

DEVONPORT CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

DEVONPORT CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Rt Hon Terence Third Viscount Devonport The Rt Hon Dr M Pu Viscountess Devonport Mr David Andrew Gray
Charity number	252848
Principal address	Ray Estate Lynnheads Barn West Woodburn Hexham Northumberland NE48 2TU
Independent examiner	Stuart W Allister BA CA Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
Investment advisors	Evelyn Partners 25 Moorgate London EC2R 6AY

DEVONPORT CHARITABLE TRUST

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DEVONPORT CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2023

The Trustees present their annual report and financial statements of the Devonport Charitable Trust (Charitable Trust) for the year ended 5 April 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charitable Trust's Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities.

The principal object of the Charitable Trust is to make gifts for such charitable objects or purposes as the Trustees or a majority of them shall from time to time in their absolute discretion determine.

Grant making policy

Grants are awarded from time to time at the absolute discretion of the Trustees.

Achievements and performance

The key financial performance indicator is to increase the capital base of the investments and generate sufficient income to make discretionary grant payments from time to time.

After making appropriate enquiries the Trustees have concluded that they have a reasonable expectation that the Charitable Trust has adequate resources to continue in operational existence for the foreseeable future. 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.

Public benefit

In considering the operation, achievements and performance and finances of the Charitable Trust, the Trustees are satisfied that public benefit has been provided in accordance with the Charities Act 2011 and the guidance provided by the Charity Commission.

The main activity is to make discretionary grant payments from time to time to institutions which will benefit the general public in due course.

Financial review

The Trustees have made donations totalling £26,951 (15 grants) during the year (2022: £82,822 - 7 grants).

The Charitable Trust has made a surplus for the year of £8,182, before investment losses (2022: surplus of £8,180). After accounting for investment losses of £17,666, (2022: investment gains of £9,804) a deficit of £9,484 (2022: surplus of £17,984) was made in the year.

Risk review

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

Reserves policy

The Trustees believe that sufficient reserves must be held to enable larger donations to be made available as and when they are requested, and because the Charitable Trust receives income from donations which are not received evenly throughout and between years, look to make donations out of income previously received. The Charitable Trust's aim is to hold sufficient reserves to enable them to pay grants for the forthcoming 12 months.

DEVONPORT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Investment policy

The Trustees have agreed a policy for investing funds enabling them to maintain a strategic reserve of funds while providing funding for the expenditure of the Charitable Trust and have given investment managers discretion to manage the portfolio within an agreed risk profile.

Structure, governance and management

The Charitable Trust is an unincorporated charity established by a Trust Deed, dated 16 March 1967.

The Trustees who served during the year and up to the date of signature of the financial statements were:

The Rt Hon Terence Third Viscount Devonport

The Rt Hon Dr M Pu Viscountess Devonport

Mr David Andrew Gray

The Trust Deed provided that the Trustees were appointed by the founder during his lifetime. New trustees are now appointed by the existing Trustees.

There are no formal procedures for the induction and training of Trustees. Senior Trustees ensure, on an informal basis, that new Trustees are given adequate information to ensure that they have knowledge of the Charitable Trust and their role.

The Trustees have absolute discretion for dealing in and disposing of investments as they think fit to the extent that the Trustees shall have the same unrestricted powers of investing, varying and transposing investments as if they were beneficial owners of the monies in the Charitable Trust.

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 and 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 Trust and of the incoming resources and application of resources of the Trust for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DEVONPORT CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

The trustees' report was approved by the Board of Trustees.

The Rt Hon Terence Third Viscount Devonport
Trustee

17 November 2023

DEVONPORT CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DEVONPORT CHARITABLE TRUST

I report to the Trustees on my examination of the financial statements of Devonport Charitable Trust (the Charitable Trust) for the year ended 5 April 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

Stuart W Allister BA CA

Greaves West & Ayre

17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

Dated: 17 November 2023

DEVONPORT CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:									
Donations and legacies	3	40	35,018	-	35,058	-	92,000	-	92,000
Investments	4	5,606	-	-	5,606	4,264	-	-	4,264
Total income		5,646	35,018	-	40,664	4,264	92,000	-	96,264
Expenditure on:									
Charitable activities		9,339	19,769	3,374	32,482	2,878	82,000	3,206	88,084
Net gains/(losses) on investments	9	-	-	(17,666)	(17,666)	-	-	9,804	9,804
Net movement in funds		(3,693)	15,249	(21,040)	(9,484)	1,386	10,000	6,598	17,984
Fund balances at 6 April 2022		96,566	46,000	179,432	321,998	95,180	36,000	172,834	304,014
Fund balances at 5 April 2023		92,873	61,249	158,392	312,514	96,566	46,000	179,432	321,998

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

All income and expenditure derive from continuing activities.

DEVONPORT CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	11		298,857		269,130
Current assets					
Debtors	12	70		70	
Cash at bank and in hand		19,887		59,038	
		<u>19,957</u>		<u>59,108</u>	
Creditors: amounts falling due within one year	13	<u>(6,300)</u>		<u>(6,240)</u>	
Net current assets			13,657		52,868
Total assets less current liabilities			<u>312,514</u>		<u>321,998</u>
Charity funds					
Endowment funds	14		158,392		179,432
Restricted funds	15		61,249		46,000
Unrestricted funds - general			92,873		96,566
			<u>312,514</u>		<u>321,998</u>

The financial statements were approved by the Trustees on 17 November 2023

The Rt Hon Terence Third Viscount Devonport
Trustee

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

Charity information

Devonport Charitable Trust (Charitable Trust) is an unincorporated charity established by a Trust Deed dated 16 March 1967 and registered with the Charity Commission, Number 252848. The principal address is Ray Estate, Lynnheads Barn, West Woodburn, Hexham, Northumberland, NE48 2TU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charitable Trust's Trust Deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charitable Trust is a Public Benefit Entity as defined by FRS 102.

The Charitable Trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charitable Trust 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 financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charitable Trust.

1.4 Income

Income is recognised when the Charitable Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charitable Trust has been notified of the donation, unless performance conditions require deferral of the amount.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Investment income comprises dividends receivable during the year on listed investments held within the investment portfolio as well as interest receivable.

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

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

1.5 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.

Support costs are the costs incurred directly in support of expenditure on the objects of the Charitable Trust.

Charitable activities and governance costs are costs incurred on the Charitable Trust's operations, including support costs and costs relating to the governance of the Charitable Trust apportioned to charitable activities.

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.

1.6 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.

1.7 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. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Charitable Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charitable Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charitable Trust's contractual obligations expire or are discharged or cancelled.

1.9 Realised 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 sale proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the carrying value at the period end and opening market value (or purchase date if later).

2 Critical accounting estimates and judgements

In the application of the Charitable Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general	Restricted funds	Total	Restricted funds
	2023	2023	2023	2022
	£	£	£	£
Donations and gifts	40	35,018	35,058	92,000

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

4 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Property income distributions	375	357
Income from listed investments	3,089	24
Income from unlisted investments	11	9
Interest receivable	2,131	3,874
	<u>5,606</u>	<u>4,264</u>

5 Grants payable

	Grants paid 2023 £	Grants paid 2022 £
Grants to institutions:		
Bowel Cancer UK	500	-
Carers Trust	200	-
Children with Cancer Funds	250	-
Ellenor Lions Hospice	300	-
Guide Dogs Association	100	-
Gurka Welfare Trust	300	-
Fishing for Schools	200	-
Hospice Association for Carers	300	-
Song Birds Survival	100	-
Speak Suicide Prevention	500	-
The Weekly Boat Charity	100	-
World Cancer Research Fund	-	500
ZANE	500	1,000
Elizabeth Landmark Project	19,769	78,000
Trees on Line - Tilia section	-	4,000
Berwick Barracks Heritage Trust	-	500
Cancer Charity	-	250
Rye Winchelsea & District Memorial Hospital Ltd	300	72
Weardale Museum at High House Chapel	500	-
	<u>26,951</u>	<u>82,822</u>

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

6 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Accountancy	-	2,712	2,712	-	2,640	2,640
Investment management fees	-	2,592	2,592	-	2,418	2,418
LEI fees	-	72	72	-	72	72
Bank charges	-	155	155	-	132	132
	<u>-</u>	<u>5,531</u>	<u>5,531</u>	<u>-</u>	<u>5,262</u>	<u>5,262</u>
Analysed between Charitable activities	-	5,532	5,532	-	5,262	5,262
	<u>-</u>	<u>5,532</u>	<u>5,532</u>	<u>-</u>	<u>5,262</u>	<u>5,262</u>

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration (2022: £Nil) or benefits (2022: £Nil) from the Charitable Trust during the year.

8 Employees

There were no employees during the year (2022: Nil).

9 Net gains/(losses) on investments

	Endowment funds	Endowment funds
	2023	2022
	£	£
Revaluation of investments	(17,666)	9,804
	<u>(17,666)</u>	<u>9,804</u>

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

11 Fixed asset investments

	Listed investments £
Cost or valuation	
At 6 April 2022	269,130
Additions	99,990
Valuation changes	(22,851)
Disposals	(47,412)
At 5 April 2023	298,857
Carrying amount	
At 05 April 2023	298,857
At 05 April 2022	269,130

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments and accrued income	70	70

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	3,600	3,600
Accruals and deferred income	2,700	2,640
	6,300	6,240

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

14 Endowment funds

Endowment funds represent assets which must be held permanently by the Charitable Trust. Income arising on the endowment funds can be used in accordance with the objects of the Charitable Trust and are included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

Movement in funds						
Balance at 6 April 2021	Resources expended	Revaluations gains and losses	Balance at 6 April 2022	Resources expended	Revaluations gains and losses	Balance at 5 April 2023
£	£	£	£	£	£	£
172,834	(3,206)	9,804	179,432	(3,374)	(17,666)	158,392
<u>172,834</u>	<u>(3,206)</u>	<u>9,804</u>	<u>179,432</u>	<u>(3,374)</u>	<u>(17,666)</u>	<u>158,392</u>
<u>172,834</u>	<u>(3,206)</u>	<u>9,804</u>	<u>179,432</u>	<u>(3,374)</u>	<u>(17,666)</u>	<u>158,392</u>

15 Restricted funds

The income funds of the Charitable Trust include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Movement in funds						
	Incoming resources	Resources expended	Balance at 6 April 2022	Incoming resources	Resources expended	Balance at 5 April 2023
	£	£	£	£	£	£
Elizabeth Landmark Project	92,000	(82,000)	46,000	35,018	(19,769)	61,249
	<u>92,000</u>	<u>(82,000)</u>	<u>46,000</u>	<u>35,018</u>	<u>(19,769)</u>	<u>61,249</u>

The Restricted Elizabeth Landmark Project Fund consists of donations received specifically for the purpose of the Elizabeth Landmark Project. The balance carried forward represents unspent funds which will be used in future periods.

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 5 April 2023 are represented by:							
Investments	140,465	-	158,392	298,857	89,698	-	269,130
Current assets/(liabilities)	(47,592)	61,249	-	13,657	6,868	46,000	52,868
	<u>92,873</u>	<u>61,249</u>	<u>158,392</u>	<u>312,514</u>	<u>96,566</u>	<u>46,000</u>	<u>321,998</u>

DEVONPORT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 5 APRIL 2023*

17 Related party transactions

There were no disclosable related party transactions during the year (2022: None).

DEVONPORT CHARITABLE TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2023

		2023		2022
	£	£	£	£
Donations and legacies				
Other interest	40		-	
Donations - Restricted	35,018		92,000	
		35,058		92,000
Investment income				
Property income distributions	375		357	
UK dividends	3,089		24	
Fixed interest	11		9	
Overseas income	1,511		899	
Unit trust interest	620		2,975	
		5,606		4,264
Total incoming resources		40,664		96,264
<u>Resources expended</u>				
Charitable activities				
Grants payable	7,182		822	
Grants payable - Restricted	19,769		82,000	
		(26,951)		(82,822)
Governance costs				
Accountancy	2,712		2,640	
Investment management fees	2,592		2,418	
LEI fees	72		72	
Bank charges	155		132	
		(5,531)		(5,262)
Net movement on investments				
Revaluation of investments - Endowment		(17,666)		9,804
(Deficit)/Surplus for the Year		(9,484)		17,984