

**THE DEVON AND EXETER INSTITUTION**  
**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**



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**THE DEVON AND EXETER INSTITUTION**

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## THE DEVON AND EXETER INSTITUTION

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2021

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<b>Trustees</b>	M Knight, Chair (to 31 May 2021) (resigned 31 May 2021) D Knight, Secretary (to 31 May 2021) (resigned 31 May 2021) J Reeves, Chair (from 1 June 2021) H French S Bond C Chanter R Templeton, Treasurer (from 1 June 2021) R Guyver (resigned 5 November 2020) G Roberts, Vice Chair (from 1 June 2021) (resigned 10 September 2021) S Cormie R O'Neale, Secretary (from 1 June 2021) (appointed 22 October 2020) I Dudley (appointed 22 October 2020) M Goodison (appointed 22 October 2020, resigned 9 April 2021) J Morgane (appointed 30 June 2021) M Brooksbank (appointed 30 June 2021) C Higgins (appointed 30 June 2021) C Easton (appointed 30 June 2021)
<b>Charity registered number</b>	1172445
<b>Principal office</b>	7 Cathedral Close Exeter Devon EX1 1EZ
<b>Key management personnel</b>	J Reeves, Chair (from 1 June 2021) M Knight, Chair (to 31 May 2021) D Knight, Secretary (to 31 May 2021) G Roberts, Vice Chair (from 1 June 2021) (resigned 10 September 2021) R O'Neale, Secretary (from 1 June 2021) R Templeton, Treasurer (from 1 June 2021) E Dunn, Director of Programme & Projects E Laws, Director of Collections & Research
<b>Accountants</b>	Griffin Chartered Accountants 165 High Street Honiton EX14 1LQ

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## THE DEVON AND EXETER INSTITUTION

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### TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021

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The Trustees present their annual report together with the financial statements of the Devon and Exeter Institution for the year 1 July 2020 to 30 June 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Board of Trustees considered whether to have a full audit or an Independent Examination and decided that the latter was appropriate this year having regard to the requirements of our constitution, Charity Commission rules and the costs involved for each option. Following last year's AGM we have again employed Griffin Chartered Accountants for the preparation of the financial statements and to undertake the independent examination.

#### **A Letter from the Chair of Trustees**

Dear Member,

I was appointed Chair by my fellow trustees in May of this year, following the decision of Margaret Knight to step down from the role, which she has held since October 2017. I would like to take the opportunity on behalf of my fellow trustees to thank both Margaret and her husband Derek, in his role as Hon Secretary, for all that they have done for the DEI during their period of office. I'm very pleased that they will continue to be active members of the Institution. Three other trustees have stepped down from their roles during the past twelve months and I would like to thank them for their services. Four new trustees were appointed during the period and their details are listed in the trustees' report.

The ongoing effects of the pandemic have made a significant impact on our operational income in the reporting period to 30th June 2021. For part of the time, our building and library have been closed. We have been unable to hold our evening and lunchtime lectures for members to attend in person and equally importantly, we have been unable to generate income from venue hire. The lack of access to the building and the general caution regarding the pandemic, has been felt in our membership levels. In March 2020 our membership was at a record high but during the rest of the year it declined, as we were unable to attract new members to replenish our usual turnover.

I am pleased to be able to write that we are now seeing a significant recovery in our membership with both old members renewing and new members joining and I would like to thank our membership secretaries for their efforts. Although these difficulties have had an impact on our income in the year, members should note that we have received generous support from both The Heritage Emergency Fund and from Exeter City Council which has enabled the DEI to maintain its strong financial position.

Our capable staff have continued to secure external funding and provide an innovative virtual service throughout the closure period which has received national heritage sector recognition. Additional funding from the Heritage Fund and the Friends of Devon Archives has been received and has enabled us to complete phase one of a project to digitise our illustrations and to improve access to this collection. As at the end of the reporting period we had applied for new grant funding to pay for a second phase of this work.

Members will know that we have carried out significant surveys, activity planning and some improvements to the building under The Next Chapter project development phase, funded by a major grant from the National Lottery Heritage Fund (NLHF) awarded in March 2020. We are now awaiting a further approval of funding by the NLHF regarding Phase 2 of the plan, which is expected shortly.

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## THE DEVON AND EXETER INSTITUTION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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Turning to the current financial year, I have written above regarding the growing membership levels which, although not yet at the pre-pandemic levels, gives us confidence for the future. There is a new series of monthly evening events planned for 2021-22 starting in October for which details will be announced shortly. As part of a desire to get back to a pre-pandemic era, the trustees and staff have been very conscious of the need to restore a lunch offering in the Courtenay Room, which members have previously enjoyed. An independent caterer is now providing a pre-booked lunch option on certain week days and a high tea option on some Saturdays. It is still early days and we welcome feedback from members in order to further develop this service. The food is very good and I encourage members to enjoy the Courtenay Room once again.

Finally, on behalf of my fellow trustees, I would like to thank the staff and volunteers at the DEI for their efforts during this challenging year.

John Reeves, Chair of Trustees

#### **Objectives and activities**

##### **a. Policies and objectives**

The Devon and Exeter Institution was established by trust deed on 20 June 1989 and registered with the Charity Commission (registered number 900104) on 30 November 1989 as a charity whose purpose is the advancement of public education and the preservation of Number 7, Cathedral Close, Exeter. The charity took over the various assets and liabilities of the proprietary institution known as The Devon and Exeter Institution and commenced its activities on 1 October 1989.

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, including the guidance 'Public benefit: running a charity (PB2)'.

The Institution works within a policy framework to ensure that charity law and the standards of public life are rigorously upheld. Individual policies are reviewed on an annual basis.

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## THE DEVON AND EXETER INSTITUTION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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#### Objectives and activities (continued)

##### b. Strategies for achieving objectives

Our strategic vision for the next five years will ensure that:

- Our outstanding heritage building and research collection is preserved and made fit for contemporary needs
- We are leading as an educational charity by inspiring and engaging with people of all ages and abilities
- We are financially resilient and enterprising with a growing membership
- We have a strong employee and volunteer team which is well led and collaborative
- We offer an authentic, special and unique member and visitor experience

Our strategic vision builds on our charitable objects (since 1989):

- 'The advancement of public education particularly in the History, Literature and Arts of the County of Devon, the City of Exeter and of the South West of England generally and particularly by the provision and maintenance of a Library, Reading Rooms and educational facilities'
- 'The advancement of heritage by the preservation of number 7 Cathedral Close Exeter for the public benefit as a building of historic and architectural interest and value'

Our strategic vision builds on our founding resolution (1813):

- 'That an Institution be established for promoting the general diffusion of Science, Literature and the Arts, and for illustrating the Natural and Civil History of the County of Devon and the History of the City of Exeter'

##### c. Activities undertaken to achieve objectives

On 6 April 2017, The Devon and Exeter Institution was established as a CIO with registered charity number 1172445. The assets of the registered charity were transferred to the new CIO at the end of July 2017. Although without assets, the original registered charity (now referred to as a Charitable Association) will continue. This is necessary to ensure that the DEI is able to benefit from any legacies that may have been left to the Charitable Association.

The institution has reviewed and updated its governance and management structure in order to achieve the strategic objectives outlined above.

#### Achievements and performance

##### a. Main achievements of the Charity

In the past year, we have continued to develop a sustainable future for the Institution and improve our capability to deliver our charitable objects. Our 2019 Strategic Review mapped our vision for the next ten years and the success of our Round 1 National Lottery Heritage Fund bid (in March 2020) has given us a framework and funding to put this vision into practice. The development phase was completed in May 2021 and we await a decision on the Round 2 bid for the remaining sum of £815,000 in September. Additional grant funding from the Pilgrim Trust and the Friends of Devon Archives has enabled us to complete phase 1 of the Our Region Revealed project, to digitise our illustrations and to improve access to this collection. As at the end of the reporting period, we have applied for additional grant funding to pay for a second phase of this work.

The new management structure, implemented in April 2020, has become successfully embedded this reporting year and our key areas of work are led by the Director of Programmes and Projects and the Director of Collections and Research. A Leadership Team provide a strategic lead for the Institution and this comprises the Directors, Chair, Hon Secretary, Vice-Chair and Hon Treasurer.

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## THE DEVON AND EXETER INSTITUTION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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#### Achievements and performance (continued)

In the past year, we have worked closely with the Visitor Economy and Cultural Recovery Group to support a city-wide recovery plan. We continue to play a key role in the Exeter Heritage Partnership and Exeter Culture and have become a partner organisation for UNESCO City of Literature. We have close working relationships with the Independent Libraries Association and the Museums Association. We approach the coming year as an outward facing and resilient and organisation.

#### b. Review of activities

Despite careful management and a busy online programme, membership income and venue hire income have suffered in the periods of lockdown. Due to the closure of our building, we were unable to attract many new memberships and during the reporting period and membership renewals fell to around 75% of the pre-COVID levels. Membership is recovering well, since reopening the building at the end of May. We are very appreciative of all those members who continued to support the charity during this difficult period.

Our hard-working staff team maintained the critical path of our development project (with one staff member on partial furlough) and continued to prepare the NLHF Round 2 bid. The team further developed our strong online presence and have worked with partner organisations remotely. The continuation of our activities in an online format has helped to mitigate membership losses and provided an innovative virtual service throughout the closure period, which has received national heritage sector recognition. Many organisations see us as an exemplar. Grants from the Heritage Emergency Fund and Exeter City Council have supported us to maintain operational cashflow and we would like to extend our thanks to these organisations for the additional grants received, which have enabled us to end the year in a reasonably strong financial position.

Our operating costs have been carefully managed by our Trustees and our Finance Officer. Variable costs have been kept to a minimum during the periods of closure during lockdowns (including partial furlough of one staff member). Additionally, in the reporting period (since April 2021) some limited funding support has come from increases in the value of our reserves.

Our Director of Programme and Projects has project managed the Round 1 development phase and our National Lottery Heritage Fund Round 2 approval decision is expected in September 2021. The Next Chapter project will create physical space and essential infrastructure for our services and activities to flourish and expand. In this project, we will address the pressing need to reconsider the way we use space in the building; we will become more accessible and further develop our understanding of the collection and our capacity to enhance wellbeing and support pandemic recovery. Central to our project is the creative drive to engage with a wider range of people as our charitable objects demand and as our founders intended in 1813. Our Conservation Architect has worked closely with our project team in developing plans for conservation and upgrades to our heritage building. This has involved establishing a quinquennial review process, conservation management plan and an options appraisal to support our application for Listed Building Consent.

Our Director of Collections and Research successfully relaunched our Adopt a Book and Rescue a Book schemes to support our conservation programme; both schemes have been popular with members. We have also introduced a bookable research service in the Inner Library for members using our heritage and West Country collections. Initial work on our Collections Review has given greater insight into the significance and research potential of our special collections. With Stage 1 now completed on our Digitisation Project, we have digitised part of our collection of prints and drawings and launched the images on our new online platform, Collections Explorer. Thanks to the work of our Digitisation Coordinator (who left the DEI in June 2021), we are preserving the collection while making it more accessible to members and to researchers further afield. We are now planning and establishing grant funding for Stage 2 of the digitisation project, to start in autumn 2021.

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## THE DEVON AND EXETER INSTITUTION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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#### **Achievements and performance (continued)**

Our learning and engagement programme has continued, managed by our Director of Programme and Projects and Saturday Coordinators. Our programme during lockdowns has included online lectures and talks; outreach to schools and the wider community; Saturday workshops and University collaborations. The programme has continued to thrive by establishing a safe and welcoming recovery programme. Our member-led activities including Film Club, Book Group and the West Quarter Project continued to provide connection and diversion for members during our temporary closure, and are now relaunching following easing of COVID restrictions.

Our annual grant from the University of Exeter enables students to access our research collections and also supports our programme of exhibitions and public engagement events. We additionally provide development opportunities for student volunteers and interns and this collaboration works successfully to the benefit of both organisations.

#### **c. Investment policy and performance**

Funds are held with CCLA Fund Managers Limited, the objective being security of capital, whilst also earning the best return we can. The performance in 2020/21 has again been good as our reserves holdings held with CCLA equity fund units have increased in value by just over 22% increase during the year, despite the recent impact of COVID on world markets and using £25,000 to support operational costs over this period. Trustees are pleased with this return, though appreciating that they may not achieve this level of return every year, and there is a level of risk involved with this kind of investment which could sometimes see capital value fall. The long-term trend even then, taking all years together, continues to provide a good investment return to DEI.

#### **Financial review**

##### **a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### **b. Reserves policy**

The policy of the trustees 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 approximate annual recurring non-project expenditure (approximately £280,000 to £420,000). For this purpose this reporting year is not a typical year due to COVID. Trustees consider that in a typical year the approximate non-project recurring expenditure is £140,000. At this level of reserves, the Trustees believe that they would be able to carry on the charity's activities in the event of a significant drop in funding.

The free reserves are at the desired level.

Further analysis of funds can be found in note 17.

##### **c. Assets**

Our building and collections were professionally valued in 2018 and the Board of Trustees consider that these valuations are still appropriate for this year's accounts. Our insurance cover is also renewed annually and is up to date.

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## THE DEVON AND EXETER INSTITUTION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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#### **Structure, governance and management**

##### **a. Constitution**

The Devon and Exeter Institution is a registered charity, number 1172445, and is constituted under a Trust deed. Our Constitution can be found in the governance area of our website or is available in the office.

##### **b. Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. The Trustees are responsible for recruiting and appointing staff with the relevant skills and experience to deliver executive roles as required.

The trustees recruited this year are:

M Brooksbank (co-opted 30/6/21) –Senior Capital Funding Officer, Arts Council England

C Easton (co-opted 30/6/21) – Marketing professional, Met Office

C Higgins (co-opted 30/6/21) – Librarian, St Catharine's College, Cambridge

J Morgane (co-opted 30/6/21) – Heritage professional and Manager, St Nicholas Priory

##### **c. Organisational structure and decision-making policies**

The Chair of the Board of Trustees is elected at the Annual Meeting of the Board of Trustees. The honorary treasurer, honorary secretary, vice-chair and the membership secretary may be appointed, if required, by the trustees at a meeting of the Board of Trustees. The trustees this year normally have met every six weeks. Trustees are elected for three years at the AGM and may serve two consecutive terms. Three members of the elected board need to be re-elected or stand down each year.

##### **d. Policies adopted for the induction and training of Trustees**

New trustees are introduced to their duties and responsibilities by the chair of the board at an induction session with members of the Leadership Team comprising officers and staff Directors.

##### **e. Financial risk management**

The Trustees regularly review 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. The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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THE DEVON AND EXETER INSTITUTION

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

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**Statement of Trustees' responsibilities**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



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**J Reeves**  
(Chair of Trustees)

Date: 22<sup>ND</sup> September 2021

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## THE DEVON AND EXETER INSTITUTION

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### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 30 JUNE 2021

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#### **Independent examiner's report to the Trustees of The Devon and Exeter Institution ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 30 June 2021.

#### **Responsibilities and basis of report**

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Your attention is drawn to the fact that the Charity has prepared the accounts 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) 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 been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 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.

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THE DEVON AND EXETER INSTITUTION

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INDEPENDENT EXAMINER'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021

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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.

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:



Dated:

23/09/21

Misty Nickells FCA

Griffin  
Chartered Accountants  
165 High Street  
Honiton  
EX14 1LQ

THE DEVON AND EXETER INSTITUTION

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	-	465	465	1,818
Charitable activities	4	61,079	101,117	162,196	136,142
Other trading activities	5	-	1,522	1,522	15,894
Investments	6	-	7	7	3
<b>Total income</b>		<b>61,079</b>	<b>103,111</b>	<b>164,190</b>	<b>153,857</b>
<b>Expenditure on:</b>					
Charitable activities	7	75,871	86,707	162,578	157,447
<b>Total expenditure</b>		<b>75,871</b>	<b>86,707</b>	<b>162,578</b>	<b>157,447</b>
<b>Net (expenditure)/income before net gains on investments</b>		<b>(14,792)</b>	<b>16,404</b>	<b>1,612</b>	<b>(3,590)</b>
Net gains on investments		-	71,658	71,658	40,201
<b>Net movement in funds</b>		<b>(14,792)</b>	<b>88,062</b>	<b>73,270</b>	<b>36,611</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		55,713	1,750,934	1,806,647	1,770,036
Net movement in funds		(14,792)	88,062	73,270	36,611
<b>Total funds carried forward</b>		<b>40,921</b>	<b>1,838,996</b>	<b>1,879,917</b>	<b>1,806,647</b>

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

The notes on pages 13 to 28 form part of these financial statements.

**THE DEVON AND EXETER INSTITUTION**

**BALANCE SHEET  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	17,498	20,420
Heritage assets	12	1,471,502	1,395,925
Investments	13	366,185	319,527
		<u>1,855,185</u>	<u>1,735,872</u>
<b>Current assets</b>			
Debtors	14	794	19,892
Cash at bank and in hand		59,353	57,645
		<u>60,147</u>	<u>77,537</u>
Creditors: amounts falling due within one year	15	(35,415)	(6,762)
<b>Net current assets</b>		<u>24,732</u>	<u>70,775</u>
<b>Total assets less current liabilities</b>		<u>1,879,917</u>	<u>1,806,647</u>
<b>Net assets excluding pension asset</b>		<u>1,879,917</u>	<u>1,806,647</u>
<b>Total net assets</b>		<u><u>1,879,917</u></u>	<u><u>1,806,647</u></u>
<b>Charity funds</b>			
Restricted funds	17	40,921	55,713
Unrestricted funds	17	1,838,996	1,750,934
<b>Total funds</b>		<u><u>1,879,917</u></u>	<u><u>1,806,647</u></u>

The financial statements were approved and authorised for issue by the Trustees on 22<sup>ND</sup> September 2021 and signed on their behalf by:



**J Reeves**  
(Chair of Trustees)

The notes on pages 13 to 28 form part of these financial statements.

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## THE DEVON AND EXETER INSTITUTION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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#### 1. General information

The Devon and Exeter Institution is a Charitable Incorporated Organisation, registered in England and Wales. The registration number is 1172445 and the registered office address is 7 Cathedral Close, Exeter, EX1 1EZ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Devon and Exeter Institution meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

##### 2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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## THE DEVON AND EXETER INSTITUTION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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#### 2. Accounting policies (continued)

##### 2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

##### 2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20% reducing balance
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##### 2.6 Heritage assets

The Devon and Exeter Institution owns heritage assets including the property and library, works of arts and a collection of rare books, which are held and maintained principally for their contribution to the objectives of the charity. They are initially recognised at cost, or at valuation of donated, and are subsequently measured at their fair value, being market value. Carrying amounts of heritage assets are reviewed with sufficient frequency to ensure valuations remain current. Heritage assets are reviewed at each reporting date for impairment. Any changes in valuation are recognised as a gain or loss on revaluation of fixed assets in the Statement of Financial Activities in the period they arise.

Depreciation is provided on the following basis:

Heritage assets	-	No depreciation
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##### 2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

##### 2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.11 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.12 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2.13 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Income from donations and legacies**

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	465	465

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

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3. Income from donations and legacies (continued)

	<i>As restated Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Donations	1,818	1,818

4. Income from charitable activities

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Grants received	61,079	53,431	114,510
Membership subscriptions	-	47,686	47,686
	<u>61,079</u>	<u>101,117</u>	<u>162,196</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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4. Income from charitable activities (continued)

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Grants received	66,540	10,000	76,540
Membership subscriptions	-	59,602	59,602
	<u>66,540</u>	<u>69,602</u>	<u>136,142</u>

5. Income from other trading activities

Income from fundraising events

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Lectures and talks	16	16
Room Bookings, Social Events & Courtenay Room Takings	662	662
Film Club	24	24
Cards and booklets	820	820
	<u>1,522</u>	<u>1,522</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lectures and talks	4,481	4,481
Room Bookings, Social Events & Courtenay Room Takings	10,835	10,835
Film Club	501	501
Cards and booklets	77	77
	<u>15,894</u>	<u>15,894</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	7	7
	<u>7</u>	<u>7</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	3	3
	<u>3</u>	<u>3</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	161,138	1,440	162,578
	<u>161,138</u>	<u>1,440</u>	<u>162,578</u>
	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Charitable activities	156,067	1,380	157,447
	<u>156,067</u>	<u>1,380</u>	<u>157,447</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £
Staff costs	52,923	52,923
Depreciation	4,302	4,302
Rates and water	2,180	2,180
Insurance	7,192	7,192
Light and heat	5,186	5,186
IT and telephone	4,159	4,159
Postage and stationery	842	842
Advertising	1,391	1,391
Sundries	2,389	2,389
Cleaning	6,274	6,274
Repairs and maintenance	4,869	4,869
Newspapers and journals	3,196	3,196
Catering	1	1
Education programmes, conservation and sustainability	61,267	61,267
Trade subscription	1,848	1,848
Books	721	721
Film club expenses	91	91
Training	2,307	2,307
	<u>161,138</u>	<u>161,138</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Activities</i> 2020 £	<i>Total</i> <i>funds</i> 2020 £
Staff costs	52,942	52,942
Depreciation	5,105	5,105
Rates and water	2,417	2,417
Insurance	6,912	6,912
Light and heat	5,863	5,863
IT and telephone	2,745	2,745
Postage and stationery	1,604	1,604
Advertising	1,694	1,694
Sundries	1,310	1,310
Cleaning	3,882	3,882
Repairs and maintenance	8,519	8,519
Newspapers and journals	4,126	4,126
Catering	7,438	7,438
Education programmes, conservation and sustainability	47,081	47,081
Trade subscription	1,845	1,845
Books	723	723
Film club expenses	501	501
Training	1,041	1,041
Legal and professional	319	319
	156,067	156,067
	156,067	156,067

**Analysis of support costs**

	<i>Activities</i> 2021 £	<i>Total</i> <i>funds</i> 2021 £
Governance costs	1,440	1,440
	1,440	1,440
	1,440	1,440

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**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Activities 2020 £</i>	<i>Total funds 2020 £</i>
Governance costs	1,380	1,380
	<u>1,380</u>	<u>1,380</u>

**8. Independent examiner's remuneration**

The independent examiner's remuneration amounts to an independent examiner fee of £1,440 (2020 - £1,380).

**9. Staff costs**

	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	49,807	51,959
Social security costs	1,074	-
Contribution to defined contribution pension schemes	2,042	983
	<u>52,923</u>	<u>52,942</u>

The average number of persons employed by the Charity during the year was as follows:

	<b>2021 No.</b>	<b>2020 No.</b>
Employees	8	8
	<u>8</u>	<u>8</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the Chair of Trustees, Secretary, Treasurer and the Directors of Programme and Projects and Collections and Research. The total employee benefit paid to the key management personnel in the year to 30 June 2021 is £60,731 (2020 - £38,365)

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 30 June 2021, expenses totalling £136 were reimbursed or paid directly to a Trustee (2020 - £1,553). The nature of the expenses was reimbursement for charity sundry and office supplies paid for personally.

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11. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 July 2020	91,096
Additions	1,380
At 30 June 2021	<u>92,476</u>
<b>Depreciation</b>	
At 1 July 2020	70,676
Charge for the year	4,302
At 30 June 2021	<u>74,978</u>
<b>Net book value</b>	
At 30 June 2021	<u>17,498</u>
At 30 June 2020	<u>20,420</u>

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**12. Heritage assets**

**Assets recognised at cost**

	Property at valuation 2021 £	Works of art at valuation 2021 £	Rare books at valuation 2021 £	Total 2021 £
Carrying value at 1 July 2020	645,000	207,525	543,400	1,395,925
Additions	75,577	-	-	75,577
	<u>720,577</u>	<u>207,525</u>	<u>543,400</u>	<u>1,471,502</u>

Property held within heritage assets was independently valued in October 2018 by Vickery Holman Property Consultants at its fair value. The value was given on the basis of market value.

Works of art held within heritage assets were independently valued in April 2018 by Bearnese, Hampton & Littlewood Auctioneers and Valuers at their fair value. The valuation was given on the basis of what it may cost to replace the items in their condition at the date of valuation with similar items in a similar condition if purchased or purchasable in the ordinary retail market.

Rare books held within heritage assets were independently valued in August 2018 by Bonhams Fine Art Auctioneers and Valuers at their fair value. The valuation was given on the basis of the prices the items may achieve if sold at auction, before deduction of any charges and excluding any buyers premium.

**Analysis of heritage asset transactions**

	2021 £	2020 £	2019 £	2018 £	2017 £
<b>Purchases</b>					
Property additions at cost	75,577	-	-	-	-
<b>Total additions</b>	<u>75,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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13. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 July 2020	319,527
Disposals	(25,000)
Revaluations	71,658
	366,185
At 30 June 2021	366,185
 <b>Net book value</b>	
At 30 June 2021	366,185
At 30 June 2020	319,527

14. Debtors

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	632	342
Prepayments and accrued income	162	19,550
	794	19,892
	794	19,892

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	32,310	3,663
Other taxation and social security	1,239	1,139
Other creditors	426	430
Accruals and deferred income	1,440	1,530
	35,415	6,762
	35,415	6,762

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**16. Prior year adjustments**

A prior year adjustment has been made to reclassify income of £10,000 from donations and legacies to income from charitable activities. This all relates to Covid-19 emergency funding received from Exeter City Council.

**17. Statement of funds**

**Statement of funds - current year**

	Balance at 1 July 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2021 £
<b>Unrestricted funds</b>					
General funds	1,750,934	103,111	(86,707)	71,658	1,838,996
<b>Restricted funds</b>					
Legacy	13,258	-	-	-	13,258
Heritage programme	5,034	36,079	(41,113)	-	-
Sustainability programme	33,121	25,000	(34,758)	-	23,363
Digitisation programme	4,300	-	-	-	4,300
	<u>55,713</u>	<u>61,079</u>	<u>(75,871)</u>	<u>-</u>	<u>40,921</u>
<b>Total of funds</b>	<u><u>1,806,647</u></u>	<u><u>164,190</u></u>	<u><u>(162,578)</u></u>	<u><u>71,658</u></u>	<u><u>1,879,917</u></u>

Restricted funds represent the net value of income and expenditure, before transfers, in relation to the following activities:

**Legacy** - A legacy received to be spent on activities associated with the conservation of the institution's book collection and other heritage assets.

**Heritage programme** - Funding received from the National Lottery required to be spent on the heritage building, charitable programme and operational development.

**Sustainability programme** - Partnership and grant funding to be spent on activities associated with the charity's future programme of sustainability activities.

**Digitisation programme** - Funding received from the Pilgrim Trust, Friends of Devon Archive and the National Lottery Heritage Fund required to be spent on digitalising the institution's illustrative art collection.

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NOTES TO THE FINANCIAL STATEMENTS  
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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 July 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2020 £
<b>Unrestricted funds</b>					
General funds	1,714,958	87,317	(91,542)	40,201	1,750,934
<b>Restricted funds</b>					
Legacy	13,258	-	-	-	13,258
Heritage programme	8,701	19,550	(23,217)	-	5,034
Sustainability programme	33,119	25,990	(25,988)	-	33,121
Digitisation programme	-	21,000	(16,700)	-	4,300
	55,078	66,540	(65,905)	-	55,713
<b>Total of funds</b>	<b>1,770,036</b>	<b>66,540</b>	<b>(157,447)</b>	<b>40,201</b>	<b>1,806,647</b>

18. Summary of funds

Summary of funds - current year

	Balance at 1 July 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2021 £
General funds	1,750,934	103,111	(86,707)	71,658	1,838,996
Restricted funds	55,713	61,079	(75,871)	-	40,921
	1,806,647	164,190	(162,578)	71,658	1,879,917

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18. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 July 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 30 June 2020</i>
	£	£	£	£	£
General funds	1,714,958	87,317	(91,542)	40,201	1,750,934
Restricted funds	55,078	66,540	(65,905)	-	55,713
	<u>1,770,036</u>	<u>153,857</u>	<u>(157,447)</u>	<u>40,201</u>	<u>1,806,647</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	<i>Restricted funds 2021</i>	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£	£
Tangible fixed assets	-	17,498	17,498
Fixed asset investments	-	366,185	366,185
Heritage assets	-	1,471,502	1,471,502
Current assets	40,921	19,226	60,147
Creditors due within one year	-	(35,415)	(35,415)
<b>Total</b>	<u>40,921</u>	<u>1,838,996</u>	<u>1,879,917</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020</i>	<i>Unrestricted funds 2020</i>	<i>Total funds 2020</i>
	£	£	£
Tangible fixed assets	-	20,420	20,420
Fixed asset investments	-	319,527	319,527
Heritage assets	-	1,395,925	1,395,925
Current assets	55,713	21,824	77,537
Creditors due within one year	-	(6,762)	(6,762)
<b>Total</b>	<u>55,713</u>	<u>1,750,934</u>	<u>1,806,647</u>

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**20. Pension commitments**

The Devon and Exeter Institution operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,042 (2020 - £983). £426 (2020 - £430) was payable to the fund at the balance sheet date and is included in creditors.