



Annual Report and Financial Statements

Year ended

31 December 2019

Registered charity number 1078217

www.potterFoundation.com

The David and Elaine Potter Foundation

Annual Report and Financial Statements for the year ended 31 December 2019

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Trustees

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Director

Ben Stewart

Registered office

6 Hamilton Close, London, NW8 8QY

Principal place of business

5 Welbeck Street, London, W1G 9YQ

Registered charity number

1078217

Auditors

HW Fisher, Acre House, 11-15 William Road, London NW1 3ER

Bankers

Lloyds Bank plc, 21-23 Hill Street, London, W1J 5JW
Goldman Sachs International Ltd, River Court, 120 Fleet Street, London, EC4A 2BE

Solicitors

Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA

Investment advisors

Delft Investments LLP, 5 Welbeck Street, London, W1G 9YQ

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019

Report of the Trustees

The Trustees present their report and financial statements for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in the Notes to the Financial Statements and comply with the Foundation'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)". The Trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, governance and management

The David and Elaine Potter Foundation was established on 28 September 1999 under a declaration of a Trust Deed, which is the governing document. The governing body is the Board of Trustees. Trustees are proposed by the founders, Dr David Potter and Dr Elaine Potter, and introduced to the Board for approval.

At the Trustees' meetings, held three times during 2019, the Board discussed the efficacy of the strategy, the accounts and investments, reviewed grant proposals, and considered the administrative and management needs of the Foundation.

Trustees

The Trustees who served throughout the year and to the date of this report were:

David Potter (Chair)
Elaine Potter
Samuel Potter
Michael Langley
Michael Polonsky

Objectives and activities

The objects of the Foundation, as laid out in the declaration of Trust Deed, are the advancement of education and research for public benefit in the UK and abroad. As a grant making charity, the Trust Deed also provides general charitable purposes.

Our goals are benevolent with a particular focus to support projects and provide grants that contribute to economic development and well-being in a plural, rational and tolerant society. Our purpose is to support projects promoting reason and education that will improve understanding, governance and a stronger civil society in the UK and South Africa. We believe that the advancement of education and research support the wider goals. We have an international perspective and our charitable objects are pursued across a range of countries, with a primary focus on the UK and South Africa.

In some countries the delivery of public benefit in education, research and economic development has been impeded by corruption or failures in governance. For this reason, the Trustees support the development of a strong civil society, which encompasses human rights, anti-corruption, good governance, transparency and the rule of law, in order to ensure that any grants made to education are built on strong Foundations. We look for conditions meeting these basic standards to ensure our funds fulfil their purposes. We are committed to providing core support, multi-year grants, and programme support, depending on the needs of the grantees that we serve.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 (*continued*)

Total number of grants and total amount awarded since 2000:

Area	Total spend (£)	% of total spend	Number of grants
Education	8,144,242	40.4%	197
Civil Society	4,822,926	23.9%	105
Research	4,846,265	24.1%	17
Arts & Non-strategic	1,576,701	7.8%	105
Community & Health	758,989	3.8%	51
TOTAL	£20,149,123		475

The Foundation was originally endowed with a gift from Dr David Potter. Over the following years additional funds have been received through gifts from the Founders and positive investment returns from capital. Since the Foundation started operating in 2000, £20,149,123 has been awarded in grants. Of this, £12,990,507 (64.5%) has been granted for the original primary objects of education and research in the UK and Africa. To support these primary objects, we have also made grants totalling £4,822,926 (23.9%) that support the development of a strong civil society; which consists of the promotion of good governance (£2,156,734 – 10.7%), human rights (£2,278,192 – 11.3%) and the development of the rule of law (£388,000 – 1.9%). Further grants totalling £2,335,690 (11.6%) have been given under the general objects of the Trust Deed for the support of the Arts, Community and Health projects and other charitable donations not related to our strategy.

The Foundation has provided support to postgraduate scholarships in South Africa, teacher training initiatives, mentoring programmes for disadvantaged children, literacy projects, distance learning programmes and the testing of new technologies in education. Major grants supporting governance and human rights, with a particular focus on Africa, have been provided to the Universities of Cambridge, Oxford and Pretoria. Grants to support the development of an effective civil society have been made to organisations such as Amnesty International, Reprieve, Human Rights Watch, Global Witness, Transparency International UK, Liberty, Africa's Voices Foundation, Forensic Architecture and the Bingham Centre for the Rule of Law.

We believe that our record is strong in its effect and in fulfilling its strategic purposes. We also believe it is important to regularly review the strategy, direction and goals of the Foundation to ensure our giving is making a difference and having the most benefit.

Grant making policies

Our website contains information about what we do and do not fund under our strategic framework. It also contains details of all grants made since the Foundation started in 2000. In-depth case studies of a number of grants are used to illustrate the Foundation's support, and the use of Google Analytics allows analysis of site traffic to monitor and improve its usability. We also publish additional information on all grants awarded since 2013, in order to meet the 360Giving standard. We believe that with better information, grant makers can be more effective and strategic decision-makers. 360Giving provides support for grant makers to publish their grants data openly, to understand their data, and to use the data to create online tools that make grant making more effective.

The Foundation does not support individuals directly and only registered charities (or locally registered equivalents) are eligible to apply. Applications are by invitation only, and those organisations that are invited to apply must use our forms and guidelines. In some instances, we may encourage projects or search for partner charities with similar goals. The Director provides greater guidance for major applications, which in turn will be reviewed in more depth by Trustees and in some instances by peer review. We have a simple online grants management system that covers grant application, monitoring and reporting requirements.

The Director is responsible for all administration, the processing of applications, the review and management of grants and the preparation of annual reports. Trustees review applications and reports and reach final decisions on awards.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 *(continued)*

Assessment and learning

We monitor and follow up all grants to ensure that they are spent effectively and in line with our charitable objects. As a minimum requirement, all grant holders are required to submit a final report on the work funded and carried out under the grant. We review the structure and form of our reporting to gain a better understanding of the difference our grants make and to inform future grant making and share learning.

We support the dissemination of best practice, the principles of open access, the use of open source data and the use of Creative Commons licenses (a set of licenses which automatically give permission to reuse and distribute online and digital content) to support the sharing of learning from the grants we fund. We want to encourage a process of reflection and learning among our grantees, so they are better able to understand and improve their work. Grantees need to understand what they are doing, how well they are doing it, and what they need to change in order to deliver their mission. We believe that an accountable organisation is one that learns and improves as a result.

Grants awarded during the year 2019

Over the twenty years we have been running, we have made 475 grants, providing £20,149,123 of support to 194 organisations. Grants have been made to support education, research, human rights, civil society, health, the rule of law and the arts. The Trustees have an enthusiastic commitment to education and we have continued our work with charities and educational institutions in the UK and internationally, most notably in South Africa.

In 2019 we awarded 24 new grants totalling £1,030,385:

Almeida Theatre	8,000	Arts
Donmar Warehouse	6,000	Arts
Old Vic	6,000	Arts
Performa	30,000	Arts
Philharmonia Orchestra	50,000	Arts
Royal Court (English Stage Company)	5,000	Arts
Donald Woods Foundation	15,000	Education
IkamvaYouth	28,027	Education
Numeric (Bluestream Education)	74,927	Education
openDemocracy (Open Trust)	60,000	Education
University of Cape Town, the	129,009	Education
Westminster School (Ben Jonson Foundation)	100,000	Education
Bonavero Institute of Human Rights, University of Oxford	15,000	Civil Society - Human Rights
Global Leadership Foundation	30,000	Civil Society - Human Rights
Index on Censorship (Writers & Scholars Educational Trust)	40,000	Civil Society - Human Rights
Index on Censorship (Writers & Scholars Educational Trust)	40,000	Civil Society - Human Rights
Black Sash	20,179	Civil Society - Governance
Corruption Watch SA	42,039	Civil Society - Governance
Inkululeko South Africa Media	75,204	Civil Society - Governance
Transparency International UK	45,000	Civil Society - Governance
Trust for the Bureau of Investigative Journalism, the	150,000	Civil Society - Governance
One to One Children's Fund	10,000	Non-strategic
St Mark's Hospital Foundation	31,000	Non-strategic
Stuart Hall Foundation	20,000	Non-strategic
TOTAL GRANTS AWARDED 2019	£1,030,385	
Council for At-Risk Academics (repaid)	(22,385)	Civil Society – Human Rights
NET GRANTS AWARDED 2019	£1,007,700	See Note 7

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 (*continued*)

Highlights of major grants awarded in 2019:

University of Cape Town, project grant of £129,009 (ZAR 2,290,000)

We provide support for a number of scholarships for South African students across a broad array of subject areas at the doctoral and masters level at the University of Cape Town in South Africa. An important criterion for eligibility, beyond academic excellence, is a strong engagement with civil society. The scholarships aim to identify future leaders in South Africa that will provide the base of a vibrant and successful civil society. In 2019 the programme entered its seventeenth year, supporting six new students. Over this period a total amount of £1,796,743 has been awarded for scholarships, supporting 107 postgraduate students. A number of these scholars have since set up their own non-profit organisations in South Africa and are contributing to the development of the country, including Numeric, IkamvaYouth, Women in Engineering, Dikakapa-Everyday Heroes and the Teacher Development Initiative.

Numeric, core funding grant of £74,927 (ZAR 1,330,000)

Numeric run a low-cost, scalable model for the delivery of high impact after school maths programmes in low-income urban areas of South Africa. In 2019 they operated after school programmes in the Cape Town, Johannesburg and Durban areas involving 2,221 young learners. The target audience are pupils in Grade 7, who receive an intensive one year programme that covers arithmetic and pre-algebra for learners as they leave primary school and enter secondary school. Because most South African children have gaps in their Foundational mathematics, Numeric's programmes are not curriculum aligned, but focus on building mathematics intensively and rapidly from the ground up. Numeric reported that in 2019 their learners improved on average by nearly 15% compared with non-participating peers.

In addition, Numeric trained and supported 89 volunteer coaches in 2019, most of which were training to become teachers. In addition, they further developed their Khan Academy training course for undergraduates, running a course for 243 BEd students at the University of Johannesburg. After extensive research, due diligence, and a number of site visits Numeric expanded their operations to a third province in 2019, KwaZulu-Natal. This included opening a new office in Durban and developing a partnership with the University of KwaZulu-Natal.

openDemocracy (the Open Trust), core funding grant of £60,000

openDemocracy (oD) is a global media platform for plural political debate that challenges power and inspires change through cutting-edge investigative reporting, thoughtful analysis and democratic debate centred on the values of democracy, liberty and free thought. oD is the main site, and publishes independent, public interest journalism in the form of rigorous debate, comment, analysis and reporting. It is also the organisational hub for several other oD sections, providing administrative, editorial and publishing support for all of their operations. In 2019 oD continued to lead the investigative work into the dark money affecting UK and global politics. We funded the charitable aspects of oD's education work through the Open Trust.

Westminster School (Ben Jonson Foundation), project funding grant of £100,000

Westminster School is a leading UK public school, sited next to Westminster Abbey and the Houses of Parliament in central London. They have 1,035 students, 25% of which are boarders. It is primarily a boy's school, but is co-educational in the sixth form. Westminster have created an endowment fund for bursaries for underprivileged young people and have launched a funding campaign, called the "Westminster School Campaign", which aims to raise £60m for the endowment, which will fund 10% of the school population on full bursaries. We made a contribution to help establish the new endowment fund, which is run through the Ben Jonson Foundation.

Index on Censorship (Writers and Scholars Educational Trust), two core funding grants of £40,000 each

Index on Censorship is a UK charity that campaigns for and defends free expression worldwide. They publish work by censored writers and artists, promote debate, and monitor threats to free speech. They believe that everyone should be free to express themselves without fear of harm or persecution, no matter what their views. Index's aim is to raise awareness about threats to free expression and the value of free speech as the first step to tackling censorship. They work through a mix of journalism (to raise public awareness of censorship and threats to free expression via an award-winning quarterly magazine and online publications), direct support (for individuals and groups facing threats to free expression, including through an annual awards fellowship), campaigning and advocacy (to overturn censorship, using a combination of lobbying at national and international level and social media campaigning), and debate (to encourage discussion on the importance and value of free speech).

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Report of the Trustees for the year ended 31 December 2019 (*continued*)

Corruption Watch South Africa, core funding grant of £42,039 (ZAR 750,000)

Corruption Watch South Africa (CWSA) is the South African chapter of the global Transparency International movement. Their aims are to ensure that the custodians of public resources act responsibly to advance the interests of the public, and to ensure that opportunities for entering into corrupt relationships are reduced. Corruption weakens institutions, criminalises individuals and undermines social solidarity. CWSA's primary objective is to encourage and enable active public participation in combatting corruption by reporting experiences of corruption in South Africa. They believe that by shining a light on corruption and those who act corruptly, they promote transparency and accountability and protect the beneficiaries of public goods and services. Each act of corruption that is prevented by citizens underpins and fortifies civil society and thereby enhances democracy, the rule of law and the establishment of a more caring and just society. CWSA encourage the South African public to report experiences and knowledge of corruption to them through various channels. The volume of reports received has increased steadily over the seven years of their existence and reports are analysed in order to identify hotspots and patterns of corruption. This process constitutes the principal basis for further investigation by CWSA and for the development of mitigating policies, strategic litigation and community engagement.

Inkululeko South Africa Media, core funding grant of £75,204 (ZAR 1,435,000)

Inkululeko South Africa Media is the non-profit organisation that runs *Scorpio*, a team of professional investigative journalists in South Africa. Scorpio has an established network of journalists, freelancers and other specialists with many cumulative years of experience in the field of media and investigation. Scorpio's partnership with the Daily Maverick, as well as other local media platforms such as amaBhungane and News24, allows for their content to find a large and varied audience, with over a million users per month on the Daily Maverick site alone. Inkululeko also houses skills development programmes for black journalism interns.

Scorpio's work has been instrumental in bringing some of the greatest issues of post-Apartheid South Africa to light, and in some instances, providing the impetus for macro-level political action that has led to tangible changes in government and policy:

- their work on the Marikana Massacre revealed the full extent of police brutality during an event that became the most lethal use of force against civilians in modern South Africa;
- the revelations in the GuptaLeaks emails where in less than twelve months the influence of the Gupta family over the affairs of the government was effectively thwarted, and the Government itself has undergone a process of transformation, which is now led by a President who ran on an explicitly anti-corruption and anti-state-capture slate;
- the country's top tax official, implicated in the broader corruption scandal, has been suspended pending investigation.

Transparency International UK, core funding grant of £45,000

Transparency International UK is the country's leading anti-corruption organisation, and the UK chapter of the global Transparency International movement. Their priorities are stopping corrupt capital, raising public service integrity, improving global anti-corruption standards, and being the accountability watchdog for key UK institutions and law enforcement. They do this through designing practical tools and working with organisations, companies and individuals wishing to combat corruption, producing research on corruption in the UK and internationally, empowering individuals, companies and civil society to engage in the fight against corruption, and advocating for legal and regulatory reform both nationally and internationally.

Trust for the Bureau of Investigative Journalism, project grant of £150,000

The Bureau of Investigative Journalism (BIJ) was founded in 2010 to provide a trusted and reliable source of information and facts to improve understanding of the complex issues affecting society, and to hold the increasing global networks of power to account. Since then the organisation has undergone considerable change and significant growth, doubling in size since 2015. The BIJ's mission is to inform the public about the realities of power in today's world. Through fact-based, unbiased reporting, they expose systemic wrongs, counter misinformation and spark change. They seek to provide the evidence base that informs public and political debate around serious issues, calls for transparency and accountability in governments and corporations, strengthens civil society and democratic processes, and supports the rights of vulnerable individuals and communities across the UK and more widely.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 (*continued*)

The BIJ's strategy for growth centres around five key objectives, to produce stories of greater significance across priority themes, to engage wider and deeper audiences and networks around the Bureau's work, to achieve greater impact through investigations, to strengthen trust in journalism, and to build a more sustainable business model and diversify income (commercial and philanthropic). The Trust for the Bureau of Investigative Journalism (TBIJ) was established in 2018, allowing charitable donations to be made to the BIJ for the parts of its work that are clearly charitable. Bureau Local is an innovative journalism and technology project working with local reporters to dig into datasets and tell the stories that matter to communities across the UK. It was launched in March 2017 with lead funding from Google's Digital News Initiative and has already had a significant impact with its collaborative investigations. We funded the charitable aspects of Bureau Local through the TBIJ.

The Philharmonia Orchestra, project grant of £50,000

The Philharmonia Orchestra is one of the world's great orchestras, being a leader in the field for the quality of their playing and innovative work with residencies, music education, audience development and the use of new technology to reach a global audience. The Orchestra performs more than 160 concerts a year, across the world, as well as recording music for films, video games and commercial audio releases. The Philharmonia has had an in-house Digital department for a decade, and over that time has established itself as the global leader for digital work in the orchestral world. We supported the post of Head of Digital Innovation and Partnerships (HIP), enabling the Philharmonia to maintain their position as a sector leader in digital engagement with the arts and to develop new partnerships with leading global technology companies. The HIP has enabled increased digital innovation at the Philharmonia Orchestra alongside increased commercial exploitation of new products. The HIP has brought about three particular changes, firstly, the creation of new digital outputs to build audiences and new artistic experiences, primarily a new ambisonic VR experience that was staged at the SXSW Festival in Texas; secondly, generated revenue for the Orchestra through increased commercial exploitation of new products; and, it has improved integration of the Digital department into the Orchestra's administration, working across departments to transform the organisation, increasing productivity and value to the business as a whole.

Director's report

2019 was a difficult year for many of the organisations that we fund who look to challenge inequality, even before the Covid-19 crisis hit early in 2020.

In South Africa, positive change has been slow to take effect, with the optimism surrounding President Ramaphosa's election dissipating. Whilst his ambition and rhetoric are commendable, his actions have not yet matched them and the pace of change has not been visibly quick enough. The Board agreed that a change in strategic direction was needed and, apart from continuing to support our long standing scholarships programme at the University of Cape Town, we decided to solely focus on supporting organisations working in the areas of transparency, good governance and anti-corruption. The Board has been concerned for some time about the levels of corruption in South Africa that affect the state and state run organisations, and by extension the education system. Our revised support aims to help ensure that there are stronger foundations in place for civil society to operate, which in turn will enable the education sector to function effectively and hopefully thrive. We believe that the country's universities, and the University of Cape Town in particular, are a force for good and, as long as they remain independent, high quality centres of learning and research, we will continue to support them. We continue to monitor the situation in South Africa closely and hope to move back into supporting strategic mainstream education projects before too long.

With regard to the UK, we are concerned about many of the possible outcomes related to Brexit once the transition period finishes at the end of 2020. We are continuing to keep a watching brief on what impacts there are, or may be, on the different sectors we support through our strategy and will adapt our giving accordingly.

The Covid-19 pandemic has not only prompted global health and economic crises, it has also been used by some to crack down on civic rights and freedoms. Much of today's politics is being driven by particular special interest groups of one or other nations, especially, and regrettably, through rampant nationalism. At a more local level, school closures through Covid-19 disproportionately affect disadvantaged children and young people, many of whom do not have access to distance learning options. These education equity gaps increase the longer schools remain closed, and many students are at risk of not returning to school once they re-open.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 (*continued*)

The work of organisations focused on education, which hold leaders to account and who expose injustices and abuses of power are more important than ever. Their need for our ongoing support to deliver their missions has never been greater.

In more immediate terms the pandemic has impacted our ability to function as a normal organisation. Luckily, our systems and processes can all be carried out remotely, so the day to day impact has not been as bad as it could have been. However, it has significantly impacted the ability to meet with potential applicants and grant holders, especially those in South Africa, which makes our due diligence, monitoring and reporting processes harder to carry out. The Foundation is committed to helping those organisations we fund survive this crisis so that they can continue their important work once lockdown restrictions are eased.

We are also keeping an extremely close watch over our investment portfolio, which has been affected by the difficult global market environments. At the time of writing the portfolio has not suffered too badly, given our effective management of risk and our diverse investment portfolio. The Trustees are very aware that if the portfolio loses value, our ability to support the organisations carrying out vital work will be affected.

Despite these ongoing challenges, we continue to look at how we work with and support our grantees so that our funding can make the biggest difference. We are part of a number of networks with civil society organisations and other funders to share knowledge and learning and to facilitate partnerships. We continue to be members of the International Education Funders Group and Ariadne and liaise closely with organisations such as 360Giving, the Transparency & Accountability Initiative, the European Journalism Centre and the Association of Charitable Foundations.

Financial review

The *Statement of Financial Activities* for the year, *Balance Sheet* and *Cash Flow Statement* are set out on pages 15 to 17.

The opening balance of funds in the Foundation on 1 January 2019 was £18,727,191. The capital value of investments decreased by £498,469 in sterling and there were charges of £158,483 for investment management. The Foundation's total incoming resources during the year were £526,432. After support and governance costs of £113,368 and grants payable of £1,007,700, endowment funds at the end of the year were £17,475,603.

The investment policy of the Foundation is to generate secure income annually by investing over a wide and diversified global portfolio of bonds, money deposits, equity, and property. The Foundation manages and monitors risks rigorously and targets low volatility. The spread offered by a global portfolio is likely to produce optimum returns subject to a small risk profile.

To mitigate the volatility of individual currencies in a global portfolio, the Foundation uses a compound of currencies weighted by gross domestic product in the major economic zones – the global currency index (GCI). This is a geometric weighting based on 30% USD, 20% EUR, 10% JPY, 10% GBP, 10% AUD, and 20% CNY. It is similar in form to the International Monetary Fund special drawing rights. Investment performance is measured in GCI. In this measure total returns during the year were a gain of 3.11% (2018: gain of 1.00%). The volatility of the portfolio was 2.0%. During the year, sterling rose relative to other currencies, as measured by the GCI, and recorded a gain of 4.20% (2018 – loss of 2.63%). The investment performance in sterling produced a loss of 1.04% (2018 – sterling gain of 4.13%).

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 *(continued)*

Financial review *(continued)*

Value in Sterling	2016 £	2017 £	2018 £	2019 £
Investment income	356,769	339,949	309,816	377,245
Donations and legacies	-	5,931	15,197	149,187
Total income	356,769	345,880	325,013	526,432
Opening funds	17,801,367	19,384,084	18,986,569	18,727,191
Costs of investment management and charitable activities	(1,061,820)	(1,380,186)	(1,043,289)	(1,279,551)
Movement on capital funds	2,287,768	636,791	458,898	(498,469)
Closing funds	19,384,084	18,986,569	18,727,191	17,475,603
Total return in Sterling per annum	14.86%	5.07%	4.13%	-1.04%
Global Currency Index (GCI)				
Exchange rate currency index/£ January 1st	0.6959	0.8121	0.7908	0.8122
Exchange rate currency index/£ December 31st	0.8121	0.7908	0.8122	0.7795
Increase/(Decrease) in value of Sterling versus GCI	(14.31%)	2.69%	(2.63)%	4.20%
Values in Global Currency Index	GCI	GCI	GCI	GCI
Investment income – GCI, year end	439,290	437,380	400,164	675,346
Opening funds	25,580,352	23,867,600	24,009,318	23,057,364
Income less grants and expenses	(1,307,420)	(1,745,303)	(1,284,522)	(1,641,502)
Movement on capital funds	(405,332)	1,887,021	332,568	1,005,980
Closing funds	23,867,600	24,009,318	23,057,364	22,421,842
Total return in GCI per annum	(1.58%)	7.62%	1.00%	3.11%

The market value of investments at year end was £17,481,630 (2018 - £18,831,645). After grants committed and not yet paid, the funds of the Foundation were £17,475,603 (2018 - £18,727,191).

There are no restrictions on the Trustees' powers of investment. The investment policy of the Trustees is to optimise income and maintain the real value of capital, while mitigating risk through a secure investment spread over a range of assets and currencies.

At the year-end, investments held were spread between cash and deposits 43%, high quality bonds 28%, and public equities 29%. The currency spread of assets was Euros 20%, Japanese Yen 12%, US dollars 27%, Australian dollars 9%, Sterling 8%, and other currencies 24%.

The compound average return over the last five years in the GCI is 1.3% with an average annualised volatility of 2.9%. For comparison, the compound average return over the last five years in Sterling is 3.8% with annualised volatility of 7.9%.

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 (*continued*)

Financial review (*continued*)

The value of a standard currency base can be seen over an extended period. During the financial crisis between the summer of 2007 to December 2010, Sterling fell some 40% against an index of currencies. Over the last few years there had been a partial recovery, undermined by the decline in the pound following the UK referendum to leave the European Union. Over the past fourteen years from 2006 to 2019, which includes the great recession and crash, compound average returns in GCI were 4.2% with an average volatility of 3.5%. In Sterling average compound returns were 5.9% with a volatility of 7.8%. The average Sharpe ratio of returns relative to the GCI is 1.2. Due to the volatility of Sterling, the average Sharpe ratio of returns relative to Sterling is 0.8.

Office facilities

The Trustees are very grateful for the use of office space in central London, which is provided, at no cost, by Delft Investments LLP. The financial statements provide for this benefit.

Volunteers

The Trustees are very grateful for the use of a finance officer and personal assistant, whose time is paid for by Dr David Potter. The financial statements provide for this benefit.

Reserves

The free reserves of the Foundation at 31 December 2019 were £nil. The Trustees are able to draw funds from the expendable endowment fund to meet the operational needs and grant commitments made.

It is the policy of the Foundation that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Foundation's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Risk management

The Trustees have examined the major strategic, business, investment and operational risks that the charity faces and confirm that the systems in place remain adequate to manage risk. The results over the last few years demonstrate tight control during an extremely volatile period in world markets. The Trustees will endeavour to continue progress and stability in the growth of the endowment.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable would be presented in the financial statements as "Donations and legacies". As an endowed Foundation, the David and Elaine Potter Foundation does not undertake any fundraising activities whatsoever.

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

The David and Elaine Potter Foundation

Report of the Trustees for the year ended 31 December 2019 *(continued)*

Financial review *(continued)*

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 Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that in so far as each of the Trustees is aware:

- There is no relevant audit information of which the charity's auditor is not aware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In 2019 BDO LLP informed us that they would no longer be able to act as our auditors. After a thorough and comprehensive tendering process, HW Fisher were appointed as new auditors to the Foundation. They have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at a forthcoming Trustees meeting.

By order of the Board of Trustees



Dr David Potter
Chair of Trustees

Date

19th Oct' 2020

The David and Elaine Potter Foundation

Independent Auditors Report for the year ended 31 December 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DAVID AND ELAINE POTTER FOUNDATION

Opinion

We have audited the financial statements of David and Elaine Potter Foundation (the 'Foundation') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or,
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Foundation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The David and Elaine Potter Foundation

Independent Auditors Report for the year ended 31 December 2019 (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or,
- sufficient accounting records have not been kept; or,
- the financial statements are not in agreement with the accounting records; or,
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

The David and Elaine Potter Foundation

Independent Auditors Report for the year ended 31 December 2019 (*continued*)

Use of our report

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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



HW Fisher

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

19 October 2020

HW Fisher is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

The David and Elaine Potter Foundation

Statement of Financial Activities for the year ended 31 December 2019

		Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Endowment funds 2018 £	Total 2018 £
	Notes						
Income from:							
Donations and legacies	3	29,387	119,800	149,187	15,197	-	15,197
Investments	4	377,245	-	377,245	309,816	-	309,816
Total income and endowments		406,632	119,800	526,432	325,013	-	325,013
Expenditure on:							
Investment management	5	-	158,483	158,483	-	131,152	131,152
Charitable activities	6	1,121,068	-	1,121,068	912,137	-	912,137
Total resources		1,121,068	158,483	1,279,551	912,137	131,152	1,043,289
Net gains/(losses) on investments	11	-	(498,469)	(498,469)	-	458,898	458,898
Net outgoing resources before transfers		(714,436)	(537,152)	(1,251,588)	(587,124)	327,746	(259,378)
Gross transfers between funds		714,436	(714,436)	-	587,124	(587,124)	-
Net movement in funds		-	(1,251,588)	(1,251,588)	-	(259,378)	(259,378)
Fund balances at 1 January 2019		-	18,727,191	18,727,191	-	18,986,569	18,986,569
Fund balances at 31 December 2019		-	17,475,603	17,475,603	-	18,727,191	18,727,191

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

All income and expenditure derive from continuing activities.

The notes on pages 18 to 28 form part of these financial statements.

The David and Elaine Potter Foundation

Balance Sheet as at 31 December 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	13		17,481,630		18,831,645
Current assets					
Debtors	15	119,800		9,507	
Cash at bank and in hand		124,737		85,315	
		<u>244,537</u>		<u>94,822</u>	
Creditors: amounts falling due within one	16	<u>(243,464)</u>		<u>(196,176)</u>	
Net current assets/(liabilities)			1,073		(101,354)
Total assets less current liabilities			17,482,703		18,730,291
Creditors: amounts falling due after more than one year	17		(7,100)		(3,100)
Net assets			<u>17,475,603</u>		<u>18,727,191</u>
Capital funds					
<u>Endowment funds - general</u>					
Permanent endowment				(18,727,191)	
Expendable endowment		17,475,603		37,454,382	
	18		17,475,603		18,727,191
Income funds					
Unrestricted funds			-		-
			<u>17,475,603</u>		<u>18,727,191</u>

The financial statements were approved by the Board and authorised for issue on _____ 2020.



Dr D Potter
Chair of Trustees

19th Oct 2020

The notes on pages 18 to 28 form part of these financial statements.

The David and Elaine Potter Foundation

Cash Flow Statement for the year ended 31 December 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	22		(1,150,686)		(1,108,697)
Investing activities					
Withdrawals from investment fund		1,184,730		1,100,408	
Interest received		5,378		-	
Net cash generated from investing activities			1,190,108		1,100,408
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			39,422		(8,289)
Cash and cash equivalents at beginning of year			85,315		93,604
Cash and cash equivalents at end of year			124,737		85,315

The notes on pages 18 to 28 form part of these financial statements.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's governing document, 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)". The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. 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 Foundation 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.

As stated in Note 21, the Trustees have considered the effect of the Covid-19 outbreak. The Trustees consider that the outbreak is likely to cause some disruption to the Charity's business but does not believe that this will be significant. The Trustees have a reasonable expectation that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

1.3 Charitable funds

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

Expendable endowment funds are those where the trust terms provide for conversion of capital to income under certain circumstances.

1.4 Income

All voluntary income is accounted for when received. Investment income is accounted for on accruals basis. Gifts in kind are included at fair value to the charity.

1.5 Expenditure

Expenditure is included on an accruals basis

Grants payable are charged in the year when the offer is conveyed to the recipient 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.

Allocation of overhead, governance and support costs

Overhead, governance and support costs have been allocated entirely to charitable activities. They have then been apportioned based on the grant awards made.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit and legal fees. These are reallocated to charitable activities.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

Expenditure on raising funds

Expenditure on raising funds consists of investment management fees directly attributable to managing the investment portfolio.

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 Foundation 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 Foundation's balance sheet when the Foundation 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.

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 Foundation's contractual obligations expire or are discharged or cancelled.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the Foundation'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	Endowment funds general	Total	Unrestricted funds
	2019	2019	2019	2018
	£	£	£	£
Donations and gifts	29,387	119,800	149,187	15,197
Donations and gifts				
Office space	21,762	-	21,762	15,197
Volunteer support	7,625	-	7,625	-
Donation from Dr David Potter	-	119,800	119,800	-
	29,387	119,800	149,187	15,197

Delft Investments LLP provide free use of office space in central London for the Foundation.

Two paid employees of Dr David Potter provide administrative support on a voluntary basis to the Foundation (this cost was not accounted for in the 2018 accounts).

4 Investments

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Income from fixed asset investments	377,245	309,816

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

5 Investment management costs

	Endowment funds general 2019 £	Endowment funds general 2018 £
Goldman Sachs (custody bank)	38,683	35,907
Delft Investments LLP (investment managers)	119,800	95,245
	<u>158,483</u>	<u>131,152</u>

6 Charitable activities

	ArtsNon-Strategic 2019 £	ArtsNon-Strategic 2019 £	Civil Society 2019 £	Education 2019 £	Total 2019 £	Total 2018 £
Grant funding of activities (see note 7)	105,000	61,000	434,737	406,963	1,007,700	798,111
Share of support costs (see note 8)	<u>12,040</u>	<u>6,995</u>	<u>49,752</u>	<u>44,581</u>	<u>113,368</u>	<u>114,026</u>
	<u>117,040</u>	<u>67,995</u>	<u>484,489</u>	<u>451,544</u>	<u>1,121,068</u>	<u>912,137</u>

For the year ended 31 December 2018

	ArtsNon-Strategic £	ArtsNon-Strategic £	Civil Society £	Education £	Total 2018 £
Grant funding of activities (see note 7)	75,500	61,000	244,221	417,390	798,111
Share of support costs (see note 8)	<u>10,787</u>	<u>8,715</u>	<u>34,892</u>	<u>59,632</u>	<u>114,026</u>
	<u>86,287</u>	<u>69,715</u>	<u>279,113</u>	<u>477,022</u>	<u>912,137</u>
Analysis by fund					
Unrestricted funds	<u>86,287</u>	<u>69,715</u>	<u>279,113</u>	<u>477,022</u>	<u>912,137</u>

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

7 Grants awarded

	Arts Non-strategic		Civil Society	Education	Total 2019	Total 2018
	2019 £	2019 £	2019 £	2019 £	£	£
Grants to institutions (24 grants):						
Arts						
Almeida Theatre	8,000	-	-	-	8,000	-
Donmar Warehouse Projects	6,000	-	-	-	6,000	-
Old Vic Theatre	6,000	-	-	-	6,000	-
Performa	30,000	-	-	-	30,000	30,000
Philharmonia Orchestra	50,000	-	-	-	50,000	40,500
Royal Court Theatre (English Stage Company)	5,000	-	-	-	5,000	5,000
Non-strategic						
City of Westminster Charitable Trust	-	-	-	-	-	10,000
Listening Place, The	-	-	-	-	-	10,000
One to One Children's Fund	-	10,000	-	-	10,000	-
St Mark's Hospital Foundation	-	31,000	-	-	31,000	31,000
Stuart Hall Foundation	-	20,000	-	-	20,000	-
Women's Education Partnership	-	-	-	-	-	10,000
Civil Society						
Bonavero Institute of Human Rights, University of Oxford	-	-	15,000	-	15,000	-
Council for At-Risk Academics	-	-	(22,685)	-	(22,685)	30,000
Forensic Architecture (Goldsmiths College)	-	-	-	-	-	70,000
Global Leadership Foundation	-	-	30,000	-	30,000	-
Index on Censorship (Writers & Scholars Educational Trust)	-	-	80,000	-	80,000	-
Reprieve	-	-	-	-	-	40,000
Africa's Voices Foundation	-	-	-	-	-	35,000
Black Sash	-	-	20,179	-	20,179	-
Corruption Watch	-	-	42,039	-	42,039	-
Grassroot	-	-	-	-	-	14,185
Inkululeko South Africa Media	-	-	75,204	-	75,204	50,036
Transparency International UK	-	-	45,000	-	45,000	-
Trust for the Bureau of Investigative Journalism	-	-	150,000	-	150,000	5,000

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

7 Grants awarded (continued)

Education

Ben Johnson Foundation (Westminster School)	-	-	-	100,000	100,000	-
Centre for Investigative Journalism	-	-	-	-	-	20,000
Donald Woods Foundation	-	-	-	15,000	15,000	-
IkamvaYouth	-	-	-	28,027	28,027	100,000
IntoUniversity	-	-	-	-	-	100,913
Numeric (Bluestream Education Trust)	-	-	-	74,927	74,927	-
openDemocracy (Open Trust)	-	-	-	60,000	60,000	50,000
University of Cape Town	-	-	-	129,009	129,009	115,897
Wordworks	-	-	-	-	-	30,580
Net grants awarded	<u>105,000</u>	<u>61,000</u>	<u>434,737</u>	<u>406,963</u>	<u>1,007,700</u>	<u>798,111</u>

For the year ended 31 December 2018

	ArtsNon-Strategic £	Civil Society £	Education £	Total £
Grants to institutions (20):	<u>75,500</u>	<u>61,000</u>	<u>244,221</u>	<u>417,390</u>

8 Support costs

	Support costs £	Governance costs £	2019 £	Support costs £	Governance costs £	2018 £
Staff costs	83,343	-	83,343	83,216	-	83,216
Audit and Accountancy	11,160	-	11,160	10,800	-	10,800
Bank charges	188	-	188	-	-	-
Other expenses	6,365	-	6,365	6,401	-	6,401
Website, web hosting and grant system costs	4,980	-	4,980	4,980	-	4,980
Foreign exchange (gain)/loss	(22,055)	-	(22,055)	(6,568)	-	(6,568)
Office costs	21,762	-	21,762	15,197	-	15,197
Volunteer in-kind costs	<u>7,625</u>	<u>-</u>	<u>7,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>113,368</u>	<u>-</u>	<u>113,368</u>	<u>114,026</u>	<u>-</u>	<u>114,026</u>
Analysed between Charitable activities	<u>113,368</u>	<u>-</u>	<u>113,368</u>	<u>114,026</u>	<u>-</u>	<u>114,026</u>

Governance costs includes payments to the auditors of £10,020 (2018 - £10,800) for audit fees.

Volunteer in-kind costs were not accounted for in 2018.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	1	1

Employment costs

	2019 £	2018 £
Wages and salaries	44,260	57,629
Social security costs	19,913	8,227
Other pension costs	19,170	17,360
	<u>83,343</u>	<u>83,216</u>

There was one employee whose emoluments (including pensions) were in the range between £70,001 and £80,000 (2018 - one).

11 Net gains/(losses) on investments

	Endowment funds general 2019 £	Endowment funds general 2018 £
Revaluation of investments	<u>(498,469)</u>	<u>458,898</u>

12 Transfers

Funds have been transferred from the expendable endowment fund to unrestricted funds in order to match the net outgoings arising during the year on unrestricted funds.

The David and Elaine Potter Foundation

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

13 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2019	11,542,803	7,288,842	18,831,645
Dividends and interest received	-	371,867	371,867
Valuation changes	(498,469)	-	(498,469)
Withdrawals from investment fund	-	(1,184,730)	(1,184,730)
Investment manager's fees	-	(38,683)	(38,683)
	<u>11,044,334</u>	<u>6,437,296</u>	<u>17,481,630</u>
At 31 December 2019	11,044,334	6,437,296	17,481,630
Carrying amount			
At 31 December 2019	<u>11,044,334</u>	<u>6,437,296</u>	<u>17,481,630</u>
At 31 December 2018	<u>11,542,803</u>	<u>7,288,842</u>	<u>18,831,645</u>

14 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>17,481,630</u>	<u>18,831,645</u>

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	<u>119,800</u>	<u>9,507</u>

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Payments received on account	187,905	166,382
Other creditors	<u>55,559</u>	<u>29,794</u>
	<u>243,464</u>	<u>196,176</u>

17 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	<u>7,100</u>	<u>3,100</u>

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

18 Endowment funds

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

	2019 Expendable endowment fund £	2018 Expendable endowment fund £
Opening balance	18,727,191	18,986,569
Incoming resources	119,800	-
<i>Movement in funds</i>		
Resources expended	(158,483)	(131,152)
Transfers	(714,436)	(587,124)
Revaluations gains and losses	(498,469)	458,898
	<hr/>	<hr/>
Closing balance	17,475,603	18,727,191
	<hr/>	<hr/>

19 Analysis of net assets between funds

	Endowment funds 2019 £	Unrestricted funds 2019 £	Total 2019 £	Endowment funds 2018 £	Unrestricted funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:						
Investments	17,481,630	-	17,481,630	18,831,645	-	18,831,645
Current assets/(liabilities)	1,073	-	1,073	(101,354)	-	(101,354)
Long term liabilities	(7,100)	-	(7,100)	(3,100)	-	(3,100)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	17,475,603	-	17,475,603	18,727,191	-	18,727,191
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

20 Related party transactions

Dr David Potter is a Trustee of the following organisation:

- Philharmonia Ltd (resigned November 2019)
- and a Partner of:
- Delft Investments LLP
- and a Director of:
- The Bureau of Investigative journalism
 - Rite Digital Ltd

Dr Elaine Potter is a Trustee of the following organisations:

- Writers and Scholars Educational Trust (Index on Censorship);
 - openDemocracy Limited (non-exec director);
 - University of Cape Town Trust; and
 - Westminster School Foundation (UK) Limited
- and a Director of:
- The Bureau of Investigative journalism

Mr Samuel Potter is a Trustee of the following organisation:

- Numeric
- and a Partner of:
- Delft Investments LLP

Grant commitments during the year to the above organisations were:

- a) The Bureau of Investigative Journalism - £nil (2018 - £nil)
- b) The Trust for the Bureau of Investigative Journalism - £150,000 (2018 - £5,000)
- c) Numeric - £74,927 (2018 - £100,913)
- d) openDemocracy (Open Trust) - £60,000 (2018 - £50,000)
- e) Philharmonia Orchestra (Philharmonia Ltd) - £50,000 (2018 - £40,500)
- f) University of Cape Town Trust - £129,009 (2018 - £115,897)
- g) Westminster School - £100,000 (2018 - £nil)
- h) Writers and Scholars Educational Trust (Index on Censorship) - £80,000 (2018 - £nil)

Transactions with Delft Investments LLP were conducted on an arm's length basis. The total amount paid to Delft Investments LLP in the reporting period was £119,800 (2018 - £95,245).

21 Post balance sheet events

The Trustees have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 on the Charity's activities. Although the outbreak is likely to cause some disruption to the Charity's business, the Trustees do not believe that this will be significant. The reason is that the Trustees will take action in relation to expenditure to mitigate the risk. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for twelve months from the date of approval of these financial statements.

The David and Elaine Potter Foundation

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

22	Cash generated from operations	2019 £	2018 £
	Deficit for the year	(1,251,588)	(259,378)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(377,245)	(309,816)
	Investment management fees paid from portfolio	38,683	35,907
	Fair value gains and losses on investments	498,469	(458,898)
	Movements in working capital:		
	(Increase) in debtors	(110,293)	(8,097)
	Increase/(decrease) in creditors	51,288	(108,415)
	Cash absorbed by operations	(1,150,686)	(1,108,697)

23 Analysis of changes in net funds

The Foundation had no debt during the year.