

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
THE NORTHCOTE TRUST**

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for the Year Ended 31 December 2022**

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THE NORTHCOTE TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
for the Year Ended 31 December 2022**

TRUSTEES	G D Fergusson Dr S Sleight Dr M Mayston Professor P Austin Baronness Liddell of Coatdyke
PRINCIPAL ADDRESS	Australia Centre Strand London WC2B 4LG
REGISTERED CHARITY NUMBER	207813
INDEPENDENT EXAMINER	Oury Clark Chartered Accountants Herschel House 58 Herschel Street Slough Berkshire SL1 1PG
BANKERS	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ Commonwealth Bank of Australia Ground Floor Tower 1 201 Sussex Street Sydney NSW 2000 Australia
INVESTMENT MANAGERS	M&G Investments PO Box 9038 Chelmsford CM99 2XF Schroders Unit Trust Ltd 1 London Wall Place London EC2Y 5AU

**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2022**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's present objectives are to provide graduate studies at Australian universities and colleges for students resident in the UK. The Trust's objectives have changed in the past due to the need to adapt to circumstances.

The original objectives as determined by Lady Northcote's will became neither desirable nor feasible. As a result of a strategic review the Trustees sought wider powers in 1974 from the Charity Commissioners. These wider powers now allow the Trust to pursue their present objectives.

It is the Trustees' responsibility to review the current strategy on a regular basis to ensure that the strategy is appropriate and that there remains a demand from students for Northcote scholarships as well as an interest from Australian universities and colleges in taking graduate students from the U.K.

Public benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance "Public Benefit Running a Charity" (PB2). They were satisfied that the Charity's activities, set out above, met the criteria for public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Trustees again launched their awards application process for 2022. They were pleased with the quality of the candidates to whom awards were given during 2022 and look forward to a widening of interest and demand for the Trust's scholarships. The Trustees made awards to one PhD student (for 3 years to Victoria University) and one Masters student (up to 2 years at the University of Western Australia). Both students accepted their awards for studies to commence at various times in 2023.

The Trustees also continued to meet their obligations to the students currently undertaking or completing their post-graduate studies and made grants totalling £149,026 (2021: £124,393). The Trustees decided to provide some additional support, within agreed criteria, for students directly affected by covid-related disruption. They reviewed in the light of experience in supporting students during the pandemic how well this had worked. Their conclusion was that this had gone well. They concluded that the importance of welfare support was now established and would continue as a higher priority than it had been before the Covid-19 outbreak.

FINANCIAL REVIEW

Financial position

The net loss for the year amounted to £226,731 (2021: gain £459,394). The Trust incurred a net surplus of £18,357 (2021: surplus £8,466) prior to an investment deficit arising on the Trust's investment portfolio totalling £245,088 (2021: surplus £450,928).

Principal funding came from the investment income arising on the Trust's investment portfolio. Investment returns increased from £151,972 in the year to 31 December 2021 to £184,922 for the year ended 31 December 2022.

It is the aim of the Trustees to maximise the levels of grants paid each year whilst maintaining the Trust's capital, thereby ensuring the availability of income in future years so that grants giving may be maintained.

Investment policy and objectives

The investment objectives are firstly to protect, and secondly to enhance, the capital and income values of the investments in real terms in order that the aims of the Trustees can be fulfilled in future years at or above the current level of expenditure. The Trustees are risk averse. The current investment policy requires all investment funds to be held in unit trusts appropriate for British charities. The performance of the unit trust managers is monitored and the asset allocation is reviewed on an annual basis.

REPORT OF THE TRUSTEES
for the Year Ended 31 December 2022

FINANCIAL REVIEW

Reserves policy

The Charity's total reserves at 31 December 2022 amounted to £4,161,505 comprising £4,016,708 held in an expendable endowment fund and the balance of £144,797 in unrestricted general funds. The endowment fund represents the carrying value of the investments at the Balance Sheet date and demonstrates that these assets are held for the long-term to generate future income. The unrestricted general funds represent the free reserves of the Charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity administers a Trust Fund established under the will of Baroness Northcote, subsequently altered by a scheme approved by the Charity Commissioners in 1974 and constitutes an unincorporated charity.

Recruitment and appointment of new trustees

Trustees are appointed by resolution of Trust Deeds.

Organisational structure and administration

Trustees are appointed by resolution of the Trustees. They meet twice a year. The Britain-Australia Society is responsible for the administration of the Trust under the instruction of the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Jun 7, 2023

Approved by order of the board of trustees on and signed on its behalf by:


George Fergusson (Jun 7, 2023 09:22 GMT+1)

G D Fergusson - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE NORTHCOTE TRUST**

Independent examiner's report to the trustees of The Northcote Trust

I report to the charity trustees on my examination of the accounts of The Northcote Trust (the Trust) for the year ended 31 December 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Trust as required by Section 130 of the 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.



Oury Clark (Jun 7, 2023 10:10 GMT+1)

Oury Clark

Oury Clark Chartered Accountants
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

Jun 7, 2023

Date:

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2022

	Notes	Unrestricted fund £	Endowment fund £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	2	<u>184,922</u>	<u>-</u>	<u>184,922</u>	<u>151,972</u>
EXPENDITURE ON					
Charitable activities	3				
Charitable Activities		<u>166,565</u>	<u>-</u>	<u>166,565</u>	<u>143,506</u>
Net gains/(losses) on investments		<u>-</u>	<u>(245,088)</u>	<u>(245,088)</u>	<u>450,928</u>
NET INCOME/(EXPENDITURE)		18,357	(245,088)	(226,731)	459,394
RECONCILIATION OF FUNDS					
Total funds brought forward		126,440	4,261,796	4,388,236	3,928,842
TOTAL FUNDS CARRIED FORWARD		<u>144,797</u>	<u>4,016,708</u>	<u>4,161,505</u>	<u>4,388,236</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.


THE NORTHCOTE TRUST

BALANCE SHEET
31 December 2022

	Notes	Unrestricted fund £	Endowment fund £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Investments	7	-	4,016,708	4,016,708	4,261,796
CURRENT ASSETS					
Cash in hand		146,482	-	146,482	128,095
CREDITORS					
Amounts falling due within one year	8	(1,685)	-	(1,685)	(1,655)
NET CURRENT ASSETS		<u>144,797</u>	<u>-</u>	<u>144,797</u>	<u>126,440</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>144,797</u>	<u>4,016,708</u>	<u>4,161,505</u>	<u>4,388,236</u>
NET ASSETS		<u>144,797</u>	<u>4,016,708</u>	<u>4,161,505</u>	<u>4,388,236</u>
FUNDS	9				
Unrestricted funds				144,797	126,440
Endowment funds				<u>4,016,708</u>	<u>4,261,796</u>
TOTAL FUNDS				<u>4,161,505</u>	<u>4,388,236</u>

Jun 7, 2023

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


George Fergusson (Jun 7, 2023 09:22 GMT+1)
G D Fergusson - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts

Allocation and apportionment of support costs

Support costs are those functions that assist the work of the Trust but do not directly undertake charitable activities. Support costs include office costs and governance costs which support the Trust's activities. These costs have been allocated to expenditure on charitable activities.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Financial instruments

Basic Financial Instruments, as covered by Section 11 of FRS 102, are measured at amortised cost. The company does not have any Other Financial Instruments, as covered by Section 12 of FRS 102.

Realised/unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2. INVESTMENT INCOME

	31.12.22	31.12.21
	£	£
Dividends - equities	172,931	131,193
Interest - fixed interest securities	11,722	20,775
Interest on cash deposits	<u>269</u>	<u>4</u>
	<u>184,922</u>	<u>151,972</u>

3. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities £	Support costs (see note 4) £	Totals £
Charitable Activities	<u>149,026</u>	<u>17,539</u>	<u>166,565</u>

4. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Charitable Activities	<u>12,974</u>	<u>1,901</u>	<u>1,364</u>	<u>1,300</u>	<u>17,539</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

6. GRANTS PAYABLE

Grants for the year ended 31st December 2022 represent awards to various individuals. Grants are made on approval by the Trustees and are paid to support recipients that are normally residents in the UK whilst studying abroad in Australia.

7. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2022	4,261,796
Revaluations	<u>(245,088)</u>
At 31 December 2022	<u>4,016,708</u>
NET BOOK VALUE	
At 31 December 2022	<u>4,016,708</u>
At 31 December 2021	<u>4,261,796</u>

Market value analysed by type of investment

	2022 £	2021 £
UK fixed interest	577,102	645,623
UK equities	2,997,338	3,433,441
Overseas equities	442,268	182,732
	<u>4,016,708</u>	<u>4,261,796</u>

Cost or valuation at 31 December 2022 is represented by:

	Unlisted investments £
Valuation in 2022	<u>4,016,708</u>

If fixed asset investments had not been revalued they would have been included at the following historical cost:

	31.12.22 £	31.12.21 £
Cost	<u>3,316,490</u>	<u>3,316,490</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Other creditors	<u>1,685</u>	<u>1,655</u>

9. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
General fund	126,440	18,357	144,797
Endowment funds			
Endowment funds	4,261,796	(245,088)	4,016,708
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>4,388,236</u>	<u>(226,731)</u>	<u>4,161,505</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	184,922	(166,565)	-	18,357
Endowment funds				
Endowment funds	-	-	(245,088)	(245,088)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>184,922</u>	<u>(166,565)</u>	<u>(245,088)</u>	<u>(226,731)</u>

Comparatives for movement in funds

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
General fund	117,974	8,466	126,440
Endowment funds			
Endowment funds	3,810,868	450,928	4,261,796
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>3,928,842</u>	<u>459,394</u>	<u>4,388,236</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

9. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	151,972	(143,506)	-	8,466
Endowment funds				
Endowment funds	-	-	450,928	450,928
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>151,972</u>	<u>(143,506)</u>	<u>450,928</u>	<u>459,394</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.