

**THE DEVON AND EXETER INSTITUTION
REGISTERED CHARITY NUMBER 900104**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

THE DEVON AND EXETER INSTITUTION

ANNUAL REPORT FOR THE YEAR TO 30 JUNE 2011

The Trustees present their report for the year to 30 June 2011.

HISTORY, OBJECTIVES AND ACTIVITIES

The Devon and Exeter Institution was established by trust deed on 20 June 1989 and registered with the Charity Commissioner (registered number 900104) on 30 November 1989 as a charity whose purpose is the advancement of public education and the preservation of Number 7, The Close, Exeter.

The charity took over the various assets less liabilities of the proprietary institution known as The Devon and Exeter Institution and commenced its activities on 1 October 1989.

The objects of the Institution are the advancement of public education particularly in the history, literature and arts of the county of Devon and particularly by the provision and maintenance of a library and reading rooms and educational facilities; and the preservation of Number 7, The Close for the public benefit as a building of historic and architectural interest and value.

ADDRESS

7 The Close
Exeter EX1 1EZ
Telephone and fax: Exeter (01392) 274727

TRUSTEES

J Manley-Tucker	(Chairman)
Dr S Bhanji	(Vice Chairman)
P Wadham	(Secretary)
J Nowill	(Treasurer)
Mrs PM Wootton	(Term of office ended 21 October 2010)
Miss F Murdin	
Mr G Halliday	
Mr R Brien	
N Penwell	(elected 21 October 2010)
J Lawford	(elected 21 October 2010)
D Pugsley	(elected 21 October 2010)

The officers are elected on an annual basis from the members at the Annual General Meeting.

BANKERS

National Westminster Bank plc
59 High Street
Exeter EX4 3DL

BUILDING SOCIETY

Britannia Building Society
228 High Street
Exeter EX4 3LR

AUDITORS

Haines Watts Exeter LLP
Chartered Accountants
Statutory Auditors
3 Southernhay West
Exeter EX1 1JG

RESERVES POLICY

The policy of the Executive Committee is to build up the unrestricted funds of the Institution not committed or invested in tangible fixed assets (the "free reserves", equal in amount to the net current assets) to a level not exceeding three times or less than twice the current annual recurring expenditure. At this level the trustees believe that they would be able to carry on the charity's activities in the event of a significant drop in funding.

(Continued on the following page)

ANNUAL REPORT FOR THE YEAR TO 30 JUNE 2011 (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information. The trustees confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

RISK MANAGEMENT POLICY

The trustees have reviewed the major risks to which the charity is exposed and systems have been established to mitigate those risks. Measures have been taken to protect the physical security of the building and its contents. Insurance against fire, theft and public liability has been taken out and is reviewed annually. Controls commensurate with the size of the charity and its reliance on part-time and voluntary labour have been established to safeguard the assets of the Institution and to prevent and detect fraud and other financial irregularities.

ORGANISATIONAL STRUCTURE, APPOINTMENT, RECRUITMENT AND TRAINING OF TRUSTEES

The four officers, who are the chairman, the vice-chairman, the honorary treasurer and the honorary secretary, are appointed annually at the AGM having been nominated and seconded at least seven days before the meeting. The other members are appointed every three years and must come off the committee for at least one year before returning. They must have been nominated and seconded as above. The executives normally meet at about six weekly intervals but the four officers meet weekly for discussion of important topics and the signing of cheques. Other executives could join in if they so wish but this is a rare occurrence. A new member of the executive would have everything explained to him/her by the chairman who would answer any questions about their duties and responsibilities.

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ANNUAL REPORT FOR THE YEAR TO 30 JUNE 2011 (Continued)

REVIEW OF THE YEAR

The Institution's treasurer, Mr Julian Nowill, continues to oversee the administration of the finances.

It must be stressed that these accounts and the general running of the Institution office would not happen if it was not for the work of our Assistant Secretary Jenny Dawson; the executive committee is most appreciative of her input.

The year has not been an easy one in the financial world as we all know, but we can at least take heart that the invested funds of the Institution have continued to grow slightly.

Once again, the accounts show that income has exceeded expenditure by £2,125 in no small part due to some generous legacies for which we are grateful. This form of giving is very much appreciated and is a good way of ensuring that the work of the Institution can continue, so please bear it in mind when you are thinking about legacies. The Executive can assure you all such funds will be gratefully received and usefully applied in order to ensure the continuation of the Institution. There is another factor affecting our income and that is the increase in membership, which now exceeds seven hundred.

Letting income is down from last year due in part to the recession and partly because we could not always provide catering facilities due to the housekeeper's maternity leave. We are pleased to report that she is now assuming full responsibility for the catering requirements.

Maintenance of the building as always continues to absorb our funds and this year has been no exception with work being undertaken to renew the cottage central heating and domestic water boiler plus sundry remedial work to cottage fabric. The Institution's electrical system has been thoroughly checked and upgraded as necessary.

Dry rot outside the reading room is being dealt with. The roof of the main building is giving cause for concern and an Architect has been appointed to oversee all the work that may be necessary. Sundry decorating has been carried out together with repairs to furniture as necessary.

Additional chairs have been purchased which are in keeping with the age of the building and existing furniture, many thanks to our Honorary Secretary for overseeing many of these items.

The evening lectures so ably organised by Pamela Wootton are very popular and continue to operate at a small profit. Their varied contents always attract members both new and old who are amazed at the detail and knowledge that the speakers display on their different subjects. As always the lunchtime lectures – open to the general public – are well supported and our treasurer who organises them is to be thanked for his work.

The film club goes from strength to strength with a waiting list for new members. The quality of the programmes presented by Roger Brien is second to none and all the films shown are ones suggested by members. The DVD library associated with the film club has expanded rapidly and its contents are available for the use of all members of the Institution. Profits from the club are put into the general funds of the Institution for which the executive is very grateful.

These accounts and the general work of the Institution could not continue if it wasn't for the help and support that is so generously given by Exeter University. The connection between our two bodies is very important and long may it continue.

The day to day work of the office and library continues because of the work of the many volunteers for which we are very grateful.

As always last but by no means least the support of the executive committee in what for me has been a difficult year is essential to our continuing success.

John Manley-Tucker
Chairman

On Behalf of the Trustees.

THE DEVON AND EXETER INSTITUTION

Independent Auditors' Report to the Trustees of The Devon and Exeter Institution

We have audited the financial statements of The Devon and Exeter Institution for the year ended 30 June 2011 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit 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.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report to you in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements in it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the assets of the charity include a listed building, a library and various items of furniture and works of art. It has been agreed with the trustees that our audit work will not extend to the verification of those assets.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

(Continued on the following page)

**Independent Auditors' Report to the Trustees of The Devon and Exeter Institution
(continued)**

Opinion arising from limitations in audit scope

In our opinion, except for any adjustments to the financial statements that might have been found to be necessary had we been able to obtain audit evidence concerning the listed building, library, furniture and works of art, in our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the charity's state of affairs as at 30 June 2011 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

In respect alone of the limitation of our work relating to the assets described above we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In our opinion, the information given in the Annual Report is consistent with the financial statements.

Benjamin de Cruz
Senior Statutory Auditor
For and on behalf of
Haines Watts Exeter LLP
Chartered Accountants
Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

21 September 2011

THE DEVON AND EXETER INSTITUTION

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 30 JUNE 2011**

	Unrestricted funds 2011		Unrestricted funds 2010	
	£	£	£	£
INCOME				
Voluntary				
Subscriptions	34,928		31,927	
Donations, grants and legacies	21,770		151,310	
Tax recoverable on subscriptions and donations	<u>5,943</u>		<u>5,761</u>	
		62,641		188,998
Investment				
Rental income	4,531		6,541	
Interest	<u>104</u>		<u>150</u>	
		4,635		6,691
Activities for generating funds				
Magazine and postcard sales	73		137	
Film club	575		695	
Refreshments and social evenings	3,577		2,892	
Sales of members' books and commissions	798		1,132	
DEI history	44		88	
Workshops and other income	<u>32</u>		<u>-</u>	
		<u>5,099</u>		<u>4,944</u>
		72,375		200,633
EXPENDITURE				
Salaries and secretarial services	20,141		21,221	
Rates	1,645		2,163	
Water	952		1,141	
Gas	4,339		3,864	
Electricity	1,199		1,414	
Telephone	729		641	
Insurance	4,020		4,502	
Printing, stationery and postage	1,981		2,303	
Social events	3,125		779	
Library subscriptions and books	1,599		935	
Auditors' fees	1,351		1,139	
Newspapers and magazines	2,466		2,488	
Maintenance, repairs and cleaning	20,033		22,664	
Depreciation	3,889		5,048	
Sundries	143		74	
Photocopier	(162)		(171)	
Computer costs	332		295	
Binding and conservation	1,838		5,576	
Advertising	535		-	
Loss on disposal of tangible fixed asset	95		-	
Bank charges	-		70	
Legal and professional fees	<u>-</u>		<u>1,267</u>	
		<u>70,250</u>		<u>77,413</u>
NET (OUTGOING EXPENDITURE)/ INCOMING RESOURCES FOR THE YEAR		2,125		123,220
OTHER RECOGNISED GAINS AND LOSSES				
Unrealised (loss)/gain on investments		<u>15,644</u>		<u>(176)</u>
NET MOVEMENT IN FUNDS		17,769		123,044
FUND BALANCES AT 1 JULY 2010		<u>1,025,782</u>		<u>902,738</u>
FUND BALANCES AT 30 JUNE 2011		<u>1,043,551</u>		<u>1,025,782</u>

THE DEVON AND EXETER INSTITUTION

**BALANCE SHEET
AS AT 30 JUNE 2011**

	Note	Unrestricted funds 2011		Unrestricted funds 2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets					
Freehold property	4		684,371		684,371
Furniture and works of art	5		119,156		119,156
Fixtures, fittings and equipment	6		<u>5,469</u>		<u>6,910</u>
			808,996		810,437
CURRENT ASSETS					
Debtors and prepayments	7	6,303		6,861	
Current asset investments	8	181,585		165,941	
Bank - National Westminster current accounts		16,960		3,093	
Britannia Building Society		23,598		31,548	
COIF deposit account		-		-	
COIF Literary account		8,686		10,628	
Cash		<u>15</u>		<u>55</u>	
		237,147		218,126	
CURRENT LIABILITIES					
Creditors and accruals	9	<u>2,592</u>		<u>2,781</u>	
NET CURRENT ASSETS			<u>234,555</u>		<u>215,345</u>
			<u>1,043,551</u>		<u>1,025,782</u>
GENERAL FUND			<u>1,043,551</u>		<u>1,025,782</u>

Approved by the Board of Trustees on 20 September 2011
and signed on its behalf by:

J Manley-Tucker
Chairman

J Nowill
Treasurer

THE DEVON AND EXETER INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention subject to the inclusion of certain assets at valuation, and in accordance with applicable accounting standards, the Charities Statement of Recommended Practice 2005 (Accounting and Reporting by Charities) and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.

Freehold property

Number 7, The Close, Exeter, is included at a valuation with improvements added at cost.

Furniture and works of art

These assets are included at a valuation.

Library

In the absence of a valuation no monetary value has been ascribed to the asset.

Investments

Monetary investments have been valued at market value at the balance sheet date.

Depreciation

Equipment is depreciated on a straight line basis at 20% per annum. Freehold property, the library, and furniture and works of art are not depreciated.

Incoming resources

- Membership subscriptions are included in the statement of financial activities in the accounting year to which they relate.
- Cash donations, gifts and legacies are included in full in the statement of financial activities as they are received. Gifts in kind are included at valuation.
- Investment income is included in the statement of financial activities on receipt.

Expenditure

All expenditure other than that which has been capitalised is included in the statement of financial activities. Accruals are included for goods and services rendered but not paid for at the balance sheet date.

2 TRUSTEES' REMUNERATION

None of the Trustees received any remuneration or expenses during the year or in the previous year.

3 EMPLOYEES

The average number of employees during the year was 2 (2010 - 2), none of whom received emoluments above £60,000.

THE DEVON AND EXETER INSTITUTION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011**

4 FREEHOLD PROPERTY - 7 The Close, Exeter

	£
At 1 October 1989	662,000
Add subsequent expenditure at cost	
1995 - central heating	20,457
1995 - cottage kitchen and boiler	<u>1,914</u>
At 30 June 2010 and 30 June 2011	<u>684,371</u>

The property was brought into the financial statements at 1 October 1989 at the value for which it was insured at that date.

5 FURNITURE AND WORKS OF ART

Valuation dated June 1988 (including donated painting at valuation in 1996)

	£
At 30 June 2010 and 30 June 2011	<u>119,156</u>

Freehold property and furniture and works of art are held primarily for the charity's own use on direct charitable activities.

6 FIXTURES, FITTINGS AND EQUIPMENT

COST

	£
At 1 July 2010	45,654
Additions	2,543
Disposals	<u>(236)</u>
At 30 June 2011	<u>47,961</u>

DEPRECIATION

At 1 July 2010	38,744
Eliminated on disposals	(141)
Charge for the year	<u>3,889</u>
At 30 June 2011	<u>42,492</u>

NET BOOK VALUE

At 30 June 2011	<u>5,469</u>
At 30 June 2010	<u>6,910</u>

Fixtures, fittings and equipment are held primarily for the charity's own use in the administration of the charity.

THE DEVON AND EXETER INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2011

7 DEBTORS AND PREPAYMENTS

	<u>2011</u>	<u>2010</u>
	£	£
Tax refund	6,303	5,761
Debtors and prepayments	<u>-</u>	<u>1,100</u>
	<u>6,303</u>	<u>6,861</u>

8 CURRENT ASSET INVESTMENTS

The Charity has a shareholding of 21,293.41 units held in a COIF Charities Fixed Interest Fund Accumulated Shares Account. At 30 June 2011, each unit was valued at 591.69p giving a total investment of £125,990.98. The holding originally cost £20,000 with an addition of £80,000 on 22 April 2010.

The Charity also has a shareholding of 17,384 25p Foreign & Colonial Investment Trust shares. During the year the company received a dividend from the investment of £644.29. At 30 June 2011, each unit was valued at £3.198 giving a total investment of £55,594.76.

9 CREDITORS AND ACCRUALS

	<u>2011</u>	<u>2010</u>
	£	£
Creditors and accruals	1,837	1,679
PAYE and National Insurance	<u>755</u>	<u>1,102</u>
	<u>2,592</u>	<u>2,781</u>