

MRS E.M. BATES TRUST

Registered Charity No : 1082306

REPORT OF THE TRUSTEES

and

ACCOUNTS

FOR THE YEAR ENDED 31st AUGUST 2025

MRS E.M. BATES TRUST

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MRS E.M. BATES TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2025

| | |
|---------------------------|--|
| TRUSTEES | Mr R Coy Rt Rev S Groves (Chair) Mrs J Seaton Mr G Seaton Ms Z Taylor Mr J Hancock |
| PRINCIPAL ADDRESS | 5 Muswell Hill London N10 3TJ |
| REGISTERED CHARITY NUMBER | 1082306 |
| INDEPENDENT AUDITORS | Knox Cropper LLP Chartered Accountants & Statutory Auditors 65 Leadenhall Street London. EC3A 2AD |
| LEGAL ADVISERS | Cripps Number 22, Mount Ephraim Tunbridge Wells Kent. TN4 8AS |
| BANKERS | CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling. ME19 4JQ |
| INVESTMENT MANAGERS | Brewin Dolphin 12 Smithfield Street London. EC1A 9LA |

MRS E.M. BATES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2025

The Trustees present their report with the financial of the charity for the year ended 31 August 2025. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Mrs Bates' original gifts were quite specific as to how the income of the two Trusts which she created was to be apportioned and applied for the benefit of the Moravian Church and these original objects are reflected in the new scheme which combines the original Trusts, namely:

- 1) "to pay a yearly sum of £500 to Gracehill Church, Ballymena, County Antrim".
- 2) "to advance the religious and other charitable purposes of the Moravian Church in the British Province; including the provision of choir houses and the advancement of education for children of ministers and missionaries of the Moravian Church".
- 3) "to advance the religious and other charitable purposes of the Moravian Church in any part of the world".

As noted in the Financial Review below, the Trust changed to the Total Return approach to investment from 1 September 2024. As a result of this change, the Trust's Investment, and Reserves & Grant Making policies have been amended to reflect the operation of a Total Return approach to investment.

There has been no other change to the policies adopted in furthering the objectives of the Trust during the period.

PUBLIC BENEFIT

The Trustees confirm that they have considered the general guidance issued by the Charity Commission in connection with public benefit in setting the objectives of the Charity and in particular they have considered how planned activities further the charity's objects.

The sole beneficiary of the Mrs E. M. Bates Trust is the Moravian Church and its congregations. The Moravian Church in turn provides public benefit by promoting the Christian faith and the spiritual well being of its members. It currently has a following within the United Kingdom of approximately 1200 members.

FINANCIAL REVIEW

Change to the Total Return approach to investment

The Trust's work is entirely reliant on income and investment returns from its endowments. On 28 November 2023 after taking the advice of their Investment Managers the Trustees took advantage of the Charities (Total Return) Regulations 2013 (the Regulations) to adopt the Total Return approach to investment from 1 September 2024.

Before that date the 2000 Trust Deed required that the whole net incoming resources of the Trust for the year should be paid to the beneficiaries, whilst capital appreciation was retained to supplement the Trust Funds. The Trustees sought to balance the interests of present and future beneficiaries through their investment policy by balancing income and capital growth.

In identifying the value of the portion of the permanent endowment that represented unapplied total return, the Trustees selected the balance of the permanent endowment fund of the Trust at 15 December 1984.

Following the change to Total Return investment, the Trustees now agree an annual budget for grants and administration in consultation with their Investment Managers. Income and gains and losses on disposals are accumulated within the investment portfolio, while budgeted expenditure is allocated to the Unrestricted Income Fund following the Grant Making and Reserves Policy.

When agreeing the budget, the Trustees have considered the amount of income required to maintain the current level of charitable activity, and the likely needs of the beneficiaries in the future. They have also taken professional advice from the Investment Managers regarding market outlook, investment trends and yield and the prospect for future capital growth.

The Trust's policies for Investment and Reserves & Grant Making will be reviewed every three years.

MRS E.M. BATES TRUST
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2025

Financial position

In the year to 31 August 2025, the investments of the Trust generated a total return net of investment broker's charges of £869,836 or 7.69%. (2024: £879,865 or 8.16%).

Reserves

As part of the Trust's commitment to maintaining the permanent endowment and its ability to generate adequate future returns, their Policies allow the Trustees each year allocate from the Unapplied Total Return to the Investment Fund the maximum amount permitted under The Regulations. In view of market conditions in the past year, and after taking the advice of their Investment Managers, no allocation was made in 2025.

The Trust's Grant Making and Reserves Policy permits it to hold in its Income Fund up to twice the following year's budgeted expenditure, including support costs and grants. The Trustees consider that this is appropriate given the flexibility afforded by the total return approach towards the investment of the permanent endowment which allows Trustees to transfer amounts from the unapplied total element of the endowment fund in the case of urgent need.

At the end of the year, the balance in the unrestricted income fund was £389,159 (2024: £nil). With the adoption of the Total Return approach to investment from 1 September 2024, on that date the Trustees transferred £766,722 from the Unallocated Total Return to the Income Fund.

At the end of the year, the total of endowment funds was £11,740,356 (2024: £11,647,242).

Grant making

The Trustees seek to prioritise equally three objectives,

- To set and maintain a level of annual grants to the Moravian Union which as far as possible is predictable and sustainable, and maintains their purchasing power.
- To maintain the annual grant to Gracehill Church, Ballymena, in County Antrim of £500.
- Not to compromise the ability of the permanent endowment to generate future returns which support and sustain the level of grant making in the medium and long term.

In setting the level of annual grants, the Trustees seek the advice of their investment managers in line with the Reserves & Grant Making Policy of the Trust.

During the year, grants of £367,161 were made (2024: £416,704). The grants made in 2024 were impacted by an exceptional dividend from the Charities Property Fund which the Trust was obliged to pay out as a grant under the rules relating to its endowment fund prior to the adoption of Total Return.

Investment

The Trust has a mixed portfolio of Stock Exchange investments and shares in the Charities Property Fund.

The Trustees have the power to delegate investment management and may allow investments to be held in the nominee names of investment managers. With the exception of the shares in the Charities Property Fund, these powers have been exercised and discretion to manage the quoted securities has been given to the stockbrokers on the basis of guidelines given to them by the Trustees, whose nominee company holds the Trust's investments.

In order to ensure sufficient liquidity, the Trust has instructed its Investment Managers to hold between one and two year's cash requirement in cash equivalent funds. Such funds are highly liquid and potentially earn a better return than cash held in standard bank accounts. Cash and cash equivalents are classified as either fixed asset investments or current assets in the balance sheet and notes depending on the intended time period in which they will be realised and their function within the Trust's investment strategy.

The Trustees have resolved that their investment policy should be to obtain a satisfactory total return comprising income and capital growth against a background of moderate investment risk and sufficient liquidity to meet grant commitments.

Furthermore, the investment managers have been instructed to use ethical principles to manage the funds of the Trust and have been provided with clear guidance on how this is to be applied by avoiding holdings in companies whose main activities are in the manufacture or supply of armaments, tobacco, breweries and gambling.

MRS E.M. BATES TRUST
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Mrs. E. M. Bates Trust was formed on the 26 June 2000, under a Scheme made by the Charity Commissioners, by the merger of two charitable trusts: Mrs Elizabeth Mary Bates' gift for the Unity of the Brethren, known as the Moravian Church, under deed dated 11 February 1813 (Charity number 234212) and Mrs Elizabeth Mary Bates' gift for the Unity of the Brethren or Moravians under deed dated 25 July 1815 (Charity number 234214). The two separate funds were amalgamated from this date and the charities administered as one charity known as Mrs. E. M. Bates Trust (Charity number 1082306).

Trustees

The names of the Trustees who served during the period and up to the date of this report are shown on page 1. There were five co-opted Trustees and one ex-officio Trustee during the course of the year. The co-opted Trustees are usually appointed upon the advice of the Provincial Elders Council (PEC) of the Moravian Church, while the ex-officio Trustee is the minister of Gracehill Church.

When a vacancy occurs on the Board, the PEC of the Moravian Church is usually invited to approach people with the essential skills and recommend them to the Trustees for their consideration. Having considered the CV's of prospective candidates, one individual is invited by the Trustees to attend a Board meeting as an observer. If the Board feel that the candidate is suitable, and the candidate feels similarly, he/she is invited to the next meeting and to be elected to the Board. New Trustees are given a 'red book' which contains all the background details/information on the Trust including the latest accounts, trustee responsibilities and governance arrangements in place.

Management

The Trustees meet twice a year. The Trustees are advised by the professional advisers listed under Reference and Administrative Details. The Trust has no employees. Administrative support is provided free of charge by the Trust's beneficiaries. The Trustees were deeply saddened to hear of the death of their Clerk, Mrs Lindsey Newens, in July 2025. Her practical support for the Trust over the years has been much appreciated.

Risk management

The Trustees have reviewed the major strategic, business and operational risks which the charity faces and confirm that systems have been established to mitigate those risks. Arrangements have been made for regular reports to be produced so that the Trustees can ensure that appropriate safeguards remain in place.

The Trustees consider variability of investment returns on the permanent endowment to constitute the Trust's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio. The Trustees manage the permanent endowment on a total return basis as permitted by the Charities (Total Return) Regulations 2013. The Trustees consider that the use of a total return approach helps to both increase and stabilise the resources for grant-making.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Liquidity risk for listed investments falls into two categories. For investments in the Charities Property Fund, trading is on fixed quarterly dates only, and the nature of the fund is such that it may be restricted in certain market conditions. For other investments, the risk depends on the commitment to intervention by central banks and market regulators to provide for orderly trading in the markets. The Trust's investments in this category are mainly traded in markets with good liquidity and high trading volumes.

MRS E.M. BATES TRUST
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2025

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the Trustees are required to,

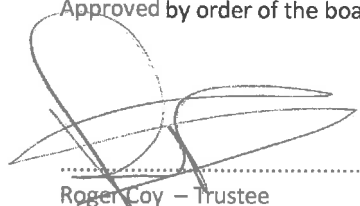
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

AUDITORS

Knox Cropper LLP have indicated their willingness to continue in office and a resolution to reappoint them as the Trust's auditor and confirm their reappointment following their change of status to Knox Cropper LLP will be put to the Board of Trustees at the forthcoming meeting.

Approved by order of the board of Trustees on 25th November 2025 and signed on its behalf by:



.....
 Roger Coy – Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MRS E.M. BATES TRUST**

Opinion

We have audited the financial statements of Mrs E.M. Bates Trust (the 'charity') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2025 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 this gives rise to a material misstatement in the financial statements themselves. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MRS E.M. BATES TRUST

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 which 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 charity'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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).
- We understood how the Charity is complying with those frameworks via communication with those charged with governance, together with the review of the Charity's documented policies and procedures.
- We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition and Management override of Controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the charity's recognition of income to underlying support, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Charity.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MRS E.M. BATES TRUST

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.

A handwritten signature in black ink that reads "Knox Cropper LLP". The signature is written in a cursive, flowing style.

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

1st December 2025

MRS E.M. BATES TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st AUGUST 2025

| | Notes | Unrestricted Funds Revenue £ | Endowment Funds £ | 2025 Total Funds £ | 2024 Total Funds £ |
|--|-------|---------------------------------------|-------------------------|--------------------------|--------------------------|
| Income and Endowments From: | | | | | |
| Investments | 2 | - | 408,897 | 408,897 | 474,460 |
| | | - | 408,897 | 408,897 | 474,460 |
| Total income | | | | | |
| Expenditure on: | | | | | |
| Cost of raising funds – investment management fees | 4 | - | 37,733 | 37,733 | 38,383 |
| Charitable activities – grant making | 5 | 387,563 | - | 387,563 | 436,077 |
| | | 387,563 | 37,733 | 425,296 | 474,460 |
| Total expenditure | | | | | |
| | | (387,563) | 371,164 | (16,399) | - |
| Net income/(expenditure) | | | | | |
| | | | | | |
| Net gains/(losses) on investment assets | 8 | - | 498,673 | 498,673 | 443,788 |
| | | (387,563) | 869,837 | 482,274 | 443,788 |
| Net movement in funds | | | | | |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | - | 11,647,242 | 11,647,242 | 11,203,454 |
| Transfer of funds | 3 | 776,722 | (776,722) | - | - |
| Total funds carried forward | | 389,159 | 11,740,357 | 12,129,516 | 11,647,242 |

CONTINUING OPERATIONS

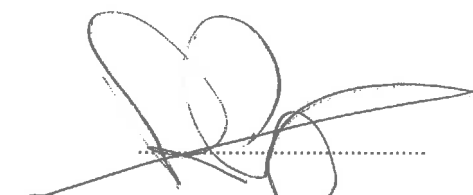
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

MRS E.M. BATES TRUST
BALANCE SHEET
AS AT 31st AUGUST 2025

| | | 2025 | | | 2024 |
|--|----|----------------------------------|-------------------------|---------------------|-------------------|
| | | Unrestricted Income Fund £ | Endowment Funds £ | Total Funds £ | Total Funds £ |
| FIXED ASSETS | | | | | |
| Investments | | | | | |
| Investments | 8 | - | 11,409,185 | 11,409,185 | 11,158,169 |
| Cash and cash equivalents | | 178,639 | 195,674 | 374,313 | - |
| Concessionary Loan | 9 | - | 102,316 | 102,316 | 155,572 |
| Total Fixed Assets | | <u>178,639</u> | <u>11,707,175</u> | <u>11,885,814</u> | <u>11,313,741</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 10 | 4,586 | 39,445 | 44,031 | 39,199 |
| Cash equivalents | | 200,000 | - | 200,000 | - |
| Cash at bank and in Hand | 11 | 48,740 | - | 48,740 | 382,617 |
| | | <u>253,326</u> | <u>39,445</u> | <u>292,771</u> | <u>421,816</u> |
| CREDITORS | | | | | |
| Creditors: amounts falling due within one year | 12 | (42,806) | (6,263) | (49,069) | (88,315) |
| NET CURRENT ASSETS | | <u>210,520</u> | <u>33,182</u> | <u>243,702</u> | <u>333,501</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | <u>389,159</u> | <u>11,740,357</u> | <u>12,129,516</u> | <u>11,647,242</u> |
| NET ASSETS | | <u>389,159</u> | <u>11,740,357</u> | <u>12,129,516</u> | <u>11,647,242</u> |
| TOTAL FUNDS | | <u>389,159</u> | <u>11,740,357</u> | <u>12,129,516</u> | <u>11,647,242</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 25th November 2025 and were signed on its behalf by:



Roger Coy - Trustee

The notes form part of these financial statements

MRS E.M. BATES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention with items recognised at the cost or transaction value unless otherwise stated in the relevant notes(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The presentational currency of the financial statements is Pound Sterling (£).

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

Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Charity holds its investment portfolio as an endowment fund using the total return approach to investment and allocates the total return from the portfolio in accordance with its Investment and Reserves & Grant Making Policies. Its structure means that administration costs are minimal and it has no multi-year grant commitments.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

The Trust has a single permanent endowment which is managed on a total return basis. The Trustees may, at their discretion, allocate any part of the unapplied total return to the general purposes of the Trust.

Funds which have been allocated to the general purposes of the Trust are held in the Unrestricted Income Fund which the Trustees are free to use in furtherance of the Trust's objects.

Unrestricted Funds may be applied by the Trustees in pursuance of the charitable objects of the Trust.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and Unrealised investment gains and losses are combined in the Statement of Financial Activities.

MRS E.M. BATES TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31st AUGUST 2025

Fixed asset investments (continued)

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within certain sectors or sub sectors.

The charity has extended a concessionary loan to its primary beneficiary. This is initially recognised and measured at the amount paid with the carrying amount adjusted in subsequent years to reflect repayments, any impairments and accrued interest.

2 INVESTMENT INCOME

| | 2025 | 2024 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Income from listed investments | 388,689 | 463,797 |
| Deposit account interest | 17,583 | 6,987 |
| Concessionary Loan Interest | 2,625 | 3,676 |
| | <u>408,897</u> | <u>474,460</u> |

The assets of the Trust are managed as a single mixed portfolio and none of the income or capital appreciation arising in the year has been attributed to the Income Fund. In 2024 100% of the investment income was attributable to the endowment fund.

3 APPLICATION OF TOTAL RETURN TO THE INVESTMENT FUND AND UNALLOCATED TOTAL RETURN

On 21 May 2024 the Trustees passed a section 104A(2) resolution to adopt the Total Return approach to investment in relation to the entire endowment fund (the Fund) with effect from 1 September 2024. On 21 May 2024 they identified and recorded the value of the Fund at 15 December 1984. This sets the baseline value of the permanent endowment fund. The difference between the baseline value and the value of the endowment fund as stated in the audited accounts for the year ended 31 August 2024 represented the opening balance of the unapplied total return.

The power of total return permits the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment.

The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. Having considered their obligations under the duty of even-handedness between present and future beneficiaries, the Trustees made a transfer of £776,722 from unapplied total return to unrestricted income funds on 1 September 2024. In 2024 under the previous investment approach £474,460 of income was credited directly to the unrestricted income reserve.

In deciding on the amount to transfer to income funds, the Trustees took the advice of their investment managers, Brewin Dolphin, as to the likely investment trends and the sustainability of the investment fund after considering various levels of transfer to income.

MRS E.M. BATES TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31st AUGUST 2025

3 APPLICATION OF TOTAL RETURN TO THE INVESTMENT FUND AND UNALLOCATED TOTAL RETURN (continued)

| | Investment Fund | Unapplied Total Return | 2025 Total Endowment Funds | 2024 Total Endowment Funds |
|--|--------------------|---------------------------|----------------------------------|-------------------------------------|
| | £ | £ | £ | £ |
| Investment Fund b/fwd | 11,647,242 | - | 11,647,242 | 11,203,454 |
| Creation of the unapplied total return on adoption of Total Return approach on 1 September 2024 | (10,782,256) | 10,782,256 | - | - |
| Balance as at 1 st September | 864,986 | 10,782,256 | 11,647,242 | 11,203,454 |
| Movement in the Year: | | | | |
| Investment Return, | | | | |
| Dividends and Interest | - | 408,897 | 408,897 | 474,460 |
| Realised Gains/(Losses) | - | 29,700 | 29,700 | 69,916 |
| Unrealised Gains/(Losses) | - | 468,973 | 468,973 | 373,872 |
| Investment management fees | - | (37,733) | (37,733) | (38,383) |
| Net return on investments | - | 869,837 | 869,837 | 879,865 |
| Unapplied Total Return Allocated to Income Fund | - | (776,722) | (776,722) | - |
| Transfer to Unrestricted Income Fund (See Note Below) | - | - | - | (436,077) |
| Net Movement in the Reporting Period | - | 93,115 | 93,115 | 443,788 |
| C/fwd at 31st August | 864,986 | 10,875,371 | 11,740,357 | 11,647,242 |

Note: There was no unapplied total return in 2024 prior to the adoption of the Total Return approach to investment.

4. COST OF RAISING FUNDS

| | 2025 £ | 2024 £ |
|------------------------------|-----------|-----------|
| Investment Managers' charges | 37,733 | 38,383 |

MRS E.M. BATES TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31st AUGUST 2025

5 CHARITABLE ACTIVITIES COSTS – GRANT MAKING

| | 2025 £ | 2024 £ |
|---|-----------------------|-----------------------|
| Grants Payable | | |
| British Province of the Moravian Church | 366,661 | 416,204 |
| Gracehill Church and its Dependencies | 500 | 500 |
| Total Grants Payable | <u>367,161</u> | <u>416,704</u> |
| Support Costs Attributable to Grant Making | | |
| Governance Costs | | |
| Trustees Expenses | 1,094 | 978 |
| Pensions | 6,850 | 6,642 |
| Auditors' Remuneration | 6,480 | 6,120 |
| Trustees' Indemnity Insurance | 528 | 505 |
| Legal Fees | 5,390 | 5,068 |
| Bank Charges | 60 | 60 |
| Total Governance Costs | <u>20,402</u> | <u>19,373</u> |
| Total Costs of Grant Making | <u><u>387,563</u></u> | <u><u>436,077</u></u> |

6. TRUSTEES REMUNERATION BENEFITS

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling its activities, directly or indirectly, including any Trustee of the Trust. The Trustees consider that key management personnel consist solely of the Trustees and no Trustee received any remuneration during the year (2024: £nil).

| | 2025 £ | 2024 £ |
|--------------------|--------------|------------|
| Trustees' Expenses | <u>1,094</u> | <u>978</u> |

Four Trustees (2024: three) were reimbursed their travel expenses in connection with Trustees meetings.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Endowment Funds £ | 2024 Total Funds £ |
|--|----------------------------|-------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Investment Income | 474,460 | - | 474,460 |
| EXPENDITURE ON | | | |
| Raising Funds – investment managers fees | 38,383 | - | 38,383 |
| Charitable Activities Grants Payable | 436,077 | - | 436,077 |
| | <u>474,460</u> | <u>-</u> | <u>474,460</u> |
| Net Gains/(Losses) on Investments | - | 443,788 | 443,788 |
| NET INCOME/(EXPENDITURE) | <u>-</u> | <u>443,788</u> | <u>443,788</u> |
| RECONCILIATION OF FUNDS | | | |
| Total Funds Brought Forward | - | 11,203,454 | 11,203,454 |
| TOTAL FUNDS CARRIED FORWARD | <u>-</u> | <u>11,647,242</u> | <u>11,647,242</u> |

MRS E.M. BATES TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31st AUGUST 2025

8. FIXED ASSET INVESTMENTS

| HISTORICAL COST | 2025 | 2024 |
|---|-------------------|-------------------|
| | £ | £ |
| Listed Investments | <u>9,874,928</u> | <u>9,911,731</u> |
| MARKET VALUE | | |
| At 1 st September 2024 | 11,158,169 | 10,568,872 |
| Additions | 1,547,544 | 1,692,872 |
| Disposals | (1,795,201) | (1,547,363) |
| Revaluations | 498,673 | 443,788 |
| At 31 st August 2025 | <u>11,409,185</u> | <u>11,158,169</u> |
| NET BOOK VALUE | | |
| At 31 August 2025 | <u>11,409,185</u> | <u>11,158,169</u> |
| There were no investment assets outside the UK. | | |

Analysis of listed investments by asset class:

| | 2025 | 2024 |
|-----------------------------------|-------------------|-------------------|
| | £ | £ |
| Fixed Interest Stocks | 1,008,953 | 1,141,757 |
| Equities | 6,546,606 | 6,253,761 |
| The Charities Property Fund (CPF) | 3,853,626 | 3,762,649 |
| Total Market value | <u>11,409,185</u> | <u>11,158,167</u> |

With the exception of the CPF, the above listed investments are dealt with on a recognised stock exchange.

The following investments individually represent 5% or more of the total holding of the Trust:

| | Number of Units/Nominal Value | Market Value |
|---|--|---------------------|
| | 2025 | 2025 |
| | £ | £ |
| The Charities Property Fund Common Investment Fund | <u>3,192,202</u> | <u>3,853,626</u> |

9. CONCESSIONARY LOAN

| | 2025 | 2024 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Balance at the beginning of the year | 155,572 | 207,776 |
| Repayments during the year | (55,881) | (55,880) |
| Interest receivable for the year | 2,625 | 3,676 |
| Balance at the end of the year | <u>102,316</u> | <u>155,572</u> |
| Repayable within one year | 54,245 | 55,884 |
| Repayable outside one year | 48,071 | 99,688 |
| | <u>102,316</u> | <u>155,572</u> |

During the year ended 31 August 2017, a loan of £500,000 was extended to the British Province of the Moravian Union, the asset holding body of the Moravian Church. The loan was to provide investment funding to the Moravian Union which is undertaking a major fixed asset properties repair programme. The loan is being repaid over a period of 10 years and is secured against 5 Winkley Court.

MRS E.M. BATES TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31st AUGUST 2025

10. DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 | 2024 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Sundry Debtors | 4,167 | - |
| Accrued Income | 419 | 398 |
| Charities Property Fund | 33,815 | 32,789 |
| Other Investments | 5,630 | 6,012 |
| | <u>44,031</u> | <u>39,199</u> |

11. CASH

| | 2025 | 2024 |
|---|---------------|----------------|
| | £ | £ |
| On Deposit Account | 46,492 | 49,480 |
| On Current Account | 2,248 | 1,000 |
| Cash Held as part of the Investment Portfolio | - | 332,137 |
| Total | <u>48,740</u> | <u>382,617</u> |

In 2024 all cash holdings were disclosed as current assets. From 2025, cash and cash equivalents held as part of the investment strategy and not intended to be realised within twelve months are included in fixed asset investments.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 | 2024 |
|---|---------------|---------------|
| | £ | £ |
| Professional Charges Accrued | 12,403 | 12,111 |
| British Province of the Moravian Church | <u>36,666</u> | <u>76,204</u> |
| | <u>49,069</u> | <u>88,315</u> |

13. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Income Fund £ | Endowment Fund £ | 2024 Total Funds £ |
|--|---|---------------------------------|-----------------------------------|
| FIXED ASSETS | | | |
| Investments | - | 11,158,169 | 11,158,169 |
| Concessionary Loan | - | 155,572 | 155,572 |
| Total Fixed Assets | <u>-</u> | <u>11,313,741</u> | <u>11,313,741</u> |
| CURRENT ASSETS | | | |
| Debtors | - | 39,199 | 39,199 |
| Cash at Bank and in Hand | - | 382,617 | 382,617 |
| | - | 421,816 | 421,816 |
| CREDITORS | | | |
| Amounts falling due within one year | - | (88,315) | (88,315) |
| NET CURRENT ASSETS | <u>-</u> | <u>333,501</u> | <u>333,501</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>-</u> | <u>11,647,242</u> | <u>11,647,242</u> |

MRS E.M. BATES TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31st AUGUST 2025

14. RELATED PARTY DISCLOSURES

The Moravian Church and one of its congregations are the only beneficiaries of the Mrs E. M. Bates Charitable Trust and grants paid to the Church and its congregations are analysed in Note 5.

15. CHARITABLE FUNDS

As required by the Charities (Total Return) Regulations 2013, the investments of the Endowment Fund and Unallocated Total Return are managed as a single portfolio and therefore it is not possible to allocate the revaluation reserve between these components of the Total Endowment Funds.

The endowment funds of the Trust included unrealised investment revaluation gains as follows

| | 2025 | 2024 |
|---|------------------|------------------|
| | £ | £ |
| Unrealised Gains B/fwd | 1,246,456 | 780,196 |
| Net Unrealised Gains and Losses in the Year | 468,973 | 373,872 |
| Transfer of Brought Forward Unrealised Gains on Investments which were released on Disposal of Investment | (181,172) | 92,388 |
| | <u>1,534,257</u> | <u>1,246,456</u> |