but the date is yet to be confirmed. This trust will have no further activity after the transfer. Accordingly, these accounts are prepared on a basis other than going concern, as noted in the going concern policy.

##### **b. Reserves and Investment Policy**

It is the intention of the charity to retain a portfolio of investments within the endowment funds and to principally use this to generate income which will fund the grant payments and other expenditure of the charity. An element of these funds may periodically be transferred to free reserves under the "total return" policy. The trustees seek to maintain the indexed value of this fund so as to protect the future long term ability of the charity to meet its charitable objectives.

General unrestricted reserves have decreased during the period from £2,255 to £169. As a result of the "total return" policy the charity now considers it necessary to hold only a minimal amount in free reserves and the current level of reserves reflects this policy. Periodic transfers are made from the endowment funds to top up the free reserves as required. There were no transfers during the year under review (2021:£5,000). Endowment funds have increased during the period from £6,349,985 to £6,390,148.

#### **Structure, governance and management**

##### **a. Constitution**

Northcott Devon Foundation is a registered charity, number 201277, and is constituted under a Trust deed.

##### **b. Methods of appointment or election of Trustees**

New trustees are appointed by the board of trustees at a regular board meeting. The organisation seeks to recruit trustees with skills, values and experience that compliment and benefit the organisation.

##### **c. Policies adopted for the induction and training of Trustees**

The board are aware of the need to remain up to date with current legislation and best practice and will arrange for training to be provided to trustees as and when the need arises.

When a new trustee is appointed, they are allowed to attend a meeting prior to appointment and will be provided with legal, financial and background information about the charity. They also provide any prospective trustee with the Charity Commission guidance documentation on the responsibilities of trustees. The existing trustees give a full briefing to any new trustees.

**Structure, governance and management (CONTINUED)**

**d. Organisational structure and decision-making policies**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The trustees normally meet four times a year and in addition to being empowered by the deed to appoint additional trustees they also appoint persons to serve with them on an advisory committee which considers all grant applications. The advisory committee normally meets twelve times a year.

The trustees and members of the advisory committee offer their services free of charge. There are no other voluntary helpers. The secretary is employed on a part time basis and there is one (2021 - one) other part time administrative employee. The secretary undertakes the day to day management of the charity but is not empowered to undertake actions without authority from the board of trustees.

The board remains conscious of the need to keep the skills requirements of the board of trustees under review and seeks independent professional advice where this is considered necessary.

**e. Related party relationships**

Members of the board of trustees and the advisory committee are required to declare any potential conflict of interest if they are connected with any grant application and to refrain from being involved in the decision making process in respect of any such application.

**f. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The steps taken include:

- Obtaining insurance against liability
- Taking professional advice where appropriate
- Ensuring the safe custody of investments
- Implementing appropriate procedures and controls to prevent fraud and loss

**Plans for future periods**

The trustees will continue to monitor the appropriateness of the current investment and grant making policies and make any amendments they consider appropriate. However, no material adjustments are anticipated at the present time.

In addition, having adopted the "total return" basis for maximising investment returns the trustees may periodically need to make further transfers from the endowment investment fund to unrestricted income funds. This is closely monitored by the trustees and their advisors on a regular basis.

As noted above, the trustees are also considering the legal status of the charity and are working towards transferring the operations and assets of the charity to a charitable incorporated organisation. It is not expected that this will impact the day to day operations of the charity.

## NORTHCOTT DEVON FOUNDATION

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

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#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

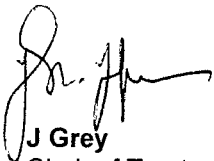
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**J Grey**  
Chair of Trustees

Date: 15 March 2023

**NORTHCOTT DEVON FOUNDATION**

**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MAY 2022**

---

**Independent examiner's report to the Trustees of Northcott Devon Foundation ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 May 2022.

**Responsibilities and basis of report**

As the Trustees of the Charity 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 Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed 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 the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

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

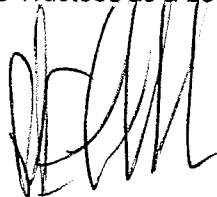
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: R E T Borton



Dated:

28 March 2023

Richard Edward Timothy Borton (Partner of Bishop Fleming LLP)

FCA DChA

Bishop Fleming LLP, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS.

NORTHCOTT DEVON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MAY 2022

	Note	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income and endowments from:</b>					
Investments	3	-	185,483	185,483	154,468
<b>Total income and endowments</b>		-	185,483	185,483	154,468
<b>Expenditure on:</b>					
Raising funds	4	30,942	-	30,942	29,227
Charitable activities	5	-	187,569	187,569	158,494
<b>Total expenditure</b>		30,942	187,569	218,511	187,721
<b>Net expenditure before net gains on investments</b>		(30,942)	(2,086)	(33,028)	(33,253)
Net gains on investments		71,105	-	71,105	632,554
<b>Net movement in funds</b>		40,163	(2,086)	38,077	599,301
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,349,985	2,255	6,352,240	5,752,939
Net movement in funds		40,163	(2,086)	38,077	599,301
<b>Total funds carried forward</b>		6,390,148	169	6,390,317	6,352,240

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

The notes on pages 10 to 20 form part of these financial statements.

NORTHCOTT DEVON FOUNDATION

**BALANCE SHEET  
AS AT 31 MAY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	1,053	-
Investments	10	6,342,377	6,314,736
		<u>6,343,430</u>	<u>6,314,736</u>
<b>Current assets</b>			
Debtors	11	337	4,437
Cash at bank and in hand		60,266	46,203
		<u>60,603</u>	<u>50,640</u>
Creditors: amounts falling due within one year	12	(13,716)	(13,136)
<b>Net current assets</b>		<u>46,887</u>	<u>37,504</u>
<b>Total assets less current liabilities</b>		<u>6,390,317</u>	<u>6,352,240</u>
<b>Net assets excluding pension asset</b>		<u>6,390,317</u>	<u>6,352,240</u>
<b>Total net assets</b>		<u><u>6,390,317</u></u>	<u><u>6,352,240</u></u>
<b>Charity funds</b>			
Endowment funds	14	6,390,148	6,349,985
Restricted funds	14	-	-
Unrestricted funds	14	169	2,255
<b>Total funds</b>		<u><u>6,390,317</u></u>	<u><u>6,352,240</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
J Grey  
Chair of Trustees

Date: 15 March 2023

The notes on pages 10 to 20 form part of these financial statements.

## **NORTHCOTT DEVON FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022**

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#### **1. General information**

Northcott Devon Foundation is constituted under a Trust deed dated 31 December 1960 and is a registered charity, number 201277. The principal office is 1B Victoria Road, Exmouth, EX8 1DL.

#### **2. Accounting policies**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Northcott Devon Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### **2.2 GOING CONCERN AND POST BALANCE SHEET EVENTS**

Subject to Charity Commission approval, the Trustees are planning to transfer the assets and operations of this Charity to a new charitable incorporated organisation (CIO) which will have similar objects to the existing unincorporated trust. Following the transfer, it is expected that the day to day operations of the CIO will be similar to those of the existing charity. The Trustees hope to complete the transfer as soon as possible but the date is yet to be confirmed. This trust will have no further activity after the transfer.

Accordingly, these accounts are prepared on a basis other than going concern. However, given that the trust will be carried on by the new CIO, no adjustments to, or reclassifications of, the amounts included in these accounts prior to transfer have been required.

##### **2.3 INCOME**

All income is recognised once 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

##### **2.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds represents investment management expenses.

**2. Accounting policies (continued)**

**2.4 EXPENDITURE (CONTINUED)**

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.5 INTEREST RECEIVABLE**

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 institution with whom the funds are deposited.

**2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets costing £500 or more are capitalised. Tangible fixed assets costing £500 or less are written off in the period of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following basis:

Office equipment	- 20% straight line
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**2.7 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Realised gains and losses on investments are calculated as the difference between the sales proceeds and the fair value at the start of the financial quarter in which they are disposed (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (purchase date if later).

**2.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2. Accounting policies (continued)**

**2.9 LIABILITIES AND PROVISIONS**

Liabilities 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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

**2.10 FINANCIAL INSTRUMENTS**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.11 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.12 PENSIONS**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2.13 TAXATION**

The charity is not registered for VAT. Irrecoverable VAT is charged to the Statement of Financial Activities.

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 to the extent that such income or gains are applied exclusively to charitable purposes.

**2.14 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Endowment funds represent a single expendable fund provided by Mr George Vernon Northcott CBE. The terms of the fund allow income to be accumulated and the capital to be spent if the trustees so determine.

Investment income, gains and losses are allocated to the appropriate fund with income being classified as unrestricted funds and gains and losses as part of the endowment fund.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

3. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from UK listed investments	185,479	<b>185,479</b>	154,447
Interest receivable	4	4	21
<b>TOTAL 2022</b>	<u>185,483</u>	<u><b>185,483</b></u>	<u>154,468</u>
<b>TOTAL 2021</b>	<u>154,468</u>	<u>154,468</u>	

4. Investment management costs

	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	30,942	<b>30,942</b>	29,227
<b>TOTAL 2021</b>	<u>29,227</u>	<u>29,227</u>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Grants payable to individuals and organisations in Devon	187,569	<b>187,569</b>	158,494
<b>TOTAL 2021</b>	<u>158,494</u>	<u>158,494</u>	

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**6. Analysis of expenditure by activities**

	<b>Grant funding of activities 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Grants payable to individuals and organisations in Devon	141,951	45,618	<b>187,569</b>	158,494
TOTAL 2021	<u>115,946</u>	<u>42,548</u>	<u>158,494</u>	

**Analysis of direct costs**

	<b>Grants payable 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Grants to individuals	140,651	<b>140,651</b>	115,496
Grants to organisations	1,300	<b>1,300</b>	450
	<u>141,951</u>	<u><b>141,951</b></u>	<u>115,946</u>
TOTAL 2021	<u>115,946</u>	<u>115,946</u>	

All grants awarded were in accordance with the objects of the charity. In particular the grants sought to provide funding to individuals, and a small number of organisations that would improve the living conditions of quality of life of disabled or disadvantaged persons resident in Devon.

**Analysis of support costs**

	<b>Grants payable 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Wages and Salaries	19,989	<b>19,989</b>	20,077
Office and general costs	4,649	<b>4,649</b>	4,757
Premises costs	2,500	<b>2,500</b>	1,019
Professional fees	18,480	<b>18,480</b>	16,695
	<u>45,618</u>	<u><b>45,618</b></u>	<u>42,548</u>
TOTAL 2021	<u>42,548</u>	<u>42,548</u>	

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**6. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

During the year ended 31 May 2022, the charity incurred the following Governance costs:

£7,888 (2021: £7,260) included within the table above allocated to Grants payable to individuals and organisations in Devon.

**7. Independent examiner's remuneration**

	<b>2022</b>	2021
	£	£
Independent examination fees	<b>2,945</b>	2,675
Fees payable to the Charity's independent examiner in respect of: Other accountancy and professional services provided by the independent examiner	<b>15,535</b>	14,020
	<u><u>15,535</u></u>	<u><u>14,020</u></u>

**8. Staff costs**

	<b>2022</b>	2021
	£	£
Wages and salaries	<b>19,128</b>	19,205
Social security costs	<b>429</b>	438
Other pension costs	<b>432</b>	434
	<u><u>19,989</u></u>	<u><u>20,077</u></u>

The average number of persons employed by the Charity during the year was as follows:

	<b>2022</b>	2021
	No.	No.
Administrative staff	<b>2</b>	2
	<u><u>2</u></u>	<u><u>2</u></u>

The average headcount expressed as full-time equivalents was:

	<b>2022</b>	2021
	No.	No.
Administrative staff	<b>1</b>	1
	<u><u>1</u></u>	<u><u>1</u></u>

No employee received remuneration amounting to more than £60,000 in either year.

The trustees constitute the key management personnel of the charity. No trustee received any remuneration or other benefits or expenses during the year (2021 - £nil).

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

9. Tangible fixed assets

	Office equipment £
<b>COST OR VALUATION</b>	
At 1 June 2021	8,405
Additions	1,108
At 31 May 2022	<u>9,513</u>
<b>DEPRECIATION</b>	
At 1 June 2021	8,405
Charge for the year	55
At 31 May 2022	<u>8,460</u>
<b>NET BOOK VALUE</b>	
At 31 May 2022	<u>1,053</u>
At 31 May 2021	<u>-</u>

10. Fixed asset investments

	Listed quoted share, stocks and funds £	Cash held as part of the investment portfolio £	Total £
<b>COST OR VALUATION</b>			
At 1 June 2021	6,153,146	161,590	6,314,736
Additions	112,924	19,806	132,730
Disposals	(170,866)	-	(170,866)
Revaluations	65,777	-	65,777
At 31 May 2022	<u>6,160,981</u>	<u>181,396</u>	<u>6,342,377</u>

All fixed asset investments are managed in the UK.

In addition to the revaluations noted above, realised gains on disposal amounted to £5,328

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

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**11. Debtors**

	2022 £	2021 £
<b>DUE WITHIN ONE YEAR</b>		
Prepayments and accrued income	337	4,437
	<u>337</u>	<u>4,437</u>

**12. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Accruals and deferred income	3,076	2,696
Grants accrued - individual	5,790	5,590
Grants accrued - institutional	4,850	4,850
	<u>13,716</u>	<u>13,136</u>

**13. Financial instruments**

	2022 £	2021 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost	<u>60,266</u>	<u>46,203</u>

Financial assets measured at amortised cost comprise cash at bank and cash held as part of the investment portfolio.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

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14. Statement of funds

Statement of funds - current year

	Balance at 1 June 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 May 2022 £
<b>UNRESTR'D FUNDS</b>					
General Funds	2,255	185,483	(187,569)	-	169
	<u>2,255</u>	<u>185,483</u>	<u>(187,569)</u>	<u>-</u>	<u>169</u>
<b>ENDOWMENT FUNDS</b>					
Endowment Funds	6,349,985	-	(30,942)	71,105	6,390,148
	<u>6,349,985</u>	<u>-</u>	<u>(30,942)</u>	<u>71,105</u>	<u>6,390,148</u>
<b>TOTAL OF FUNDS</b>	<u>6,352,240</u>	<u>185,483</u>	<u>(218,511)</u>	<u>71,105</u>	<u>6,390,317</u>

The endowment fund represents a donation originally provided by Mr George Vernon Northcott, CBE that has subsequently been invested. The fund, and in particular the income generated by it, is used to make grants to individuals and organisations in Devon in accordance with the objects of the charity.

In the opinion of the trustees, sufficient resources are held in the endowment fund, and in an appropriate form, to enable the requirements of the fund to be met.

The charity has adopted the "total return" basis for maximising investment returns. As part of this basis the trustees need to periodically make transfers from the endowment fund to unrestricted funds. Such transfers are permitted under the terms of the endowment. The transfer above represents such a transfer.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
<b>UNRESTR'D FUNDS</b>						
General Funds	1,281	154,468	(158,494)	5,000	-	2,255
<b>ENDOWMENT FUNDS</b>						
Endowment Funds	5,751,658	-	(29,227)	(5,000)	632,554	6,349,985
<b>TOTAL OF FUNDS</b>	<u>5,752,939</u>	<u>154,468</u>	<u>(187,721)</u>	<u>-</u>	<u>632,554</u>	<u>6,352,240</u>

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Endowment funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	1,053	<b>1,053</b>
Fixed asset investments	6,342,377	-	<b>6,342,377</b>
Current assets	47,771	12,832	<b>60,603</b>
Creditors due within one year	-	(13,716)	<b>(13,716)</b>
<b>TOTAL</b>	<b>6,390,148</b>	<b>169</b>	<b>6,390,317</b>

**Analysis of net assets between funds - prior year**

	<b>Endowment funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Fixed asset investments	6,314,736	-	6,314,736
Current assets	35,249	15,391	50,640
Creditors due within one year	-	(13,136)	(13,136)
<b>TOTAL</b>	<b>6,349,985</b>	<b>2,255</b>	<b>6,352,240</b>

**NORTHCOTT DEVON FOUNDATION**

England & Wales - Charity number 201277

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# Accounts

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**NORTHCOTT DEVON FOUNDATION**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2021**

# **NORTHCOTT DEVON FOUNDATION**

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## NORTHCOTT DEVON FOUNDATION

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MAY 2021

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<b>Trustees</b>	J Grey, Chairman J Shorters P Lane
<b>Charity registered number</b>	201277
<b>Principal office</b>	1B Victoria Road Exmouth EX8 1DL
<b>Accountants</b>	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
<b>Bankers</b>	Barclays Bank Plc 20 High Street Exeter EX1 1LX
<b>Solicitors</b>	Michelmores Woodwater House Pynes Hill Exeter Devon EX2 5WR
<b>Investment Advisor</b>	Charles Stanley and Company Limited Broadwalk House Southerhay West Exeter EX1 1TS

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021**

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The Trustees present their annual report together with the financial statements of the Northcott Devon Foundation for the 1 June 2020 to 31 May 2021.

#### **Objectives and activities**

##### **a. Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The principal objects of the charity are to provide support for individuals in Devon and to assist registered charities which seek to improve the living conditions of disabled or disadvantaged persons resident in Devon.

There have been no changes in the objectives since the last annual report.

##### **b. Strategies for achieving objectives**

The strategy for achieving objectives covers four specific areas.

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding.

Monitoring governance and administrative support costs - again ensuring that the funds available for grant funding will be maximised.

Making information about the charity widely known. This will ensure that as many people and groups as possible who are in need of assistance can benefit from the funds of the charity.

To make grants that are appropriate and that make a genuine difference to people and organisations in Devon.

##### **c. Activities undertaken to achieve objectives**

Grant making and investment policies and activities are considered separately below.

The charity has also continued to maintain public awareness about its activities and this has resulted in requests for grant funding significantly exceeding funds available at each meeting of the advisory committee.

##### **d. Grant-making policies**

The charity considers applications from individuals primarily through the County Social Services departments and other registered charities and community care organisations. It also responds to appeals from other charitable organisations operating in Devon.

The charity has a policy of paying small grants, but normally up to £200, to all applicants who meet the agreed criteria rather than a small number of large grants. The agreed criteria are designed to ensure that grants are only paid to those with a genuine need and where the receipt of the grant will make a beneficial difference to that individual or organisation

**Objectives and activities (CONTINUED)**

**e. Main Activities Undertaken to Further the Charity's Purposes For Public Benefit**

In deciding on both the current and future policy and criteria, the charity has referred to the Charity Commission's general guidance on public benefit. In particular the trustees consider how the planned policies and activities will contribute to the aims and objectives they have set.

The nature of the grant making policies as set out above are such that the charity is able to benefit individuals in particular, who would otherwise have no contact with the charity, at times of great need. Whilst each grant offered is relatively small it is hoped that each grant may make a significant difference to that individual or organisation's circumstances.

**f. Volunteers**

Members of the advisory committee offer their services free of charge. They normally meet on a monthly basis with the Trustees to consider the grant applications received by the charity during that month. There are no other voluntary helpers. Since March 2020 it has become necessary to update procedures in order to be able to continue to award grants, whilst complying with the restrictions imposed as a result of Covid-19.

**Achievements and performance**

**a. Review of activities**

In 1960 a donation was received from Mr George Vernon Northcott CBE, which was invested and at the year end had a value in excess of £6.3 million. This in turn generates income to be used in accordance with the objects of the charity and represents the principal funding source for the charity. Income during the period amounted to £154,468 (2020: £190,645). The level of income reflects the continuing use of the "total return" basis when considering the choice of investments and investment performance but is also a reflection of the returns being generated by markets generally, partly as a result of the impacts of Covid-19. The income was used to fund grants of £115,946 (2020: £176,596) together with associated support and governance costs. Grants continued to be awarded on a monthly basis throughout the year despite the impact of Covid-19. All expenditure supported the principal objectives of the charity.

The trustees consider the key performance measure to be the amount of grants that the charity is able to distribute whilst maintaining the capital base so as to ensure that a high level of grant distributions can be maintained in the long term. The trustees consider that these performance measures have been met.

Unrestricted funds increased by £974 over the year.

**b. Summary of Achievements**

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding. The charity considers that it has achieved this goal and whilst there was a small reduction in grants payable, this was principally as a result of the impact of Covid-19 on grant applications and investment returns in the final quarter of the year.

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021**

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#### **Achievements and performance (CONTINUED)**

##### **c. Investment policy and performance**

There are no restrictions on the charity's power to invest and the investment policy is to maximise the total return of the portfolio whether this be by capital growth or by income received, whilst adopting a medium risk approach. The benchmark for the investment advisors is to track and ideally out perform the MSCI WMA private Investor Balanced Total Return Index. The strategy is reviewed with the investment advisor on a regular basis.

Realised and unrealised gains in the period amounted to £632,554 reflecting the resurgence in market conditions compared to the prior year (2020: losses of £339,876).

#### **Financial review**

##### **a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. This includes consideration of the impact of Covid-19. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### **b. Reserves and Investment Policy**

It is the intention of the charity to retain a portfolio of investments within the endowment funds and to principally use this to generate income which will fund the grant payments and other expenditure of the charity. An element of these funds may periodically be transferred to free reserves under the "total return" policy. The trustees seek to maintain the indexed value of this fund so as to protect the future long term ability of the charity to meet its charitable objectives.

General unrestricted reserves have increased during the period from £1,281 to £2,255. As a result of the "total return" policy the charity now considers it necessary to hold only a minimal amount in free reserves and the current level of reserves reflects this policy. Periodic transfers are made from the endowment funds to top up the free reserves as required. £5,000 was transferred during the year under review. Endowment funds have increased during the period from £5,751,658 to £6,349,985.

#### **Structure, governance and management**

##### **a. Constitution**

Northcott Devon Foundation is a registered charity, number 201277, and is constituted under a Trust deed.

##### **b. Methods of appointment or election of Trustees**

New trustees are appointed by the board of trustees at a regular board meeting. The organisation seeks to recruit trustees with skills, values and experience that compliment and benefit the organisation.

**Structure, governance and management (CONTINUED)**

**c. Policies adopted for the induction and training of Trustees**

The board are aware of the need to remain up to date with current legislation and best practice and will arrange for training to be provided to trustees as and when the need arises.

When a new trustee is appointed, they are allowed to attend a meeting prior to appointment and will be provided with legal, financial and background information about the charity. They also provide any prospective trustee with the Charity Commission guidance documentation on the responsibilities of trustees. The existing trustees give a full briefing to any new trustees.

**d. Organisational structure and decision-making policies**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The trustees normally meet four times a year and in addition to being empowered by the deed to appoint additional trustees they also appoint persons to serve with them on an advisory committee which considers all grant applications. The advisory committee normally meets twelve times a year.

The trustees and members of the advisory committee offer their services free of charge. There are no other voluntary helpers. The secretary is employed on a part time basis and there is one (2020 - one) other part time administrative employee. The secretary undertakes the day to day management of the charity but is not empowered to undertake actions without authority from the board of trustees.

The board remains conscious of the need to keep the skills requirements of the board of trustees under review and seeks independent professional advice where this is considered necessary.

**e. Related party relationships**

Members of the board of trustees and the advisory committee are required to declare any potential conflict of interest if they are connected with any grant application and to refrain from being involved in the decision making process in respect of any such application.

**f. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. This has included consideration of the impact of Covid-19 on the Charity.

The steps taken include:

- Obtaining insurance against liability
- Taking professional advice where appropriate
- Ensuring the safe custody of investments
- Implementing appropriate procedures and controls to prevent fraud and loss

## NORTHCOTT DEVON FOUNDATION

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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#### Plans for future periods

The trustees will continue to monitor the appropriateness of the current investment and grant making policies and make any amendments they consider appropriate. However, no material adjustments are anticipated at the present time.

In addition, having adopted the "total return" basis for maximising investment returns the trustees may periodically need to make further transfers from the endowment investment fund to unrestricted income funds. This is closely monitored by the trustees and their advisors on a regular basis.

The trustees are also considering the legal status of the charity and are investigating whether it would be appropriate to convert to a charitable incorporated organisation. Should this proceed, it is not expected that this would impact the day to day operations of the charity.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES


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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 16 March 2022 and signed on their behalf by:



**J Grey**  
Chair of Trustees

## NORTHCOTT DEVON FOUNDATION

### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MAY 2021

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#### Independent examiner's report to the Trustees of Northcott Devon Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 May 2021.

#### Responsibilities and basis of report

As the Trustees of the Charity 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 Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed 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 the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

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

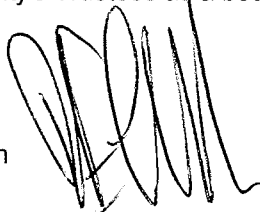
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: R E T Borton



Dated: 25 March 2022

Richard Edward Timothy Borton (Partner of Bishop Fleming LLP)

FCA DChA

Bishop Fleming LLP, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS.

NORTHCOTT DEVON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MAY 2021

	Note	Endowment funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>					
Investments	3	-	154,468	154,468	190,645
<b>Total income and endowments</b>		<b>-</b>	<b>154,468</b>	<b>154,468</b>	<b>190,645</b>
<b>Expenditure on:</b>					
Raising funds	4	29,227	-	29,227	30,822
Charitable activities	5	-	158,494	158,494	219,860
<b>Total expenditure</b>		<b>29,227</b>	<b>158,494</b>	<b>187,721</b>	<b>250,682</b>
<b>Net expenditure before net gains/(losses) on investments</b>		<b>(29,227)</b>	<b>(4,026)</b>	<b>(33,253)</b>	<b>(60,037)</b>
Net gains/(losses) on investments		632,554	-	632,554	(339,876)
<b>Net income/(expenditure)</b>		<b>603,327</b>	<b>(4,026)</b>	<b>599,301</b>	<b>(399,913)</b>
Transfers between funds	14	(5,000)	5,000	-	-
<b>Net movement in funds</b>		<b>598,327</b>	<b>974</b>	<b>599,301</b>	<b>(399,913)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		5,751,658	1,281	5,752,939	6,152,852
Net movement in funds		598,327	974	599,301	(399,913)
<b>Total funds carried forward</b>		<b>6,349,985</b>	<b>2,255</b>	<b>6,352,240</b>	<b>5,752,939</b>

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

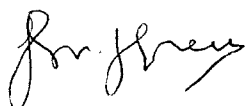
The notes on pages 10 to 20 form part of these financial statements.

**NORTHCOTT DEVON FOUNDATION**

**BALANCE SHEET  
AS AT 31 MAY 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	10	6,314,736	5,732,461
		<u>6,314,736</u>	<u>5,732,461</u>
<b>Current assets</b>			
Debtors	11	4,437	979
Cash at bank and in hand		46,203	33,740
		<u>50,640</u>	<u>34,719</u>
Creditors: amounts falling due within one year	12	(13,136)	(14,241)
<b>Net current assets</b>		<u>37,504</u>	<u>20,478</u>
<b>Total assets less current liabilities</b>		<u>6,352,240</u>	<u>5,752,939</u>
<b>Net assets excluding pension asset</b>		<u>6,352,240</u>	<u>5,752,939</u>
<b>Total net assets</b>		<u><u>6,352,240</u></u>	<u><u>5,752,939</u></u>
<b>Charity funds</b>			
Endowment funds	14	6,349,985	5,751,658
Restricted funds	14	-	-
Unrestricted funds	14	2,255	1,281
<b>Total funds</b>		<u><u>6,352,240</u></u>	<u><u>5,752,939</u></u>

The financial statements were approved and authorised for issue by the Trustees on 16 March 2022 and signed on their behalf by:



**J Grey**  
Chair of Trustees

The notes on pages 10 to 20 form part of these financial statements.

**1. General information**

Northcott Devon Foundation is constituted under a Trust deed dated 31 December 1960 and is a registered charity, number 201277. The principal office is 1B Victoria Road, Exmouth, EX8 1DL.

**2. Accounting policies**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Northcott Devon Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 GOING CONCERN**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. This has included consideration of the impact of Covid-19. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2.3 INCOME**

All income is recognised once 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**2.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds represents investment management expenses.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

**2. Accounting policies (continued)**

**2.4 EXPENDITURE (CONTINUED)**

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.5 INTEREST RECEIVABLE**

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 institution with whom the funds are deposited.

**2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets costing £500 or more are capitalised. Tangible fixed assets costing £500 or less are written off in the period of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following basis:

Office equipment	- 20% straight line
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**2.7 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Realised gains and losses on investments are calculated as the difference between the sales proceeds and the fair value at the start of the financial quarter in which they are disposed (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (purchase date if later).

**2.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2. Accounting policies (continued)**

**2.9 LIABILITIES AND PROVISIONS**

Liabilities 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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

**2.10 FINANCIAL INSTRUMENTS**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.11 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.12 PENSIONS**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2.13 TAXATION**

The charity is not registered for VAT. Irrecoverable VAT is charged to the Statement of Financial Activities.

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 to the extent that such income or gains are applied exclusively to charitable purposes.

**2.14 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Endowment funds represent a single expendable fund provided by Mr George Vernon Northcott CBE. The terms of the fund allow income to be accumulated and the capital to be spent if the trustees so determine.

Investment income, gains and losses are allocated to the appropriate fund with income being classified as unrestricted funds and gains and losses as part of the endowment fund.

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

3. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from UK listed investments	154,447	<b>154,447</b>	190,593
Interest receivable	21	<b>21</b>	52
<b>TOTAL 2021</b>	<u>154,468</u>	<u><b>154,468</b></u>	<u>190,645</u>
TOTAL 2020	<u>190,645</u>	<u>190,645</u>	

4. Investment management costs

	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	29,227	<b>29,227</b>	30,822
TOTAL 2020	<u>30,822</u>	<u>30,822</u>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants payable to individuals and organisations in Devon	158,494	<b>158,494</b>	219,860
TOTAL 2020	<u>219,860</u>	<u>219,860</u>	

NORTHCOTT DEVON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

6. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Grants payable to individuals and organisations in Devon	115,946	42,548	<b>158,494</b>	219,860
TOTAL 2020	<u>176,596</u>	<u>43,264</u>	<u>219,860</u>	

Analysis of direct costs

	Grants payable 2021 £	Total funds 2021 £	Total funds 2020 £
Grants to individuals	115,496	<b>115,496</b>	174,696
Grants to organisations	450	<b>450</b>	1,900
	<u>115,946</u>	<u><b>115,946</b></u>	<u>176,596</u>
TOTAL 2020	<u>176,596</u>	<u>176,596</u>	

All grants awarded were in accordance with the objects of the charity. In particular the grants sought to provide funding to individuals, and a small number of organisations that would improve the living conditions of quality of life of disabled or disadvantaged persons resident in Devon.

Analysis of support costs

	Grants payable 2021 £	Total funds 2021 £	Total funds 2020 £
Wages and Salaries	20,077	<b>20,077</b>	19,762
Office and general costs	4,757	<b>4,757</b>	5,454
Premises costs	1,019	<b>1,019</b>	1,556
Professional Fees	16,695	<b>16,695</b>	16,492
	<u>42,548</u>	<u><b>42,548</b></u>	<u>43,264</u>
TOTAL 2020	<u>43,264</u>	<u>43,264</u>	

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

**6. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

During the year ended 31 May 2022, the charity incurred the following Governance costs:

£7,260 (2021: £7,204) included within the table above allocated to Grants payable to individuals and organisations in Devon.

**7. Independent examiner's remuneration**

	<b>2021</b>	2020
	£	£
Independent examination fees	<b>2,675</b>	2,550
Fees payable to the Charity's independent examiner in respect of: Other accountancy and professional services provided by the independent examiner	<b>14,020</b>	13,942
	<u><u>14,020</u></u>	<u><u>13,942</u></u>

**8. Staff costs**

	<b>2021</b>	2020
	£	£
Wages and salaries	<b>19,205</b>	18,861
Social security costs	<b>438</b>	443
Other pension costs	<b>434</b>	458
	<u><u>20,077</u></u>	<u><u>19,762</u></u>

The average number of persons employed by the Charity during the year was as follows:

	<b>2021</b>	2020
	No.	No.
Administrative staff	<b>2</b>	2
	<u><u>2</u></u>	<u><u>2</u></u>

The average headcount expressed as full-time equivalents was:

	<b>2021</b>	2020
	No.	No.
Administrative staff	<b>1</b>	1
	<u><u>1</u></u>	<u><u>1</u></u>

No employee received remuneration amounting to more than £60,000 in either year.

The trustees constitute the key management personnel of the charity. No trustee received any remuneration or other benefits or expenses during the year (2020 - £nil).

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

**9. Tangible fixed assets**

	Office equipment £
<b>COST OR VALUATION</b>	
At 1 June 2020	8,405
At 31 May 2021	<u>8,405</u>
<b>DEPRECIATION</b>	
At 1 June 2020	8,405
At 31 May 2021	<u>8,405</u>
<b>NET BOOK VALUE</b>	
At 31 May 2021	<u>-</u>
At 31 May 2020	<u>-</u>

**10. Fixed asset investments**

	Listed quoted share, stocks and funds £	Cash held as part of the investment portfolio £	Total £
<b>COST OR VALUATION</b>			
At 1 June 2020	5,323,983	408,478	5,732,461
Additions	1,542,615	-	1,542,615
Disposals	(1,310,577)	(246,888)	(1,557,465)
Revaluations	597,125	-	597,125
At 31 May 2021	<u>6,153,146</u>	<u>161,590</u>	<u>6,314,736</u>

All fixed asset investments are managed in the UK.

In addition to the revaluations noted above, realised gains on disposal amounted to £35,430.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

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**11. Debtors**

	<b>2021</b>	2020
	£	£
<b>DUE WITHIN ONE YEAR</b>		
Prepayments and accrued income	<b>4,437</b>	979
	<u><b>4,437</b></u>	<u>979</u>

**12. Creditors: Amounts falling due within one year**

	<b>2021</b>	2020
	£	£
Accruals and deferred income	<b>2,696</b>	4,001
Grants accrued - individual	<b>5,590</b>	5,390
Grants accrued - institutional	<b>4,850</b>	4,850
	<u><b>13,136</b></u>	<u>14,241</u>

**13. Financial instruments**

	<b>2021</b>	2020
	£	£
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost	<b>46,203</b>	33,740
	<u><b>46,203</b></u>	<u>33,740</u>

Financial assets measured at amortised cost comprise cash at bank and cash held as part of the investment portfolio.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

**14. Statement of funds**

**Statement of funds - current year**

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
<b>UNRESTR'D FUNDS</b>						
General Funds	1,281	154,468	(158,494)	5,000	-	2,255
<b>ENDOWMENT FUNDS</b>						
Endowment Funds	5,751,658	-	(29,227)	(5,000)	632,554	6,349,985
<b>TOTAL OF FUNDS</b>	<b>5,752,939</b>	<b>154,468</b>	<b>(187,721)</b>	<b>-</b>	<b>632,554</b>	<b>6,352,240</b>

The endowment fund represents a donation originally provided by Mr George Vernon Northcott, CBE that has subsequently been invested. The fund, and in particular the income generated by it, is used to make grants to individuals and organisations in Devon in accordance with the objects of the charity.

In the opinion of the trustees, sufficient resources are held in the endowment fund, and in an appropriate form, to enable the requirements of the fund to be met.

The charity has adopted the "total return" basis for maximising investment returns. As part of this basis the trustees need to periodically make transfers from the endowment fund to unrestricted funds. Such transfers are permitted under the terms of the endowment. The transfer above represents such a transfer.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

**14. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2020 £
<b>UNRESTR'D FUNDS</b>						
General Funds	496	190,645	(219,860)	30,000	-	1,281
	<u>496</u>	<u>190,645</u>	<u>(219,860)</u>	<u>30,000</u>	<u>-</u>	<u>1,281</u>
<b>ENDOWMENT FUNDS</b>						
Endowment Funds	6,152,356	-	(30,822)	(30,000)	(339,876)	5,751,658
	<u>6,152,356</u>	<u>-</u>	<u>(30,822)</u>	<u>(30,000)</u>	<u>(339,876)</u>	<u>5,751,658</u>
<b>TOTAL OF FUNDS</b>	<u>6,152,852</u>	<u>190,645</u>	<u>(250,682)</u>	<u>-</u>	<u>(339,876)</u>	<u>5,752,939</u>

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Endowment funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Fixed asset investments	6,314,736	-	<b>6,314,736</b>
Current assets	35,249	15,391	<b>50,640</b>
Creditors due within one year	-	(13,136)	<b>(13,136)</b>
<b>TOTAL</b>	<b>6,349,985</b>	<b>2,255</b>	<b>6,352,240</b>

**Analysis of net assets between funds - prior year**

	<b>Endowment funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Fixed asset investments	5,732,461	-	5,732,461
Current assets	19,197	15,522	34,719
Creditors due within one year	-	(14,241)	(14,241)
<b>TOTAL</b>	<b>5,751,658</b>	<b>1,281</b>	<b>5,752,939</b>

**NORTHCOTT DEVON FOUNDATION**

England & Wales - Charity number 201277

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# Accounts

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**NORTHCOTT DEVON FOUNDATION**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2020**

# **NORTHCOTT DEVON FOUNDATION**

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## NORTHCOTT DEVON FOUNDATION

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MAY 2020

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<b>Trustees</b>	J Grey, Chairman J Shorters M Pentreath (died 30 October 2019) P Lane
<b>Charity registered number</b>	201277
<b>Principal office</b>	1B Victoria Road Exmouth EX8 1DL
<b>Accountants</b>	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
<b>Bankers</b>	Barclays Bank Plc 20 High Street Exeter EX1 1LX
<b>Solicitors</b>	Michelmores Woodwater House Pynes Hill Exeter Devon EX2 5WR
<b>Investment Advisor</b>	Charles Stanley and Company Limited Broadwalk House Southerhay West Exeter EX1 1TS

## **NORTHCOTT DEVON FOUNDATION**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020**

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The Trustees present their annual report together with the financial statements of the Charity for the year 1 June 2019 to 31 May 2020.

#### **Objectives and activities**

##### **a. Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The principal objects of the charity are to provide support for individuals in Devon and to assist registered charities which seek to improve the living conditions of disabled or disadvantaged persons resident in Devon.

There have been no changes in the objectives since the last annual report.

##### **b. Strategies for achieving objectives**

The strategy for achieving objectives covers four specific areas.

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding.

Monitoring governance and administrative support costs - again ensuring that the funds available for grant funding will be maximised.

Making information about the charity widely known. This will ensure that as many people and groups as possible who are in need of assistance can benefit from the funds of the charity.

To make grants that are appropriate and that make a genuine difference to people and organisations in Devon.

##### **c. Activities undertaken to achieve objectives**

Grant making and investment policies and activities are considered separately below.

The charity has also continued to maintain public awareness about its activities and this has resulted in requests for grant funding significantly exceeding funds available at each meeting of the advisory committee.

##### **d. Grant-making policies**

The charity considers applications from individuals primarily through the County Social Services departments and other registered charities and community care organisations. It also responds to appeals from other charitable organisations operating in Devon.

The charity has a policy of paying small grants, but normally up to £200, to all applicants who meet the agreed criteria rather than a small number of large grants. The agreed criteria are designed to ensure that grants are only paid to those with a genuine need and where the receipt of the grant will make a beneficial difference to that individual or organisation

**Objectives and activities (continued)**

**e. Main Activities Undertaken to Further the Charity's Purposes For Public Benefit**

In deciding on both the current and future policy and criteria, the charity has referred to the Charity Commission's general guidance on public benefit. In particular the trustees consider how the planned policies and activities will contribute to the aims and objectives they have set.

The nature of the grant making policies as set out above are such that the charity is able to benefit individuals in particular, who would otherwise have no contact with the charity, at times of great need. Whilst each grant offered is relatively small it is hoped that each grant may make a significant difference to that individual or organisation's circumstances.

**f. Volunteers**

Members of the advisory committee offer their services free of charge. They normally meet on a monthly basis with the Trustees to consider the grant applications received by the charity during that month. There are no other voluntary helpers. Since March 2020 it has become necessary to update procedures in order to be able to continue to award grants, whilst complying with the restrictions imposed as a result of Covid-19.

**Achievements and performance**

**a. Review of activities**

In 1960 a donation was received from Mr George Vernon Northcott CBE, which was invested and at the year end had a value in excess of £5.7 million. This in turn generates income to be used in accordance with the objects of the charity and represents the principal funding source for the charity. Income during the period amounted to £190,645 (2019: £206,082). The level of income reflects the continuing use of the "total return" basis when considering the choice of investments and investment performance but is also a reflection of the returns being generated by markets generally. The income was used to fund grants of £176,596 (2019: £186,836) together with associated support and governance costs. Grants continued to be awarded on a monthly basis throughout the year despite the impact of Covid-19. OK All expenditure supported the principal objectives of the charity.

The trustees consider the key performance measure to be the amount of grants that the charity is able to distribute whilst maintaining the capital base so as to ensure that a high level of grant distributions can be maintained in the long term. The trustees consider that these performance measures have been met.

Unrestricted funds increased by £785 over the year.

**b. Summary of Achievements**

The charity aims to closely monitor its investment policy so as to maximise its total return on investments in the long term. This in turn will maximise the funds available for grant funding. The charity considers that it has achieved this goal and whilst there was a small reduction in grants payable, this was principally as a result of the impact of Covid-19 on grant applications and investment returns in the final quarter of the year.

**c. Investment policy and performance**

There are no restrictions on the charity's power to invest and the investment policy is to maximise the total return of the portfolio whether this be by capital growth or by income received, whilst adopting a medium risk approach. The benchmark for the investment advisors is to track and ideally outperform the MSCI WMA private Investor Balanced Total Return Index. The strategy is reviewed with the investment advisor on a regular basis.

Realised and unrealised losses in the period amounted to £339,876 reflecting the challenging market conditions compared to the prior year (2019: losses of £78,222).

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. This includes consideration of the impact of Covid-19. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**b. Reserves and Investment Policy**

It is the intention of the charity to retain a portfolio of investments within the endowment funds and to principally use this to generate income which will fund the grant payments and other expenditure of the charity. An element of these funds may periodically be transferred to free reserves under the "total return" policy. The trustees seek to maintain the indexed value of this fund so as to protect the future long term ability of the charity to meet its charitable objectives.

General unrestricted reserves have increased during the period from £496 to £1,281. As a result of the "total return" policy the charity now considers it necessary to hold only a minimal amount in free reserves and the current level of reserves reflects this policy. Periodic transfers are made from the endowment funds to top up the free reserves as required. £30,000 was transferred during the year under review. Endowment funds have decreased during the period from £6,152,356 to £5,751,658.

**Structure, governance and management**

**a. Constitution**

Northcott Devon Foundation is a registered charity, number 201277, and is constituted under a Trust deed.

**b. Methods of appointment or election of Trustees**

New trustees are appointed by the board of trustees at a regular board meeting. The organisation seeks to recruit trustees with skills, values and experience that compliment and benefit the organisation.

**c. Policies adopted for the induction and training of Trustees**

The board are aware of the need to remain up to date with current legislation and best practice and will arrange for training to be provided to trustees as and when the need arises.

When a new trustee is appointed, they are allowed to attend a meeting prior to appointment and will be provided with legal, financial and background information about the charity. They also provide any prospective trustee with the Charity Commission guidance documentation on the responsibilities of trustees. The existing trustees give a full briefing to any new trustees.

**Structure, governance and management (continued)**

**d. Organisational structure and decision-making policies**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The trustees normally meet four times a year and in addition to being empowered by the deed to appoint additional trustees they also appoint persons to serve with them on an advisory committee which considers all grant applications. The advisory committee normally meets twelve times a year.

The trustees and members of the advisory committee offer their services free of charge. There are no other voluntary helpers. The secretary is employed on a part time basis and there is one (2019 - one) other part time administrative employee. The secretary undertakes the day to day management of the charity but is not empowered to undertake actions without authority from the board of trustees.

The board remains conscious of the need to keep the skills requirements of the board of trustees under review and seeks independent professional advice where this is considered necessary.

**e. Related party relationships**

Members of the board of trustees and the advisory committee are required to declare any potential conflict of interest if they are connected with any grant application and to refrain from being involved in the decision making process in respect of any such application.

**f. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. This has included consideration of the impact of Covid-19 on the Charity.

The steps taken include:

- Obtaining insurance against liability
- Taking professional advice where appropriate
- Ensuring the safe custody of investments
- Implementing appropriate procedures and controls to prevent fraud and loss

**Plans for future periods**

The trustees will continue to monitor the appropriateness of the current investment and grant making policies and make any amendments they consider appropriate. However, no material adjustments are anticipated at the present time.

In addition, having adopted the "total return" basis for maximising investment returns the trustees may periodically need to make further transfers from the endowment investment fund to unrestricted income funds. This is closely monitored by the trustees and their advisors on a regular basis.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 17 March 2021 and signed on their behalf by:

**J Grey**  
Chair of Trustees

## **NORTHCOTT DEVON FOUNDATION**

### **INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MAY 2020**

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#### **Independent examiner's report to the Trustees of Northcott Devon Foundation ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 May 2020.

#### **Responsibilities and basis of report**

As the Trustees of the Charity 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 Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed 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 the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally 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 me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: R E T Borton

Dated: 29 March 2021

Richard Edward Timothy Borton (Partner of Bishop Fleming LLP)

FCA DChA

Bishop Fleming LLP, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS.

**NORTHCOTT DEVON FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MAY 2020**

	Note	Endowment funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income and endowments from:</b>					
Investments	3	-	190,645	190,645	206,082
<b>Total income and endowments</b>		-	190,645	190,645	206,082
<b>Expenditure on:</b>					
Raising funds	4	30,822	-	30,822	30,590
Charitable activities	5	-	219,860	219,860	229,194
<b>Total expenditure</b>		30,822	219,860	250,682	259,784
Net losses on investments		(339,876)	-	(339,876)	(78,222)
<b>Net expenditure</b>		(370,698)	(29,215)	(399,913)	(131,924)
Transfers between funds	14	(30,000)	30,000	-	-
<b>Net movement in funds</b>		(400,698)	785	(399,913)	(131,924)
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,152,356	496	6,152,852	6,284,776
Net movement in funds		(400,698)	785	(399,913)	(131,924)
<b>Total funds carried forward</b>		5,751,658	1,281	5,752,939	6,152,852

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

The notes on pages 10 to 21 form part of these financial statements.

# NORTHCOTT DEVON FOUNDATION

## BALANCE SHEET AS AT 31 MAY 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	10	5,732,461	6,146,567
		<u>5,732,461</u>	<u>6,146,567</u>
<b>Current assets</b>			
Debtors	11	979	-
Cash at bank and in hand		33,740	22,350
		<u>34,719</u>	<u>22,350</u>
Creditors: amounts falling due within one year	12	(14,241)	(16,065)
<b>Net current assets</b>		<u>20,478</u>	<u>6,285</u>
<b>Total assets less current liabilities</b>		<u>5,752,939</u>	<u>6,152,852</u>
<b>Net assets excluding pension asset</b>		<u>5,752,939</u>	<u>6,152,852</u>
<b>Total net assets</b>		<u><u>5,752,939</u></u>	<u><u>6,152,852</u></u>
<b>Charity funds</b>			
Endowment funds	14	5,751,658	6,152,356
Restricted funds	14	-	-
Unrestricted funds	14	1,281	496
<b>Total funds</b>		<u><u>5,752,939</u></u>	<u><u>6,152,852</u></u>

The financial statements were approved and authorised for issue by the Trustees on 17 March 2021 and signed on their behalf by:

**J Grey**  
Chair of Trustees

The notes on pages 10 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

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**1. General information**

Northcott Devon Foundation is constituted under a Trust deed dated 31 December 1960 and is a registered charity, number 201277. The principal office is 1B Victoria Road, Exmouth, EX8 1DL.

**2. Accounting policies**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Northcott Devon Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 GOING CONCERN**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. This has included consideration of the impact of Covid-19. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2.3 INCOME**

All income is recognised once 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**2.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds represents investment management expenses.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

**2. Accounting policies (continued)**

**2.4 EXPENDITURE (continued)**

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.5 INTEREST RECEIVABLE**

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 institution with whom the funds are deposited.

**2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets costing £500 or more are capitalised. Tangible fixed assets costing £500 or less are written off in the period of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following basis:

Office equipment	- 20% straight line
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**2.7 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Realised gains and losses on investments are calculated as the difference between the sales proceeds and the fair value at the start of the financial quarter in which they are disposed (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (purchase date if later).

**2.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2. Accounting policies (continued)**

**2.9 LIABILITIES AND PROVISIONS**

Liabilities 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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

**2.10 FINANCIAL INSTRUMENTS**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.11 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.12 PENSIONS**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2.13 TAXATION**

The charity is not registered for VAT. Irrecoverable VAT is charged to the Statement of Financial Activities.

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 to the extent that such income or gains are applied exclusively to charitable purposes.

**2.14 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Endowment funds represent a single expendable fund provided by Mr George Vernon Northcott CBE. The terms of the fund allow income to be accumulated and the capital to be spent if the trustees so determine.

Investment income, gains and losses are allocated to the appropriate fund with income being classified as unrestricted funds and gains and losses as part of the endowment fund.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**3. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Income from UK listed investments	190,593	<b>190,593</b>	206,025
Interest receivable	52	<b>52</b>	57
<b>Total 2020</b>	<u>190,645</u>	<u><b>190,645</b></u>	<u>206,082</u>
Total 2019	<u>206,082</u>	<u>206,082</u>	

**4. Investment management costs**

	<b>Endowment funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Investment management fees	30,822	<b>30,822</b>	30,590
Total 2019	<u>30,590</u>	<u>30,590</u>	

**5. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Grants payable to individuals and organisations in Devon	219,860	<b>219,860</b>	229,194
Total 2019	<u>229,194</u>	<u>229,194</u>	

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**6. Analysis of expenditure by activities**

	<b>Grant funding of activities 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Grants payable to individuals and organisations in Devon	176,596	43,264	<b>219,860</b>	229,194
	<u>176,596</u>	<u>43,264</u>	<u><b>219,860</b></u>	<u>229,194</u>
Total 2019	186,836	42,358	229,194	
	<u>186,836</u>	<u>42,358</u>	<u>229,194</u>	

**Analysis of direct costs**

	<b>Grants payable 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Grants to individuals	174,696	<b>174,696</b>	182,155
Grants to organisations	1,900	<b>1,900</b>	4,681
	<u>174,696</u>	<u><b>174,696</b></u>	<u>182,155</u>
	<u>1,900</u>	<u><b>1,900</b></u>	<u>4,681</u>
	<u>176,596</u>	<u><b>176,596</b></u>	<u>186,836</u>
Total 2019	186,836	186,836	
	<u>186,836</u>	<u>186,836</u>	

All grants awarded were in accordance with the objects of the charity. In particular the grants sought to provide funding to individuals, and a small number of organisations that would improve the living conditions of quality of life of disabled or disadvantaged persons resident in Devon.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**6. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Grants payable 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Wages and Salaries	19,762	<b>19,762</b>	19,423
Office and general costs	5,454	<b>5,454</b>	5,768
Premises costs - rent payable	1,556	<b>1,556</b>	975
Professional Fees	16,492	<b>16,492</b>	16,192
	<u>43,264</u>	<u><b>43,264</b></u>	<u>42,358</u>
Total 2019	<u>42,358</u>	<u>42,358</u>	

During the year ended 31 May 2020, the charity incurred the following Governance costs:

£7,204 (2019: £7,150) included within the table above allocated to Grants payable to individuals and organisations in Devon.

**7. Independent examiner's remuneration**

	<b>2020 £</b>	2019 £
Independent examination fees	<b>2,550</b>	2,500
Fees payable to the Charity's independent examiner in respect of:		
Other accountancy and professional services provided by the independent examiner	<b>13,942</b>	13,692
	<u><b>13,942</b></u>	<u>13,692</u>

**8. Staff costs**

	<b>2020 £</b>	2019 £
Wages and salaries	<b>19,304</b>	19,082
Other pension costs	<b>458</b>	341
	<u><b>19,762</b></u>	<u>19,423</u>

## NORTHCOTT DEVON FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

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#### 8. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	<b>2020 No.</b>	2019 No.
Administrative staff	<u>2</u>	<u>2</u>

The average headcount expressed as full-time equivalents was:

	<b>2020 No.</b>	2019 No.
Administrative staff	<u>1</u>	<u>1</u>

No employee received remuneration amounting to more than £60,000 in either year.

The trustees constitute the key management personnel of the charity. No trustee received any remuneration or other benefits or expenses during the year (2019 - £nil).

#### 9. Tangible fixed assets

	<b>Office equipment £</b>
<b>Cost or valuation</b>	
At 1 June 2019	8,405
At 31 May 2020	<u>8,405</u>
<b>Depreciation</b>	
At 1 June 2019	8,405
At 31 May 2020	<u>8,405</u>
<b>Net book value</b>	
At 31 May 2020	<u>-</u>
At 31 May 2019	<u>-</u>

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**10. Fixed asset investments**

	Listed quoted share, stocks and funds £	Cash held as part of the investment portfolio £	Total £
<b>Cost or valuation</b>			
At 1 June 2019	6,029,815	116,754	6,146,569
Additions	1,468,056	291,724	1,759,780
Disposals	(1,791,007)	-	(1,791,007)
Revaluations	(382,881)	-	(382,881)
<b>At 31 May 2020</b>	<u><u>5,323,983</u></u>	<u><u>408,478</u></u>	<u><u>5,732,461</u></u>

All fixed asset investments are managed in the UK.

In addition to the revaluations noted above, realised gains on disposal amounted to £43,005.

**11. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Prepayments and accrued income	979	-
	<u><u>979</u></u>	<u><u>-</u></u>

**12. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Accruals and deferred income	4,001	6,115
Grants accrued - individual	5,390	5,100
Grants accrued - institutional	4,850	4,850
	<u><u>14,241</u></u>	<u><u>16,065</u></u>

**NORTHCOTT DEVON FOUNDATION**

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**13. Financial instruments**

	<b>2020</b>	2019
	£	£
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>33,740</b>	22,350

Financial assets measured at amortised cost comprise cash at bank and cash held as part of the investment portfolio.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Statement of funds**

**Statement of funds - current year**

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2020 £
<b>Unrestricted funds</b>						
General Funds	496	190,645	(219,860)	30,000	-	1,281
<b>Endowment funds</b>						
Endowment Funds	6,152,356	-	(30,822)	(30,000)	(339,876)	5,751,658
<b>Total of funds</b>	<b>6,152,852</b>	<b>190,645</b>	<b>(250,682)</b>	<b>-</b>	<b>(339,876)</b>	<b>5,752,939</b>

The endowment fund represents a donation originally provided by Mr George Vernon Northcott, CBE that has subsequently been invested. The fund, and in particular the income generated by it, is used to make grants to individuals and organisations in Devon in accordance with the objects of the charity.

In the opinion of the trustees, sufficient resources are held in the endowment fund, and in an appropriate form, to enable the requirements of the fund to be met.

The charity has adopted the "total return" basis for maximising investment returns. As part of this basis the trustees need to periodically make transfers from the endowment fund to unrestricted funds. Such transfers are permitted under the terms of the endowment. The transfer above represents such a transfer.

**NORTHCOTT DEVON FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**14. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 June 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2019 £
<b>Unrestricted funds</b>						
General Funds	3,608	206,082	(229,194)	20,000	-	496
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Endowment funds</b>						
Endowment Funds	6,281,168	-	(30,590)	(20,000)	(78,222)	6,152,356
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total of funds</b>	<u>6,284,776</u>	<u>206,082</u>	<u>(259,784)</u>	<u>-</u>	<u>(78,222)</u>	<u>6,152,852</u>

# NORTHCOTT DEVON FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

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### 15. Analysis of net assets between funds

#### Analysis of net assets between funds - current period

	<b>Endowment funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Fixed asset investments	5,732,461	-	<b>5,732,461</b>
Current assets	19,197	15,522	<b>34,719</b>
Creditors due within one year	-	(14,241)	<b>(14,241)</b>
<b>Total</b>	<b>5,751,658</b>	<b>1,281</b>	<b>5,752,939</b>

#### Analysis of net assets between funds - prior period

	<b>Endowment funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Fixed asset investments	6,146,567	-	6,146,567
Current assets	5,785	16,565	22,350
Creditors due within one year	-	(16,069)	(16,069)
<b>Total</b>	<b>6,152,352</b>	<b>496</b>	<b>6,152,848</b>