

NORTHCOTT DEVON MEDICAL FOUNDATION

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 5TH OCTOBER 2023

Registered Charity Number 204660

NORTHCOTT DEVON MEDICAL FOUNDATION

PERIOD TO 5TH OCTOBER 2023

Trustees : Dr M S Morgan (Chair)
Dr R Haigh
Dr C D Sheldon (appointed 10 January 2023)

Secretary : Mr R E T Borton

Registered address : Kerry
Doddiscombsleigh
Exeter
EX6 7PW

Independent Examiner : Sunny Truran FCCA FCA
Bush & Co
2 Barnfield Crescent
Exeter
EX1 1QT

Bankers : Barclays Bank Plc
20 High Street
Exeter
EX4 3LL

Investment Advisors : Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

NORTHCOTT DEVON MEDICAL FOUNDATION

Registered Charity Number 204660

TRUSTEES' REPORT

The Trustees present their report and the accounts of the Foundation for the year ended 5 October 2023.

GOVERNING DOCUMENT

The Foundation was founded on 8 November 1961 and is constituted under a deed of trust by the late George Vernon Northcott, CBE. The charity's registered office is given on page 1.

TRUSTEES AND PRINCIPAL ADVISERS

The names of the trustees and principal advisers are set out on page 1.

TRUSTEES' RESPONSIBILITIES

The trustees are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Foundation at the end of each financial year and also of the financial activities for the year. In preparing these financial statements, the Trustees ensure that applicable accounting standards have been followed and that appropriate accounting policies supported where necessary by appropriate judgement and estimates, have been consistently applied.

The Trustees have also complied with the deed of trust by ensuring that administrative expenditure has been funded from income.

PRINCIPAL OBJECTS, PUBLIC BENEFIT AND GRANT MAKING POLICY

The principal objects are to promote the improvement of medical practice, by supporting postgraduate medical education and medical research in the County of Devon. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit. The Trustees' grant making policy is established in such a way that the Foundation achieves its objects for the public benefit, by seeking to improve medical practice.

When considering grant applications, the trustees give preference to pilot studies that enable researchers to go on to make subsequent applications for major funding from larger grant funders. They also like to see studies that can lead to direct clinical applications and improved patient outcomes.

ADMINISTRATIVE STRUCTURE

The Trustees are empowered by the deed of trust to appoint additional trustees and also to appoint persons to serve on an advisory committee which meets twice a year to consider grant applications.

The trustees and members of the advisory committee offer their services free of charge and are not remunerated for the expenses they incur. There are no other voluntary helpers.

The Secretary, Mr R E T Borton, was a partner in Bishop Fleming LLP, Chartered Accountants, for the year under review. That firm received £6,749 (2022: £7,925 – 18 months) exclusive of VAT by way of fees for secretarial and accounting services.

NORTHCOTT DEVON MEDICAL FOUNDATION

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TRUSTEES' REPORT (Cont'd.)

REVIEW OF THE YEAR

As explained below, the Foundation's investment advisors are instructed to maximise total returns. During the year presented here, investment income was £47,798 compared to £70,393 for the previous 18 months. This is largely in line with the markets and represents a 1.9% increase on an annualised basis.

This allowed the trustees to award slightly more than the previous period (again, on an annualised basis) However, there were a number projects that concluded during the year where the anticipated costs were less than the amounts applied for. There was also one grant award where the project had to be abandoned. Accordingly, the net cost of grants awarded this year was nearly £12,000 less than the previous period on an annualised basis.

The Foundation was very fortunate to receive a substantial legacy during the year of nearly £319,000. Although there was no restriction on the use of the funds, the Trustees have added them to the Charity's capital, using the extra income generated so that they can increase the level of grants awarded each year in perpetuity. Together with a small increase in the value of investments, this has meant that capital increased by nearly 20% to just over £2.23 at the year-end. The trustees are satisfied with the investment performance.

The Foundation receives a steady stream of worthy applications and the Trustees continue to balance the needs of current researchers with their objective to protect the time value of the charity's funds for the future. The grants awarded during the year were:-

	£
<u>Dr G Dixon</u> (University of Exeter) Exploring the role of peripheral leucocyte telomere length in progressive fibrosing interstitial lung disease	13,300
<u>Dr E Kelland</u> (University of Plymouth) Understanding the role of renin-angiotensin system components in promoting repair in models of Multiple Sclerosis	8,000
<u>Prof ER Kramer</u> (University of Plymouth) How does NEDD4-2 support dopaminergic neuron maintenance?	9,859
	£ 31,159

With some projects underspending and others being completed at a faster rate than during the coronavirus pandemic, grants outstanding at the 5 October 2023 were nearly £13,000 less than at 5 October 2022 at £87,632 (2022 £100,466).

NORTHCOTT DEVON MEDICAL FOUNDATION

Registered Charity Number 204660

TRUSTEES' REPORT (Cont'd.)

FINANCIAL POLICY (INVESTMENTS, RESERVES AND RISKS)

Whilst the Trustees have wide powers to make investments as they see fit, they maintain a medium risk balanced portfolio.

As the Trustees have the power to apply the capital of the fund to any of the charitable objects of the Foundation, since 2004, the Trustees have asked their investment adviser to try to maximise total return, without being concerned with the split between income and capital.

In the period reported here, having charged investment management costs to capital funds, there has been a surplus on unrestricted income funds of £19,481 (2022 £14,321), increasing the unspent income funds carried forward to £37,442 (2022 £17,961).

Restricted funds of £365 remain for multiple sclerosis research and this amount will be used towards future grants for this purpose.

Overall, the Trustees' aim is to maintain the value of capital in real terms and to apply income earned therefrom to award grants and to otherwise fulfil the charity's objectives. On this basis, the Trustees expect to have largely spent the charity's income reserves at any one time. The reserves policy is to maintain a very minimum of unspent income reserves.

FUTURE COMMITMENTS

There were no commitments at the year-end that were not already recognised as liabilities in the accounts.

INDEPENDENT EXAMINER

A resolution proposing the re-appointment of Sunny Truran of Bush & Co will be put to a meeting of the Trustees.

SIGNED ON BEHALF OF THE TRUSTEES

R E T Borton
Secretary

Dr C D Sheldon
Trustee

28 July 2024

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
NORTHCOTT DEVON MEDICAL FOUNDATION**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 5 October 2023 which are set out on pages 6 to 11.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

Sunny Truran FCCA FCA
Bush & Co
Chartered Accountants
2 Barnfield Crescent
Exeter EX1 1QT

29 July 2024

NORTHCOTT DEVON MEDICAL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 5TH OCTOBER 2023

	Notes	Unrestricted £	Restricted £	12 months 2023 Total £	18 months 2022 £
INCOME					
Income from UK quoted investments	2	47,184	0	47,184	70,393
Interest on cash deposits		614	0	614	0
Legacies received		318,855	0	318,855	0
Total income		366,653	0	366,653	70,393
EXPENDITURE					
<i>Raising funds</i>					
Investment management charges		13,822	0	13,822	21,332
<i>Charitable activities</i>					
Grants and lectures	3	18,428	0	18,428	45,150
Administrative expenses	4	9,889	0	9,889	10,922
Total expenditure		42,139	0	42,139	77,404
Net income/(expenditure) before gains and losses		324,514	0	324,514	(7,011)
Net gains/(losses) on investments		40,685	0	40,685	(129,194)
NET INCOME/(EXPENDITURE)		365,199	0	365,199	(136,205)
BALANCE BROUGHT FORWARD					
6 October 2022		1,890,020	365	1,890,385	2,026,590
BALANCE CARRIED FORWARD					
5 October 2023	9	2,255,219	365	2,255,584	1,890,385

In neither 2023 nor 2022 did any income or expenditure relate to restricted funds.

All activities were continuing activities.

NORTHCOTT DEVON MEDICAL FOUNDATION

BALANCE SHEET

5TH OCTOBER 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
UK Quoted investments	7		2,314,660		1,909,324
CURRENT ASSETS					
Debtors	8	2,087		595	
Brewin Dolphin Deposit		29,089		87,178	
Brewin Dolphin Income		465		0	
Cash at Bank		123		71	
			<hr/>		<hr/>
			31,764	87,844	
Creditors: Amounts falling due within one year	9	(90,840)		(106,783)	
			<hr/>	<hr/>	
NET CURRENT ASSETS/(LIABILITIES)			(59,076)		(18,939)
			<hr/>	<hr/>	
NET ASSETS			2,255,584		1,890,385
			<hr/>	<hr/>	
Represented by:					
UNRESTRICTED FUNDS	10		2,255,219		1,890,020
RESTRICTED FUNDS	10		365		365
			<hr/>	<hr/>	
			2,255,584		1,890,385
			<hr/>	<hr/>	

The Accounts were approved by the Board of Trustees on 28 July 2024 and signed on its behalf by:-

Dr C D Sheldon
Trustee

NORTHCOTT DEVON MEDICAL FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5TH OCTOBER 2023

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Foundation's Accounts.

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, as modified by the recognition of investment assets at fair value, and in accordance with the 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 address of the registered office, the nature of the charity's operations and its principal activities are set out in the Trustees' report.

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102.

(b) Income from investments

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue.

(c) Income from donations and legacies

Income is accounted for when the charity has entitlement, receipt is probable and when the income can be measured with reasonable certainty.

(d) Fixed Asset Investments

Fixed Asset Investments have been included in the balance sheet at 5 October 2023 fair value.

(e) Gains and Losses on investments

Realised gains and losses are recognised when investments are sold. Unrealised gains and losses are accounted for on revaluation of investments at 5 October. All gains and losses, realised and unrealised, are accounted for through the Statement of Financial Activities.

(f) Grants payable

Grants are accounted for when awarded.

(g) Other expenditure

Other expenditure is accounted for on an accruals basis, including VAT which the Foundation cannot recover.

NORTHCOTT DEVON MEDICAL FOUNDATION

NOTES TO THE ACCOUNTS YEAR ENDED 5TH OCTOBER 2023 (Cont'd.)

(h) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(i) Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

2. INCOME FROM UK QUOTED INVESTMENTS

	12 months 2023	18 months 2022
	£	£
Dividends and interest received	47,184	70,393

3. GRANTS AND LECTURES

	12 months 2023	18 months 2022
	£	£
Grants awarded	31,159	45,754
Grants released	(12,731)	(604)
	18,428	45,150

Details of the recipients and purpose of grants are given in the Trustee's Report, under Review of the Year on page 3. All grants were awarded from unrestricted funds and none were awarded from restricted funds for 2023 or 2022.

4. ADMINISTRATIVE EXPENSES

	12 months 2023	18 months 2022
	£	£
Secretarial and Accountancy	8,099	9,510
Independent Examination	852	886
Trustee Indemnity Insurance	938	526
	9,889	10,922

5. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees act in a voluntary capacity. They receive no remuneration and are paid no expenses.

6. RELATED PARTY TRANSACTIONS

The Secretary, Mr R E T Borton, was a partner in Bishop Fleming LLP, Chartered Accountants. That firm received £6,749 (2022: £7,925) exclusive of VAT by way of fees for secretarial and accounting services during the year (2022 – 18 months).

NORTHCOTT DEVON MEDICAL FOUNDATION

NOTES TO THE ACCOUNTS YEAR ENDED 5TH OCTOBER 2023 (Cont'd.)

7. UK QUOTED INVESTMENTS

	2023	2022
	£	£
Balance brought forward at valuation	1,909,324	2,069,446
Acquisitions at cost	567,187	655,485
Disposals at valuation	(198,460)	(655,886)
	<u>2,278,051</u>	<u>2,069,045</u>
Revaluation at 5 April 2021	36,609	(159,721)
Balance carried forward at valuation	<u>2,314,660</u>	<u>1,909,324</u>
Quoted investments stated at historic cost	<u>1,873,490</u>	<u>1,505,423</u>

The following investments represent more than 5% of the investment portfolio:

J P Morgan American Investment Trust	4.6%	5.2%
Vanguard Funds S&P 500	5.2%	6.0%
Fidelity US Income Fund	5.2%	6.3%

8. DEBTORS

	2023	2022
	£	£
Prepayments	483	0
Accrued income	1,604	595
	<u>2,087</u>	<u>595</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accrued expenses	3,208	6,317
Grants outstanding	87,632	100,466
	<u>90,840</u>	<u>106,783</u>

NORTHCOTT DEVON MEDICAL FOUNDATION

NOTES TO THE ACCOUNTS YEAR ENDED 5TH OCTOBER 2023 (Cont'd.)

10. RESTRICTED FUNDS

During previous years donations of £4,565 were received towards Multiple Sclerosis research. A grant was awarded during 2021 for £4,200, leaving £365 carried forward at the 5 April 2021 and 5 October 2022 and 2023. All other funds stated below represent unrestricted funds.

UNRESTRICTED FUNDS

	2023	2022
	£	£
At cost	1,814,049	1,486,119
Revaluation surplus	<u>441,170</u>	<u>403,901</u>
	<u>2,255,219</u>	<u>1,890,020</u>
Being:-		
Capital	2,217,777	1,872,059
Income	<u>37,442</u>	<u>17,961</u>
	<u>2,255,219</u>	<u>1,890,020</u>

11. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets measured at fair value through income and expenditure		
Investments	2,314,660	1,909,324
Financial assets measured at amortised cost		
Accrued income	1,604	595
Cash at bank	<u>29,677</u>	<u>87,249</u>
	<u>2,345,941</u>	<u>1,997,168</u>
Financial liabilities measured at amortised cost		
Accrued expenses	(3,208)	(6,317)
Grants outstanding	<u>(87,632)</u>	<u>(100,466)</u>
	<u>(90,840)</u>	<u>(106,783)</u>