

THE COTE CHARITY

England & Wales · Charity number 257237

Details

Status Registered

Legal form Trust

Registered 1968-11-07

Register [View on the Charity Commission register](#)

Contact

Address The Society Of Merchant Venturers
Merchants Hall
The Promenade
Clifton Down
Bristol
BS8 3NH

Phone 01179738058

Email enquiries@merchantventurers.com

Website www.cotecharity.co.uk

Activities

Objects: (A) TO PROVIDE A RESIDENTIAL HOME OR HOMES OR A COMBINATION OR COMBINATIONS OF A RESIDENTIAL HOME AND A NURSING HOME FOR ELDERLY PERSONS OVER 60 YEARS OF AGE WHO THROUGH INFIRMITY OR FINANCIAL NEED ARE UNABLE TO PROVIDE A HOME FOR THEMSELVES. (B) TO PAY PENSIONS ANNUITIES OR GRANTS TO ELDERLY PERSONS OVER 60 YEARS OF AGE (WHETHER OR NOT RESIDENTS OF THE HOMES) WHO THROUGH INFIRMITY OR FINANCIAL NEED ARE UNABLE TO PROVIDE THE NECESSITIES OR COMFORTS OF LIFE. (C) GENERAL CHARITABLE PURPOSES.

Activities: TO PROVIDE A RESIDENTIAL HOME(S) OR COMBINATION(S) OF A RESIDENTIAL HOME AND A NURSING HOME FOR ELDERLY PEOPLE OVER 60 YEARS OF AGE WHO THROUGH INFIRMITY OR FINANCIAL NEEDS ARE UNABLE TO PROVIDE A HOME THEMSELVES. TO PAY PENSIONS, ANNUITIES OR GRANTS TO ELDERLY PERSONS OVER 60 YEARS OF AGE (WHETHER OR NOT RESIDENTS OF THE HOMES) WHO THROUGH INFIRMITY OR FINANCIAL NEED

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Accommodation/housing
- **Who:** Elderly/old People

Geography

- Bristol City

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|------------|-----------|
| 2024-12-31 | £3,091,776 | £2,517,903 | £6,279,238 | 57 |
| 2023-12-31 | £2,742,541 | £2,430,376 | £5,704,866 | 56 |
| 2022-12-31 | £2,237,048 | £2,155,593 | £5,313,920 | 51 |
| 2021-12-31 | £1,698,629 | £1,965,310 | £5,333,011 | 50 |
| 2020-12-31 | £2,119,029 | £1,903,963 | £5,576,995 | 52 |

Trustees

| Name | Role | Appointed |
|-----------------------------|------|------------|
| SMV Trustee Company Limited | | 2016-11-10 |

THE COTE CHARITY

England & Wales - Charity number 257237

Accounts

Registered Charity Number 257237

The Cote Charity

**Annual report and financial statements
for the year ended 31 December 2024**

The Cote Charity

Annual report and financial statements for the year ended 31 December 2024

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The Cote Charity

Report of the Trustee for the year ended 31 December 2024

The Trustee presents its report and audited financial statements for the year ended 31 December 2024. The financial statements comply with current statutory requirements, the Trust deed and the Statement of Recommended Practice for Charities (SORP 2019).

Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

| | |
|---------------------------|------------------------------|
| Robert Bourns | (Deceased 23 June 2025) |
| Jonathon Baker | |
| Katharine Finn | |
| Michael Bothamley | |
| Patrick Despard | |
| David Freed | |
| Gillian Camm | (Retired 10 November 2024) |
| Nick Baker | (Retired 10 November 2024) |
| Karl Tucker | (Retired 10 November 2024) |
| David Powell | |
| Mark Burchfield | |
| Heather Frankham | |
| Professor Sir Steven West | |
| Laura Marshall | |
| Tracey Killen | |
| Dr Jacqueline Cornish | (Appointed 10 November 2024) |
| Gail Bragg | (Appointed 10 November 2024) |
| Martino Burgess | (Appointed 10 November 2024) |

Registered address of the Charity

Merchants' Hall
The Promenade
Clifton
Bristol
BS8 3NH

Charity Number: 257237

The Cote Charity

Report of the Trustee for the year ended 31 December 2024 (continued)

Names and addresses of other relevant organisations

Auditor

Bishop Fleming LLP, 10 Temple Back, Bristol, BS1 6FL

Banker

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

Solicitor

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

Investment Manager

Rathbones Investment Management, 30 Gresham Street, London, EC2V 7QN

LGT Wealth Management, 15 Queen Square, Bristol, BS1 4NP

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA

All via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459).

Structure, governance and management

Governing document

The Charity is constituted under a Charity Commission Scheme dated 8 October 1968 and is registered with the Charity Commission, number 257237.

Governing body and organisational management

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Audit Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

Day to day running of the Charity is delegated by the Trustee to a Sub-Committee (the Care of Older People Sub-Committee), the Members of which who served during the year were:

Dr Jacqueline Cornish (Chair)

Caroline Duckworth

Charles Griffiths

Edward Ware

David Marsh

Sir Jay Tidmarsh

Chris Patterson

David Freed

Helen Currie

The Cote Charity

Report of the Trustee for the year ended 31 December 2024 (continued)

Governing body and organisational management (continued)

The Care of Older People Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend to, and gain approval from, the Trustee for broad operational and strategic issues, as well as reporting to the Trustee on all relevant operational matters. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting with the Chairman and subsequent meeting and site visits with the Cote Manager.

The Cote Manager assists the Care of Older People Sub-Committee in fulfilling the day-to-day management of the Charity. Accounting support is provided by the Merchant Venturers' Finance department.

The Care of Older People Sub-Committee assesses the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks.

The Conflicts of Interest Advisory Sub-Committee comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise.

As detailed in note 14, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee appropriate.

Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society of Merchant Venturers and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary care, financial, and property and skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity. They are inducted through meetings with the Chair and the Cote Manager.

Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee has examined the major risks faced by the Charity.

The Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks and to mitigate the impact that they have on the Charity.

The risk register is reviewed and updated as required but not fewer than on a bi-annual basis by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers Audit Committee and is noted by the Trustee. The Charity is reliant on resident income and monitors closely the level of vacancies at Katherine House and Griffiths House. This enables costs to be managed as required and informs the working capital requirements.

The Cote Charity

Report of the Trustee for the year ended 31 December 2024 (continued)

Objectives and activities Objects of the charity

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The objects of the Charity, defined in the Trust deed, which should be referred to for exact details, are:

- (a) to provide a residential home or homes or a combination or combinations of a residential home and a nursing home for elderly persons over 60 years of age who through infirmity or financial needs are unable to provide a home for themselves;
- (b) to pay pensions, annuities or grants to elderly persons over 60 years of age (whether or not residents of the homes) and who through infirmity or financial need are unable to provide the necessities or comforts of life; and
- (c) for general charitable purposes.

There have been no changes made to the objects in the year.

Aims and intended impact

The aim of the Charity is to provide residential homes of high quality for older people. Where appropriate, older people in reduced circumstances are offered support to enable them to access the services. The Trustee has given careful consideration to the level of fees set for Katherine House and Griffiths House to ensure that they are fair.

Objectives for the year

This year the principal objectives of the charity have been:

- to continue to provide a high standard of care and support services in good accommodation;
- to let units at Cote House and Robinson Place on a short term basis to generate funds to further the Charity's objectives;
- to continue to develop a plan to enable Cote House and its grounds to be used to further the Charity's objectives and meet the expectations of current and future residents.

Volunteers

The welfare of the Cote residents, whilst overseen by the Cote management team and staff, also benefits from the support provided by the Merchant Venturers' Visiting Group, a team of volunteers, who regularly visit the Homes.

The Cote Charity

Report of the Trustee for the year ended 31 December 2024 (continued)

Achievements and performance

The Charity continues to provide an excellent service that meets the varying demands of its residents at Katherine House and Griffiths House. Levels of care are favourably commented upon by residents, their families and independent inspectors. Their success was demonstrated by the 2020 inspection by the Care Quality Commission which rated Katherine House 'Good' in all categories, with 'Outstanding' for the 'responsive' category and the 2021 inspection by the Care Quality Commission which rated Griffiths House 'Good' in all categories.

Financial review

The Charity produced a net surplus on unrestricted funds (detailed on page 14) of £667,358 (2023: £399,107 net surplus).

The budgeted occupancy for 2024 for Katherine House was 96% and the actual occupancy was 97%. The budgeted occupancy for 2024 for Griffiths House was 93% and the actual occupancy was 94%.

During the year, the Charity match funded donations of £30,250 (2023: 34,636) to support older people in the Greater Bristol Area with the cost-of-living crisis.

Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee for the investment and performance of the financial assets; the appointment of appropriate Fund Manager, monitoring their performance, and to recommend to the Trustee the optimum strategy for financial investment.

The Charity continued to invest in the Merchant Venturers' Charities Investment Pool (MVCIP) (Charity number 1053459) during the year. The Sub-Committee's policy is to provide income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future.

Reserves policy

The Trustee's policy takes account of (a) the liabilities which would be faced by the charity if it were to cease operating, (b) the financial 'cushion' it would need in order to have time to respond to a serious but possible funding crisis without immediately losing capacity, and (c) any longer term objectives which might require significant investment.

The principal accounting policies on pages 16 to 17 describe the various funds of the Charity.

The Trustee has the policy to maintain reserves of unrestricted funds to a level that provides an operational contingency of approximately 6 months' running costs. Any surplus unrestricted reserves will be used to redevelop the grounds of the charity or into the investment portfolio to provide additional income to support the objects.

At 31 December 2024 the unrestricted funds were £2,173,835 (excluding unrestricted fixed assets, but including the designated fund) which is significantly higher than 6 months' running costs. Designated funds were £105,000 and are designated for replacement of the lift.

At 31 December 2024 restricted funds were £194,125 and permanently endowed funds were £2,881,569

The policy is reviewed on an annual basis by the Trustee to take account of the development of the charity and a review of the changing risks it faces, particularly in respect of income.

The Cote Charity

Report of the Trustee for the year ended 31 December 2024 (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The Trustee considers that demand for Katherine House and Griffiths House remains strong and will continue for the foreseeable future. In addition, the charity receives general rental income from the units at Robinson Place and units at Cote Paddock. The charity has a strong cash position.

Consequently, the Trustee is confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Future plans

To continue to provide high quality services to the residents at Katherine House and Griffiths House by:

- Continuing to attract and retain an exceptional workforce
- Continuing to deliver a varied and engaging activities programme to our residents
- Striving to achieve 'Outstanding' care across all categories as rated by CQC.

To continue to let the two houses at Robinson Place to generate funds to support the Charity's objectives.

To implement the first phase of the plan to redevelop Cote House and its grounds, including working in partnership with other charities and developing an overall plan for the site which would further the Charity's objectives and be mindful of its heritage.

The Cote Charity

Report of the Trustee for the year ended 31 December 2024 (continued)

Accounting and reporting responsibilities

Statement of Trustee's responsibilities in respect of the Report of the Trustee and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

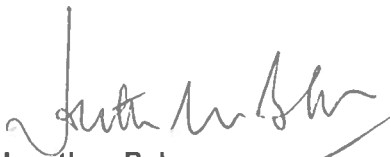
In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed for an on behalf of the Trustee



Jonathon Baker
Director

Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH

Date: 06 JUNE 2025

Independent auditor's report to the Trustee of The Cote Charity

Opinion

We have audited the financial statements of The Cote Charity (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash flow statement and notes to the financial statements, including significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the report. 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.

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 course of 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.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- the charity has not kept adequate accounting records; 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 the Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the charity's performance;
- results of our enquiries of management and the Trustee Board, including the committees charged with governance over the charity's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

Independent auditor's report to the Trustee of The Cote Charity (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011 and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of income;
- enquiring of the Trustee and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Use of our report

This report is made solely to the charity's Trustee, 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 Trustee those matters we are required to state to them in an auditor's 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Chris Trantham FCA (Senior Statutory Auditor)

For and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 17 July 2025

Bishop Fleming LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Cote Charity

Statement of financial activities for the year ended 31 December 2024

| | Note | Unrestricted funds £ | Restricted funds £ | Permanent endowment fund £ | Designated fund £ | Total 2024 £ | Total 2023 £ |
|-------------------------------------|------|-------------------------|-----------------------|-------------------------------|----------------------|-----------------|-----------------|
| Income from: | | | | | | | |
| Donations | | - | 697 | - | - | 697 | 10,901 |
| Charitable activities | | 3,040,575 | - | - | - | 3,040,575 | 2,690,551 |
| Investments | 1 | 50,504 | | | | 50,504 | 41,089 |
| Total income | | 3,091,079 | 697 | - | - | 3,091,776 | 2,742,541 |
| Expenditure on: | | | | | | | |
| Charitable activities | 2 | (2,385,415) | (7,573) | (86,110) | - | (2,479,098) | (2,387,005) |
| Donation Winter Crisis Fund | | (30,250) | - | - | - | (30,250) | (34,636) |
| Other | 3 | (8,555) | | | | (8,555) | (8,735) |
| Total expenditure | | (2,424,220) | (7,573) | (86,110) | - | (2,517,903) | (2,430,376) |
| Gains/(losses) on investment assets | 8 | 499 | - | - | - | 499 | 3,781 |
| Net income/(expenditure) | 4 | 667,358 | (6,876) | (86,110) | - | 574,372 | 315,946 |
| Transfers between funds | 12 | (15,000) | - | - | 15,000 | - | - |
| Net movement in funds | | 652,358 | (6,876) | (86,110) | 15,000 | 574,372 | 315,946 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 2,446,186 | 201,001 | 2,967,679 | 90,000 | 5,704,866 | 5,388,920 |
| Total funds carried forward | 12 | 3,098,544 | 194,125 | 2,881,569 | 105,000 | 6,279,238 | 5,704,866 |

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

All incoming resources and resources expended derive from continuing activities.

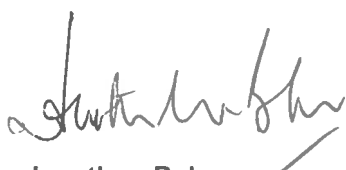
The accompanying notes form part of the financial statements.

The Cote Charity (Charity Number 257237)

Balance sheet as at 31 December 2024

| | Note | 2024 £ | 2023 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 4,088,008 | 4,113,511 |
| Investments | 8 | 663,651 | 663,152 |
| | | 4,751,659 | 4,776,663 |
| Current assets | | | |
| Debtors | 9 | 145,591 | 70,364 |
| Cash at bank | | 1,648,009 | 1,138,616 |
| | | 1,793,600 | 1,208,980 |
| Creditors: amounts falling due within one year | 10 | (266,021) | (280,777) |
| Net current assets | | 1,527,579 | 928,203 |
| Net assets | | 6,279,238 | 5,704,866 |
| Funds | | | |
| Designated | 11 | 105,000 | 90,000 |
| Unrestricted | 11 | 3,098,544 | 2,446,186 |
| Restricted | 11 | 194,125 | 201,001 |
| Permanent endowment | 11 | 2,881,569 | 2,967,679 |
| | 12 | 6,279,238 | 5,704,866 |

The financial statements on pages 14 to 25 were approved by the Trustee on 06 JUNE 2025 and were signed on its behalf by:



Jonathon Baker
Director



Katharine Finn
Director

The accompanying notes form part of the financial statements.

The Cote Charity

Cash flow statement for the year ended 31 December 2024

| | Notes | 2024 £ | 2023 £ |
|--|-------|------------------|-----------|
| Cash flows from operating activities: | | | |
| Net income for the reporting year | | 574,372 | 315,946 |
| Adjustments for: | | | |
| Depreciation charges | 7 | 117,498 | 115,744 |
| (Gains)/losses on investments | 8 | (499) | (3,781) |
| Dividends and interest from investments | 1 | (50,504) | (41,089) |
| (Increase) in debtors | | (75,227) | (10,227) |
| (Decrease) in creditors | | (14,756) | (67,086) |
| <i>Net cash provided by operating activities</i> | | 550,884 | 309,507 |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | 1 | 50,504 | 41,089 |
| Purchase of property, plant and equipment | 7 | (91,995) | (81,373) |
| <i>Net cash used in investing activities</i> | | (41,491) | (40,284) |
| <i>Change in cash and cash equivalents in the year</i> | | | |
| Cash and cash equivalents at the beginning of the year | | 1,138,616 | 869,393 |
| <i>Cash and cash equivalents at the end of the year</i> | | 1,648,009 | 1,138,616 |

The accompanying notes form part of the financial statements.

The Cote Charity

Principal accounting policies

Basis of preparation

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently and are shown below.

The Cote Charity 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and fixed asset investments, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102).

Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Incoming resources – donations

Donations to the Charity are included in the financial statements in the year in which they are receivable.

Incoming resources – investments

Interest on bank deposits is included as income in the financial statements on an accruals basis. Distributions from the investment in the Merchant Venturers' Charities Investment Pool ("MVCIP") are treated as income in the year in which they accrue.

Incoming resources – charitable activities

Incoming resources from care for the elderly comprise rents and fees for the provision of accommodation and care services, which are accounted for on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenses. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of financial activities.

- (a) Charitable activities relates to the costs incurred in running and supporting the day-to-day care of the elderly activities in the execution of the Charity's objects.
- (b) Other costs relate to the strategic management of the Charity and its assets, and compliance with statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related assets where appropriate.

The Cote Charity

Principal accounting policies (continued)

Taxation

The Cote Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Fixed assets and depreciation

Fixed asset investments are stated at cost less depreciation.

Depreciation is calculated so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

| | |
|---|----------------|
| Freehold buildings and improvements | 15 to 50 years |
| Fixtures, fittings and office equipment | 3 to 5 years |
| Motor vehicles | 5 years |

Land and assets in the course of construction are not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

Investments

Fixed asset investments are stated at bid-market value at the balance sheet date in accordance with FRS102.

The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Fund accounting

The Charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

Funds which are expendable at the discretion of the Trustee in furtherance of the objects of the Charity. In addition to expenditure on care homes, such funds may be held in order to finance capital investment and working capital.

Designated funds

Funds which designated for a purpose and are expendable at the discretion of the Trustee in furtherance of the objects of the Charity.

Restricted funds

Donations or legacies which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation.

Permanent endowment fund

The permanent endowment fund incorporates the original endowments of £100 and the operational properties, together with the surplus or deficit arising from the revaluation of the property (see note 7) and capital additions to the property which cannot be distinguished from the original endowment property.

Pension costs

The Charity makes contributions to employees' personal pensions in accordance with the auto-enrolment provisions. The payments to the defined contributions scheme are charged to the statement of financial activities in the period in which the obligation to make contributions arises.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2024

1 Investment income

| | 2024 £ | 2023 £ |
|--------------------------|---------------|-----------|
| Distributions from MVCIP | 20,887 | 25,639 |
| Bank interest | 29,617 | 15,450 |
| | 50,504 | 41,089 |

2 Analysis of charitable expenditure – care for older people

| | Direct costs £ | Support costs £ | Total 2024 £ | Total 2023 £ |
|-------------------------------|----------------------|-----------------------|--------------------|--------------------|
| Staff costs | 1,486,696 | 57,949 | 1,544,645 | 1,391,182 |
| Running costs | 367,952 | - | 367,952 | 464,489 |
| Maintenance and depreciation | 393,526 | - | 393,526 | 333,889 |
| Management and administration | 23,247 | 149,728 | 172,975 | 197,445 |
| | 2,271,421 | 207,677 | 2,479,098 | 2,387,005 |

All the support costs have been allocated to one charitable activity (care for the elderly).

3 Other costs

| | 2024 £ | 2023 £ |
|-------------------------------|--------------|-----------|
| Audit fee | 8,400 | 8,594 |
| Trustee's indemnity insurance | 155 | 141 |
| | 8,555 | 8,735 |

4 Net income/expenditure

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Net income/expenditure is stated after charging: | | |
| Audit fee | 8,400 | 8,594 |
| Depreciation | 117,498 | 115,744 |

The audit fee excluding irrecoverable VAT was £7,000 (2023: £7,162).

The Cote Charity

Notes to the financial statements for the year ended 31 December 2024

5 Staff costs

The average number of persons employed on a full and part-time basis by The Cote Charity during the year, analysed by category, is as follows:

| | 2024 | 2023 |
|-------------------------------|------|------|
| Residential care | 53 | 52 |
| Management and administration | 4 | 4 |
| | 57 | 56 |

The aggregate payroll costs of these persons were as follows:

| | 2024 £ | 2023 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,395,575 | 1,255,229 |
| Social security costs | 117,499 | 106,414 |
| Pension costs | 31,571 | 29,539 |
| | 1,544,645 | 1,391,182 |

No individual employee received emoluments exceeding £60,000 during 2024 or 2023.
A recharge is made by the Society of Merchant Venturers for staff as disclosed in note 14.

6 Trustee's remuneration

No director of SMV Trustee Company Limited received remuneration or reimbursement of expenses for their services to the Charity during the year (2023: £nil) nor had any beneficial interest in any contract with the Charity during the year (2023: £nil).

A professional indemnity insurance premium of £155 (2023: £141) was paid by the Charity on behalf of the Trustee.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2024

7 Tangible fixed assets

| | Assets in the course of construction | Freehold land and buildings £ | Fixtures, fittings and office equipment £ | Motor vehicles £ | Total £ |
|----------------------------|--|--|---|------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 January 2024 | 356,270 | 5,083,364 | 289,794 | 29,290 | 5,758,718 |
| Additions | 31,434 | - | 14,346 | 46,215 | 91,995 |
| Disposals | | | (6,360) | - | (6,360) |
| At 31 December 2024 | 387,704 | 5,083,364 | 297,780 | 75,505 | 5,844,353 |
| Depreciation | | | | | |
| At 1 January 2024 | - | 1,348,871 | 267,046 | 29,290 | 1,645,207 |
| Charge for year | - | 104,018 | 11,169 | 2,311 | 117,498 |
| Disposals | | | (6,360) | - | (6,360) |
| At 31 December 2024 | - | 1,452,889 | 271,855 | 31,601 | 1,756,345 |
| Net book value | | | | | |
| At 31 December 2024 | 387,704 | 3,630,475 | 25,925 | 43,904 | 4,088,008 |
| At 31 December 2023 | 356,270 | 3,734,493 | 22,748 | - | 4,113,511 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2024

8 Fixed asset investments

| | Total £ |
|---|----------------|
| Cost | |
| At 1 January and 31 December 2024 | 565,890 |
| Revaluations | |
| Unrealised gains at 1 January 2024 | 97,262 |
| Net gains arising on revaluation | 499 |
| Unrealised gains at 31 December 2024 | 97,761 |
| Net book value | |
| At 31 December 2024 | 663,651 |
| At 31 December 2023 | 663,152 |

All investments are held in the Merchant Venturers' Charities Investment Pool, which was structured as follows at 31 December 2024:

| | % |
|----------------------------------|--------------|
| Investment assets in the UK | 26.5 |
| Investment assets outside the UK | 66.8 |
| Alternatives & Multi-Asset | 5.9 |
| Cash | 0.8 |
| | 100.0 |

9 Debtors

| | 2024 £ | 2023 £ |
|-------------------------------|----------------|-----------|
| Rents and fees | 90,114 | 28,861 |
| Other debtors and prepayments | 55,477 | 41,503 |
| | 145,591 | 70,364 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2024

10 Creditors: amounts falling due within one year

| | 2024 £ | 2023 £ |
|---------------------------------------|----------------|----------------|
| Trade creditors | 71,854 | 85,884 |
| Other taxes and social security costs | 28,001 | 27,173 |
| Other creditors | 123,717 | 119,701 |
| Accruals | 33,416 | 38,986 |
| Covid-19 Grant | 9,033 | 9,033 |
| | 266,021 | 280,777 |

11 Funds

| | Balance at 1 January 2024 £ | Incoming resources £ | Resources expended £ | Investment Gains £ | Transfers between funds £ | Balance at 31 December 2024 £ |
|-------------------------------------|--------------------------------------|----------------------------|----------------------------|--------------------------|------------------------------------|--|
| <u>Unrestricted</u> | | | | | | |
| General fund | 2,446,186 | 3,091,079 | (2,424,220) | 499 | (15,000) | 3,098,544 |
| <u>Designated</u> | | | | | | |
| Lift Replacement | 90,000 | - | - | - | 15,000 | 105,000 |
| <u>Restricted</u> | | | | | | |
| Staff fund | 4,209 | - | (3,506) | - | - | 703 |
| Katherine House amenity fund | 14,544 | 248 | - | - | - | 14,792 |
| Katherine House building fund | 130,348 | - | (3,618) | - | - | 126,730 |
| Griffiths House amenity fund | 657 | 2 | (449) | - | - | 210 |
| Residents Personal Allowances | 1,243 | 447 | - | - | - | 1,690 |
| Griffiths House building fund | 50,000 | - | - | - | - | 50,000 |
| Total Restricted | 201,001 | 697 | (7,573) | - | - | 194,125 |
| Permanent endowment | 2,967,679 | - | (86,110) | - | - | 2,881,569 |
| Total | 5,704,866 | 3,091,776 | (2,517,903) | 499 | - | 6,279,238 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2024

The General fund includes £97,761 (2023: £97,262) relating to unrealised gains in the value of fixed asset investments.

The Designated fund represents a sinking fund for a new lift.

The Staff fund represents donations given to the Charity for the benefit of staff.

The Katherine House amenity fund represents donations given to the Charity for the benefit of the residents at Katherine House.

The Katherine House building fund represents donations towards the cost of building Katherine House net of related depreciation.

The Griffiths House amenity fund represents donations given to the Charity for the benefit of residents at Griffiths House.

The residents personal allowances represents funds for residents from family members.

The Griffiths House building fund represents donations towards the cost of building Griffiths House net of related depreciation.

The Permanent endowment fund represents part of the land and buildings of the Charity net of year end bank loan and depreciation.

12 Analysis of funds balance

| | Unrestricted | Restricted | Permanent endowment | Designated | Total |
|-------------------------|------------------|----------------|------------------------|----------------|------------------|
| | £ | £ | £ | £ | £ |
| Fixed assets | 1,029,709 | 176,730 | 2,881,569 | - | 4,088,008 |
| Fixed asset investments | 663,651 | - | - | - | 663,651 |
| Net current assets | 1,405,184 | 17,395 | - | 105,000 | 1,527,579 |
| Net assets | 3,098,544 | 194,125 | 2,881,569 | 105,000 | 6,279,238 |

13 Transactions with related parties

Society of Merchant Venturers

The Charity incurred a charge for the reallocation of salaries and overheads of £59,490 (2023: £56,329) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil (2023: £nil) was outstanding at the year end.

Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Cote Charity. For details of investments held and income received from MVCIP see notes 1 and 8. At 31 December 2024 £4,730 was outstanding from MVCIP (2023: £5,991).

14 Connected charities

The Cote Charity

The Society of Merchant Venturers' Almshouses Charity (Registered Charity Number 202152) is a connected charity under the definition of the Charities' SORP 2019 as it has the same Trustee as The Cote Charity. Further information can be obtained from the Charities' registered address detailed on page 1 of the Trustee's report. The Cote Charity made a charge of £4,650 (2023: £4,421) for the services of the Colston's Almshouse Manager and a charge of £5,457 for a maintenance officer (2023: £5,289) to the SMV Almshouses Charity. At 31 December 2024 £2,527 (2023: £nil) was owing by the SMV Almshouses Charity to the Cote Charity relating to these services.

The Cote Charity provided the services of a Chaplain to SMV Almshouses Charity at a cost of £nil (2023: £275) of which £nil (2023: £nil) was outstanding at 31 December 2024.

The SMV Almshouses Charity provided the services of a Chaplain to The Cote Charity at a cost of £nil (2023: £nil) of which £nil (2023: £nil) was outstanding at 31 December 2024.

15 Analysis of changes in net debt

| | At 1 January 2024 £ | Cash flow £ | At 31 December 2024 £ |
|----------------------------------|---------------------------|----------------|-----------------------------|
| Cash and cash equivalents | | | |
| Cash | 1,138,616 | 509,393 | 1,648,009 |
| | <u>1,138,616</u> | <u>509,393</u> | <u>1,648,009</u> |
| Total | <u>1,138,616</u> | <u>509,393</u> | <u>1,648,009</u> |

THE COTE CHARITY

England & Wales - Charity number 257237

Accounts

Registered Charity Number 257237

The Cote Charity

**Annual report and financial statements
for the year ended 31 December 2023**

The Cote Charity

Annual report and financial statements for the year ended 31 December 2023

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The Cote Charity

Report of the Trustee for the year ended 31 December 2023

The Trustee presents its report and audited financial statements for the year ended 31 December 2023. The financial statements comply with current statutory requirements, the Trust deed and the Statement of Recommended Practice for Charities (SORP 2019).

Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

| | |
|---------------------------|------------------------------|
| Michael Bothamley | |
| Robert Bourns | |
| Jonathon Baker | |
| Patrick Despard | |
| David Freed | |
| Gillian Camm | |
| Ross Ancell | (Retired 10 November 2023) |
| Martin Thatcher | (Retired 10 November 2023) |
| Dr Steve Allpress | (Retired 10 November 2023) |
| Nick Baker | |
| Karl Tucker | |
| Katharine Finn | |
| David Powell | |
| Mark Burchfield | |
| Heather Frankham | |
| Professor Sir Steven West | (Appointed 10 November 2023) |
| Laura Marshall | (Appointed 10 November 2023) |
| Tracey Killen | (Appointed 10 November 2023) |

Registered address of the Charity

Merchants' Hall
The Promenade
Clifton
Bristol
BS8 3NH

Charity Number: 257237

The Cote Charity

Report of the Trustee for the year ended 31 December 2023 (continued)

Names and addresses of other relevant organisations

Auditor

Bishop Fleming LLP, 10 Temple Back, Bristol, BS1 6FL

Banker

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

Solicitor

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

Investment Manager

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA (via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459).

Structure, governance and management

Governing document

The Charity is constituted under a Charity Commission Scheme dated 8 October 1968 and is registered with the Charity Commission, number 257237.

Governing body and organisational management

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Audit Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

Day to day running of the Charity is delegated by the Trustee to a Sub-Committee (the Care of Older People Sub-Committee), the Members of which who served during the year were:

Dr Jacqueline Cornish (Chair)

Caroline Duckworth

Anne Nisbet (Resigned 10 November 2023)

Charles Densham (Resigned 10 November 2023)

Mary Prior (Resigned 10 November 2023)

Charles Griffiths

Anthony Brown (Retired 27 January 2023)

Edward Ware

David Marsh

Sir Jay Tidmarsh

Chris Patterson (Appointed 10 November 2023)

David Freed (Appointed 10 November 2023)

Helen Currie (Appointed 10 November 2023)

The Cote Charity

Report of the Trustee for the year ended 31 December 2023 (continued)

Governing body and organisational management (continued)

The Care of Older People Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend to, and gain approval from, the Trustee for broad operational and strategic issues, as well as reporting to the Trustee on all relevant operational matters. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting with the Chairman and subsequent meeting and site visits with the Cote Manager.

The Cote Manager assists the Care of Older People Sub-Committee in fulfilling the day-to-day management of the Charity. Accounting support is provided by the Merchant Venturers' Finance department.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks.

The Conflicts of Interest Advisory Sub-Committee comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise.

As detailed in note 15, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee appropriate.

Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society of Merchant Venturers and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary care, financial, and property and skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity. They are inducted through meetings with the Chair and the Cote Manager.

Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee has examined the major risks faced by the Charity.

The Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks and to mitigate the impact that they have on the Charity.

The risk register is reviewed and updated as required but not fewer than on a bi-annual basis by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers Audit Committee and is noted by the Trustee. The Charity is reliant on resident income and monitors closely the level of vacancies at Katherine House and Griffiths House. This enables costs to be managed as required and informs the working capital requirements. The Care of Older People Sub-Committee has viewed an outbreak of infection or infectious disease as a key risk. This risk was monitored closely during the COVID-19 pandemic with mitigation in place such as; robust procedures and policies, ongoing staff training, regular reviews and feedback, as well as utilising professional advice and support to ensure the Charity maintained pace with the changing guidelines.

The Cote Charity

Report of the Trustee for the year ended 31 December 2023 (continued)

Objectives and activities

Objects of the charity

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The objects of the Charity, defined in the Trust deed, which should be referred to for exact details, are:

- (a) to provide a residential home or homes or a combination or combinations of a residential home and a nursing home for elderly persons over 60 years of age who through infirmity or financial needs are unable to provide a home for themselves;
- (b) to pay pensions, annuities or grants to elderly persons over 60 years of age (whether or not residents of the homes) and who through infirmity or financial need are unable to provide the necessities or comforts of life; and
- (c) for general charitable purposes.

There have been no changes made to the objects in the year.

Aims and intended impact

The aim of the Charity is to provide residential homes of high quality for older people. Where appropriate, older people in reduced circumstances are offered support to enable them to access the services. The Trustee has given careful consideration to the level of fees set for Katherine House and Griffiths House to ensure that they are fair.

Objectives for the year

This year the principal objectives of the charity have been:

- to continue to provide a high standard of care and support services in good accommodation;
- to let units at Cote House and Robinson Place on a short term basis to generate funds to further the Charity's objectives;
- to continue to develop a plan to enable Cote House and its grounds to be used to further the Charity's objectives and meet the expectations of current and future residents.

Volunteers

The welfare of the Cote residents, whilst overseen by the Cote management team and staff, also benefits from the support provided by the Merchant Venturers' Visiting Group, a team of volunteers, who regularly visit the Homes.

The Cote Charity

Report of the Trustee for the year ended 31 December 2023 (continued)

Achievements and performance

The Charity continues to provide an excellent service that meets the varying demands of its residents at Katherine House and Griffiths House. Levels of care are favourably commented upon by residents, their families and independent inspectors. Their success was demonstrated by the 2020 inspection by the Care Quality Commission which rated Katherine House 'Good' in all categories, with 'Outstanding' for the 'responsive' category and the 2021 inspection by the Care Quality Commission which rated Griffiths House 'Good' in all categories.

Financial review

The Charity produced a net surplus on unrestricted funds (detailed on page 14) of £399,107 (2022: £86,563 net surplus).

The COVID-19 pandemic has had a significant effect on the Care sector as residents are vulnerable to the disease. The team has been working hard to restore occupancy to pre pandemic levels. The budgeted occupancy for 2023 for Katherine House was 87% and the actual occupancy was 93%. The budgeted occupancy for 2023 for Griffiths House was 93% and the actual occupancy was 100%. Occupancy levels will continue to be a key focus for 2024.

During the year, the Charity match funded donations of £34,636 (2022: £nil) to support older people in the Greater Bristol Area with the cost of living crisis.

Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee for the investment and performance of the financial assets; the appointment of appropriate Fund Manager, monitoring their performance, and to recommend to the Trustee the optimum strategy for financial investment.

The Charity continued to invest in the Merchant Venturers' Charities Investment Pool (MVCIP) (Charity number 1053459) during the year. The Sub-Committee's policy is to provide income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future.

Reserves policy

The Trustee's policy takes account of (a) the liabilities which would be faced by the charity if it were to cease operating, (b) the financial 'cushion' it would need in order to have time to respond to a serious but possible funding crisis without immediately losing capacity, and (c) any longer term objectives which might require significant investment.

The principal accounting policies on pages 16 to 17 describe the various funds of the Charity.

The Trustee has the policy to maintain reserves of unrestricted funds to a level that provides an operational contingency of approximately 6 months' running costs. Any surplus unrestricted reserves would be used for the redevelopment of Cote House and its grounds or into the investment portfolio to provide additional income to support the objects.

At 31 December 2023 the unrestricted funds were £2,446,186 which is significantly higher than 6 months' running costs. In addition, Designated funds were £90,000 and are for replacement of the lift.

At 31 December 2023 restricted funds were £201,001 and permanently endowed funds were £2,967,679

The policy is reviewed on an annual basis by the Trustee to take account of the development of the charity and a review of the changing risks it faces, particularly in respect of income.

The Cote Charity

Report of the Trustee for the year ended 31 December 2023 (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The Trustee considers that demand for Katherine House and Griffiths House remains strong and will continue for the foreseeable future. In addition, the charity receives general rental income from the units at Robinson Place and units at Cote Paddock. The charity has a strong cash position.

Consequently, the Trustee is confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Future plans

To continue to provide high quality services to the residents at Katherine House and Griffiths House by:

- Continuing to attract and retain an exceptional workforce
- Continuing to deliver a varied and engaging activities programme to our residents
- Striving to achieve 'Outstanding' care across all categories as rated by CQC.

To continue to let the two houses at Robinson Place to generate funds to support the Charity's objectives.

To implement the first phase of the plan to redevelop Cote House and its grounds, including working in partnership with other charities and developing an overall plan for the site which would further the Charity's objectives and be mindful of its heritage.

The Cote Charity

Report of the Trustee for the year ended 31 December 2023 (continued)

Accounting and reporting responsibilities

Statement of Trustee's responsibilities in respect of the Report of the Trustee and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed for and on behalf of the Trustee



Michael Bothamley
Director

Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH

Date: 7 JUNE 2024

Independent auditor's report to the Trustee of The Cote Charity

Opinion

We have audited the financial statements of The Cote Charity (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet, and notes to the financial statements, including significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the report. 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.

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 course of 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.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- the charity has not kept adequate accounting records; 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 the Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the charity's performance;
- results of our enquiries of management and the Trustee Board, including the committees charged with governance over the charity's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

Independent auditor's report to the Trustee of The Cote Charity (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011 and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of income;
- enquiring of the Trustee and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Use of our report

This report is made solely to the charity's Trustee, 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 Trustee those matters we are required to state to them in an auditor's 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Chris Trantham FCA (Senior Statutory Auditor)

For and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 8 JULY 2024

Bishop Fleming LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Cote Charity

Statement of financial activities for the year ended 31 December 2023

| | Note | Unrestricted funds £ | Restricted funds £ | Permanent endowment fund £ | Designated fund £ | Total 2023 £ | As restated Total 2022 £ |
|-------------------------------------|------|-------------------------|-----------------------|-------------------------------|----------------------|-----------------|-----------------------------|
| Income from: | | | | | | | |
| Donations | | - | 10,901 | - | - | 10,901 | 1,219 |
| Covid-19 Grant Income | | | - | - | - | - | 31,591 |
| Charitable activities | | 2,690,551 | - | - | - | 2,690,551 | 2,181,777 |
| Investments | 1 | 41,089 | | | | 41,089 | 22,461 |
| Total income | | 2,731,640 | 10,901 | - | - | 2,742,541 | 2,237,048 |
| Expenditure on: | | | | | | | |
| Charitable activities | 2 | (2,292,943) | (7,932) | (86,130) | - | (2,387,005) | (2,103,591) |
| Covid-19 Grant Expenses | | - | - | - | - | - | (31,591) |
| Donation Winter Crisis Fund | | (34,636) | - | - | - | (34,636) | - |
| Other | 3 | (8,735) | | | | (8,735) | (5,411) |
| Total expenditure | | (2,336,314) | (7,932) | (86,130) | - | (2,430,376) | (2,140,593) |
| Gains/(losses) on investment assets | 8 | 3,781 | - | - | - | 3,781 | (100,546) |
| Net income/(expenditure) | 4 | 399,107 | 2,969 | (86,130) | - | 315,946 | (4,091) |
| Transfers between funds | 12 | (15,000) | - | - | 15,000 | - | - |
| Net movement in funds | | 384,107 | 2,969 | (86,130) | 15,000 | 315,946 | (4,091) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 2,062,079 | 198,032 | 3,053,809 | 75,000 | 5,388,920 | 5,393,011 |
| Total funds carried forward | 12 | 2,446,186 | 201,001 | 2,967,679 | 90,000 | 5,704,866 | 5,388,920 |

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

All incoming resources and resources expended derive from continuing activities.

The accompanying notes form part of the financial statements.

The Cote Charity (Charity Number 257237)

Balance sheet as at 31 December 2023

| | Note | 2023 £ | As restated 2022 £ |
|--|------|------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 4,113,511 | 4,147,882 |
| Investments | 8 | 663,152 | 659,371 |
| | | 4,776,663 | 4,807,253 |
| Current assets | | | |
| Debtors | 9 | 70,364 | 60,138 |
| Cash at bank | | 1,138,616 | 869,393 |
| | | 1,208,980 | 929,531 |
| Creditors: amounts falling due within one year | 10 | (280,777) | (347,864) |
| Net current assets | | 928,203 | 581,667 |
| Net assets | | 5,704,866 | 5,388,920 |
| Funds | | | |
| Designated | 11 | 90,000 | 75,000 |
| Unrestricted | 11 | 2,446,186 | 2,062,079 |
| Restricted | 11 | 201,001 | 198,032 |
| Permanent endowment | 11 | 2,967,679 | 3,053,809 |
| | 12 | 5,704,866 | 5,388,920 |

The financial statements on pages 14 to 25 were approved by the Trustee on **7 JUNE 2024** and were signed on its behalf by:



Michael Bothamley
Director



Robert Bourns
Director

The accompanying notes form part of the financial statements.

The Cote Charity

Cash flow statement for the year ended 31 December 2023

| | Notes | 2023 £ | As restated 2022 £ |
|--|-------|------------------|--------------------------|
| Cash flows from operating activities: | | | |
| Net income for the reporting year | | 315,946 | 55,909 |
| Adjustments for: | | | |
| Depreciation charges | 7 | 115,744 | 112,530 |
| Losses/(gains) on investments | 8 | (3,781) | 100,546 |
| Dividends and interest from investments | 1 | (41,089) | (22,461) |
| (Increase) in debtors | | (10,227) | (19,639) |
| (Decrease in creditors) | | (67,086) | 56,564 |
| <i>Net cash provided by operating activities</i> | | 309,507 | 283,449 |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | 1 | 41,089 | 22,461 |
| Purchase of investment in MVCIP | | - | (400,000) |
| Purchase of property, plant and equipment | 7 | (81,373) | (72,347) |
| <i>Net cash used in investing activities</i> | | (40,284) | (449,886) |
| <i>Change in cash and cash equivalents in the year</i> | | 269,223 | (166,437) |
| Cash and cash equivalents at the beginning of the year | | 869,393 | 1,035,830 |
| <i>Cash and cash equivalents at the end of the year</i> | | 1,138,616 | 869,393 |

The accompanying notes form part of the financial statements.

The Cote Charity

Principal accounting policies

Basis of preparation

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently and are shown below.

The Cote Charity 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and fixed asset investments, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102).

Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Incoming resources – donations

Donations to the Charity are included in the financial statements in the year in which they are receivable.

Incoming resources – investments

Interest on bank deposits is included as income in the financial statements on an accruals basis. Distributions from the investment in the Merchant Venturers' Charities Investment Pool ("MVCIP") are treated as income in the year in which they accrue.

Incoming resources – charitable activities

Incoming resources from care for the elderly comprise rents and fees for the provision of accommodation and care services, which are accounted for on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenses. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of financial activities.

- (a) Charitable activities relates to the costs incurred in running and supporting the day-to-day care of the elderly activities in the execution of the Charity's objects.
- (b) Other costs relate to the strategic management of the Charity and its assets, and compliance with statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related assets where appropriate.

The Cote Charity

Principal accounting policies (continued)

Taxation

The Cote Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Fixed assets and depreciation

Fixed asset investments are stated at cost less depreciation.

Depreciation is calculated so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

| | |
|---|----------------|
| Freehold buildings and improvements | 15 to 50 years |
| Fixtures, fittings and office equipment | 3 to 5 years |
| Motor vehicles | 5 years |

Land and assets in the course of construction are not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

Investments

Fixed asset investments are stated at bid-market value at the balance sheet date in accordance with FRS102.

The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Fund accounting

The Charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

Funds which are expendable at the discretion of the Trustee in furtherance of the objects of the Charity. In addition to expenditure on care homes, such funds may be held in order to finance capital investment and working capital.

Designated funds

Funds which designated for a purpose and are expendable at the discretion of the Trustee in furtherance of the objects of the Charity.

Restricted funds

Donations or legacies which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation.

Permanent endowment fund

The permanent endowment fund incorporates the original endowments of £100 and the operational properties, together with the surplus or deficit arising from the revaluation of the property (see note 7) and capital additions to the property which cannot be distinguished from the original endowment property.

Pension costs

The Charity makes contributions to employees' personal pensions in accordance with the auto-enrolment provisions. The payments to the defined contributions scheme are charged to the statement of financial activities in the period in which the obligation to make contributions arises.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2023

1 Investment income

| | 2023 £ | 2022 £ |
|--------------------------|---------------|---------------|
| Distributions from MVCIP | 25,639 | 21,344 |
| Bank interest | 15,450 | 1,117 |
| | 41,089 | 22,461 |

2 Analysis of charitable expenditure – care for older people

| | Direct costs £ | Support costs £ | Total 2023 £ | As restated Total 2022 £ |
|-------------------------------|----------------------|-----------------------|--------------------|-----------------------------------|
| Staff costs | 1,330,546 | 60,636 | 1,391,182 | 1,195,104 |
| Running costs | 464,489 | - | 464,489 | 454,289 |
| Maintenance and depreciation | 333,889 | - | 333,889 | 302,823 |
| Management and administration | 22,619 | 174,826 | 197,445 | 151,375 |
| | 2,151,543 | 235,462 | 2,387,005 | 2,103,591 |

All the support costs have been allocated to one charitable activity (care for the elderly).

3 Other costs

| | 2023 £ | 2022 £ |
|-------------------------------|--------------|--------------|
| Audit fee | 8,594 | 5,316 |
| Trustee's indemnity insurance | 141 | 95 |
| | 8,735 | 5,411 |

4 Net income/expenditure

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Net income/expenditure is stated after charging: | | |
| Audit fee | 8,594 | 5,316 |
| Depreciation | 115,744 | 112,530 |

The audit fee excluding irrecoverable VAT was £7,162 (2022: £4,430).

The Cote Charity

Notes to the financial statements for the year ended 31 December 2023

5 Staff costs

The average number of persons employed on a full and part-time basis by The Cote Charity during the year, analysed by category, is as follows:

| | 2023 | 2022 |
|-------------------------------|------|------|
| Residential care | 52 | 47 |
| Management and administration | 4 | 4 |
| | 56 | 51 |

The aggregate payroll costs of these persons were as follows:

| | 2023 £ | 2022 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,255,229 | 1,081,321 |
| Social security costs | 106,414 | 88,540 |
| Pension costs | 29,539 | 25,243 |
| | 1,391,182 | 1,195,104 |

No individual employee received emoluments exceeding £60,000 during 2023 or 2022.

A recharge is made by the Society of Merchant Venturers for staff as disclosed in note 14. The Directors of SMV Trustee Company Limited Trustee are considered to be the only key management personnel of the Charity. See note 6 below.

6 Trustee's remuneration

No director of SMV Trustee Company Limited received remuneration or reimbursement of expenses for their services to the Charity during the year (2022: £nil) nor had any beneficial interest in any contract with the Charity during the year (2022: £nil).

A professional indemnity insurance premium of £141 (2022: £95) was paid by the Charity on behalf of the Trustee.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2023

7 Tangible fixed assets

| | Assets in the course of construction | Freehold land and buildings £ | Fixtures, fittings and office equipment £ | Motor vehicles £ | Total £ |
|----------------------------|--|--|---|------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 January 2023 | 283,270 | 5,083,364 | 281,421 | 29,290 | 5,677,345 |
| Additions | 73,000 | - | 8,373 | - | 81,373 |
| At 31 December 2023 | 356,270 | 5,083,364 | 289,794 | 29,290 | 5,758,718 |
| Depreciation | | | | | |
| At 1 January 2023 | - | 1,244,833 | 255,340 | 29,290 | 1,529,463 |
| Charge for year | - | 104,038 | 11,706 | - | 115,744 |
| At 31 December 2023 | - | 1,348,871 | 267,046 | 29,290 | 1,645,207 |
| Net book value | | | | | |
| At 31 December 2023 | 356,270 | 3,734,493 | 22,748 | - | 4,113,511 |
| At 31 December 2022 | 283,270 | 3,838,531 | 26,081 | - | 4,147,882 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2023

8 Fixed asset investments

| | Total £ |
|---|----------------|
| Cost | |
| At 1 January and 31 December 2023 | 565,890 |
| Revaluations | |
| Unrealised gains at 1 January 2023 | 93,481 |
| Net gains arising on revaluation | 3,781 |
| Unrealised gains at 31 December 2023 | 97,262 |
| Net book value | |
| At 31 December 2023 | 663,152 |
| At 31 December 2022 | 659,371 |

All investments are held in the Merchant Venturers' Charities Investment Pool, which was structured as follows at 31 December 2023:

| | % |
|----------------------------------|--------------|
| Investment assets in the UK | 39.5 |
| Investment assets outside the UK | 44.2 |
| Alternatives & Multi-Asset | 14.8 |
| Cash | 1.5 |
| | 100.0 |

9 Debtors

| | 2023 £ | 2022 £ |
|-------------------------------|---------------|---------------|
| Rents and fees | 28,861 | 21,480 |
| Other debtors and prepayments | 41,503 | 38,658 |
| | 70,364 | 60,138 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2023

10 Creditors: amounts falling due within one year

| | 2023 £ | As restated 2022 £ |
|---------------------------------------|----------------|--------------------------|
| Trade creditors | 85,884 | 151,139 |
| Other taxes and social security costs | 27,173 | 22,210 |
| Other creditors | 119,701 | 128,849 |
| Accruals | 38,986 | 36,633 |
| Covid-19 Grant | 9,033 | 9,033 |
| | 280,777 | 347,864 |

11 Funds

| | As restated Balance at 1 January 2023 £ | Incoming resources £ | Resources expended £ | Investment Gains £ | Transfers between funds £ | Balance at 31 December 2023 £ |
|-------------------------------------|---|----------------------------|----------------------------|--------------------------|------------------------------------|--|
| <u>Unrestricted</u> | | | | | | |
| General fund | 2,062,079 | 2,731,640 | (2,336,314) | 3,781 | (15,000) | 2,446,186 |
| <u>Designated</u> | | | | | | |
| Lift Replacement | 75,000 | - | - | - | 15,000 | 90,000 |
| <u>Restricted</u> | | | | | | |
| Staff fund | (422) | 8,835 | (4,204) | - | - | 4,209 |
| Katherine House amenity fund | 13,694 | 960 | (110) | - | - | 14,544 |
| Katherine House building fund | 133,966 | - | (3,618) | - | - | 130,348 |
| Griffiths House amenity fund | 654 | 3 | - | - | - | 657 |
| Residents Personal Allowances | 140 | 1,103 | - | - | - | 1,243 |
| Griffiths House building fund | 50,000 | - | - | - | - | 50,000 |
| Total Restricted | 198,032 | 10,901 | (7,932) | - | - | 201,001 |
| Permanent endowment | 3,053,809 | - | (86,130) | - | - | 2,967,679 |
| Total | 5,388,920 | 2,742,541 | (2,430,376) | 3,781 | - | 5,704,866 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2023

The General fund includes £97,262 (2022: £93,481) relating to unrealised gains in the value of fixed asset investments.

The Designated fund represents a sinking fund for a new lift.

The Staff fund represents donations given to the Charity for the benefit of staff.

The Katherine House amenity fund represents donations given to the Charity for the benefit of the residents at Katherine House.

The Katherine House building fund represents donations towards the cost of building Katherine House net of related depreciation.

The Griffiths House amenity fund represents donations given to the Charity for the benefit of residents at Griffiths House.

The Griffiths House building fund represents donations towards the cost of building Griffiths House net of related depreciation.

The Permanent endowment fund represents part of the land and buildings of the Charity net of year end bank loan and depreciation.

12 Analysis of funds balance

| | Unrestricted | Restricted | Permanent endowment | Designated | Total |
|-------------------------|------------------|----------------|---------------------|---------------|------------------|
| | £ | £ | £ | £ | £ |
| Fixed assets | 965,485 | 180,347 | 2,967,679 | - | 4,113,511 |
| Fixed asset investments | 663,152 | - | - | - | 663,152 |
| Net current assets | 817,549 | 20,654 | - | 90,000 | 928,203 |
| Net assets | 2,446,186 | 201,001 | 2,967,679 | 90,000 | 5,704,866 |

13 Transactions with related parties

Society of Merchant Venturers

The Charity incurred a charge for the reallocation of salaries and overheads of £56,329 (2022: £52,092) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil (2022: £nil) was outstanding at the year end.

Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Cote Charity. For details of investments held and income received from MVCIP see notes 1 and 8. At 31 December 2023 £5,991 was outstanding from MVCIP (2022: £6,657).

The Cote Charity

14 Connected charities

The Society of Merchant Venturers' Almshouses Charity (Registered Charity Number 202152) is a connected charity under the definition of the Charities' SORP 2019 as it has the same Trustee as The Cote Charity. Further information can be obtained from the Charities' registered address detailed on page 1 of the Trustee's report. The Cote Charity made a charge of £4,421 (2022: £4,187) for the services of the Colston's Almshouse Manager and a charge of £5,289 for a maintenance officer (2022: £5,610) to the SMV Almshouses Charity. At 31 December 2023 £nil (2022: £nil) was owing by the SMV Almshouses Charity to the Cote Charity relating to these services.

The Cote Charity provided the services of a Chaplain to SMV Almshouses Charity at a cost of £275 (2022: £nil) of which £nil (2022: £nil) was outstanding at 31 December 2023.

The SMV Almshouses Charity provided the services of a Chaplain to The Cote Charity at a cost of £nil (2022: £1,054) of which £nil (2022: £46) was outstanding at 31 December 2023.

15 Analysis of changes in net debt

| | At 1 January 2023 £ | Cash flow £ | At 31 December 2023 £ |
|----------------------------------|---------------------------|----------------|-----------------------------|
| Cash and cash equivalents | | | |
| Cash | 869,393 | 269,223 | 1,138,616 |
| | <u>869,393</u> | <u>269,223</u> | <u>1,138,616</u> |
| Total | <u>869,393</u> | <u>269,223</u> | <u>1,138,616</u> |

16 Prior year adjustment

The accounts have been restated to incorporate the reversal of a provision for £75,000 which had been misclassified previously. The change has resulted in a reduction to both creditors and expenditure by £75,000. The increase to closing funds has been recognised as a designated fund at the year end.

THE COTE CHARITY

England & Wales - Charity number 257237

Accounts

Registered Charity Number 257237

The Cote Charity

**Annual report and financial statements
for the year ended 31 December 2022**

The Cote Charity

Annual report and financial statements for the year ended 31 December 2022

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The Cote Charity

Report of the Trustee for the year ended 31 December 2022

The Trustee presents its report and audited financial statements for the year ended 31 December 2022. The financial statements comply with current statutory requirements, the Trust deed and the Statement of Recommended Practice for Charities (SORP 2019).

Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

| | |
|-------------------|------------------------------|
| Patrick Despard | |
| Michael Bothamley | |
| Robert Bourns | |
| David Freed | |
| Gillian Camm | |
| Ross Ancell | |
| Charles Griffiths | (Retired 10 November 2022) |
| Alan Lewis | (Retired 10 November 2022) |
| Mohammed Saddiq | (Retired 10 November 2022) |
| Jonathon Baker | |
| Martin Thatcher | |
| Dr Steve Allpress | |
| Nick Baker | |
| Karl Tucker | |
| Katharine Finn | |
| David Powell | (Appointed 10 November 2022) |
| Mark Burchfield | (Appointed 10 November 2022) |
| Heather Frankham | (Appointed 10 November 2022) |

Registered address of the Charity

Merchants' Hall
The Promenade
Clifton
Bristol
BS8 3NH

Charity Number: 257237

The Cote Charity

Report of the Trustee for the year ended 31 December 2022 (continued)

Names and addresses of other relevant organisations

Auditor

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

Banker

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

Solicitor

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

Investment Manager

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA (via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459).

Structure, governance and management

Governing document

The Charity is constituted under a Charity Commission Scheme dated 8 October 1968 and is registered with the Charity Commission, number 257237.

Governing body and organisational management

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Audit Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

Day to day running of the Charity is delegated by the Trustee to a Sub-Committee (the Care of Older People Sub-Committee), the Members of which who served during the year were:

Dr Jacqueline Cornish (Chair)
Caroline Duckworth
Anne Nisbet
Charles Densham
Mary Prior
Charles Griffiths
Anthony Brown (Retired 27 January 2023)
Edward Ware
David Marsh
Sir Jay Tidmarsh (Appointed 10 November 2022)

The Cote Charity

Report of the Trustee for the year ended 31 December 2022 (continued)

Governing body and organisational management (continued)

The Care of Older People Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend to, and gain approval from, the Trustee for broad operational and strategic issues, as well as reporting to the Trustee on all relevant operational matters. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting with the Chairman and subsequent meeting and site visits with the Cote Manager.

The Cote Manager assists the Care of Older People Sub-Committee in fulfilling the day-to-day management of the Charity. Accounting support is provided by the Merchant Venturers' Finance department.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks.

The Conflicts of Interest Advisory Sub-Committee comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise.

As detailed in note 15, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee appropriate.

Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society of Merchant Venturers and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary care, financial, and property and skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity. They are inducted through meetings with the Chair and the Cote Manager.

Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee has examined the major risks faced by the Charity.

The Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks and to mitigate the impact that they have on the Charity.

The risk register is reviewed and updated as required but not fewer than on a bi-annual basis by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers Audit Committee and is noted by the Trustee. The Charity is reliant on resident income and monitors closely the level of vacancies at Katherine House and Griffiths House. This enables costs to be managed as required and informs the working capital requirements. The Care of Older People Sub-Committee has viewed an outbreak of infection or infectious disease as a key risk. This risk was monitored closely during the COVID-19 pandemic with mitigation in place such as; robust procedures and policies, ongoing staff training, regular reviews and feedback, as well as utilising professional advice and support to ensure the Charity maintained pace with the changing guidelines.

The Cote Charity

Report of the Trustee for the year ended 31 December 2022 (continued)

Objectives and activities Objects of the charity

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The objects of the Charity, defined in the Trust deed, which should be referred to for exact details, are:

- (a) to provide a residential home or homes or a combination or combinations of a residential home and a nursing home for elderly persons over 60 years of age who through infirmity or financial needs are unable to provide a home for themselves;
- (b) to pay pensions, annuities or grants to elderly persons over 60 years of age (whether or not residents of the homes) and who through infirmity or financial need are unable to provide the necessities or comforts of life; and
- (c) for general charitable purposes.

There have been no changes made to the objects in the year.

Aims and intended impact

The aim of the Charity is to provide residential homes of high quality for older people. Where appropriate, older people in reduced circumstances are offered support to enable them to access the services. The Trustee has given careful consideration to the level of fees set for Katherine House and Griffiths House to ensure that they are fair.

Objectives for the year

This year the principal objectives of the charity have been:

- to continue to provide a high standard of care and support services in good accommodation;
- to let units at Cote House and Robinson Place on a short term basis to generate funds to further the Charity's objectives;
- to continue to develop a plan to enable Cote House and its grounds to be used to further the Charity's objectives and meet the expectations of current and future residents.

Volunteers

The welfare of the Cote residents, whilst overseen by the Cote management team and staff, also benefits from the support provided by the Merchant Venturers' Visiting Group, a team of volunteers, who regularly visit the Homes. In 2022 due to the ongoing impact of the COVID-19 pandemic, less visits were able to take place in person, however the monthly in person visits resumed towards the end of 2022. Wherever possible activities at the homes have continued in a covid safe manner. Examples include; volunteers participating in shared reading with residents and "singing for the brain", as well as outdoor concerts. Work experience placements with local schools and colleges have now also resumed.

The Cote Charity

Report of the Trustee for the year ended 31 December 2022 (continued)

Achievements and performance

The Charity continues to provide an excellent service that meets the varying demands of its residents at Katherine House and Griffiths House. Levels of care are favourably commented upon by residents, their families and independent inspectors. Their success was demonstrated by the 2020 inspection by the Care Quality Commission which rated Katherine House 'Good' in all categories, with 'Outstanding' for the 'responsive' category and the 2021 inspection by the Care Quality Commission which rated Griffiths House 'Good' in all categories.

Financial review

The Charity produced a net surplus (detailed on page 14) of £71,563 (2021: (£153,504) net deficit).

The COVID-19 pandemic has had a significant effect on the Care sector as residents are vulnerable to the disease. Due to the restrictions necessary to protect residents and staff, new residents have not come into the homes in line with previous years and this led to higher than usual vacancies at the start of the year. The team has been working hard to restore occupancy to pre pandemic levels. The budgeted occupancy for 2022 for Katherine House was 81% and the actual occupancy was 83%. The budgeted occupancy for 2022 for Griffiths House was 90% and the actual occupancy was 100%. Some costs are variable and therefore were lower than budgeted. Occupancy levels will continue to be a key focus for 2023.

Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee for the investment and performance of the financial assets; the appointment of appropriate Fund Manager, monitoring their performance, and to recommend to the Trustee the optimum strategy for financial investment.

The Charity continued to invest in the Merchant Venturers' Charities Investment Pool (MVCIP) (Charity number 1053459) during the year. The Sub-Committee's policy is to maintain income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future.

Reserves policy

The Trustee's policy takes account of (a) the liabilities which would be faced by the charity if it were to cease operating, (b) the financial 'cushion' it would need in order to have time to respond to a serious but possible funding crisis without immediately losing capacity, and (c) any longer term objectives which might require significant investment.

The principal accounting policies on pages 16 to 17 describe the various funds of the Charity.

The Trustee has the policy to maintain reserves of unrestricted funds to a level that provides an operational contingency of approximately 6 months' running costs. Any surplus unrestricted reserves would be used for the redevelopment of Cote House and its grounds or into the investment portfolio to provide additional income to support the objects.

At 31 December 2022 the unrestricted funds were £2,062,079, which is significantly higher than 6 months' running costs.

At 31 December 2022 restricted funds were £198,032 and permanently endowed funds were £3,053,809.

The policy is reviewed on an annual basis by the Trustee to take account of the development of the charity and a review of the changing risks it faces, particularly in respect of income.

The Cote Charity

Report of the Trustee for the year ended 31 December 2022 (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The Trustee considers that demand for Katherine House and Griffiths House remains strong and will continue for the foreseeable future. In addition, the charity receives general rental income from the units at Robinson Place and units at Cote Paddock. The charity has a strong cash position.

Consequently, the Trustee is confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Future plans

To continue to provide high quality services to the residents at Katherine House and Griffiths House by:

- Continuing to attract and retain an exceptional workforce
- Continuing to deliver a varied and engaging activities programme to our residents
- Striving to achieve 'Outstanding' care across all categories as rated by CQC.

To continue to let the two houses at Robinson Place to generate funds to support the Charity's objectives.

To implement the first phase of the plan to redevelop Cote House and its grounds, including working in partnership with other charities and developing an overall plan for the site which would further the Charity's objectives and be mindful of its heritage.

The Cote Charity

Report of the Trustee for the year ended 31 December 2022 (continued)

Accounting and reporting responsibilities

Statement of Trustee's responsibilities in respect of the Report of the Trustee and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

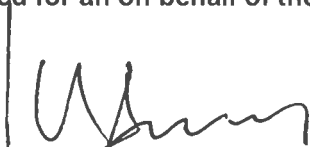
In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed for an on behalf of the Trustee



Patrick Despard
Director

Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH

Date: 07 JULY 2023

Independent auditor's report to the Trustee of The Cote Charity

Opinion

We have audited the financial statements of The Cote Charity ("the charity") for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes, including the accounting policies on pages 17 to 18.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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 have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading SM Trustee Company Limited board, audit committee, and investment committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected year on year movements.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment we performed procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we did not identify a fraud risk related to revenue recognition due to the simple recognition criteria and limited scope for judgement. We therefore assessed that there was limited opportunity for management to manipulate the income that was reported.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual accounts combinations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Charity is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and certain aspects of charity legislation recognising the financial and regulated nature of the Charity's activities and its legal form.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 9, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 auditor's 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 07 JULY 2023

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Cote Charity

Statement of financial activities for the year ended 31 December 2022

| | Note | Unrestricted funds £ | Restricted funds £ | Permanent endowment fund £ | Total 2022 £ | Total 2021 £ |
|-------------------------------------|------|-------------------------|-----------------------|-------------------------------|-----------------|-----------------|
| Income from: | | | | | | |
| Donations | | - | 1,219 | - | 1,219 | 3,483 |
| Covid-19 Grant Income | | | 31,591 | - | 31,591 | 50,025 |
| Charitable activities | | 2,181,777 | - | - | 2,181,777 | 1,633,538 |
| Investments | 1 | 22,461 | | | 22,461 | 11,583 |
| Total income | | 2,204,238 | 32,810 | - | 2,237,048 | 1,698,629 |
| Expenditure on: | | | | | | |
| Charitable activities | 2 | (2,026,718) | (5,743) | (86,130) | (2,118,591) | (1,909,864) |
| Covid-19 Grant Expenses | | - | (31,591) | - | (31,591) | (50,025) |
| Other | 3 | (5,411) | | | (5,411) | (5,421) |
| Total expenditure | | (2,032,129) | (37,334) | (86,130) | (2,155,593) | (1,965,310) |
| (Losses)/gains on investment assets | 8 | (100,546) | - | - | (100,546) | 22,697 |
| Net income/(expenditure) | 4 | 71,563 | (4,524) | (86,130) | (19,091) | (243,984) |
| Transfers between funds | 12 | - | - | - | - | - |
| Net movement in funds | | 71,563 | (4,524) | (86,130) | (19,091) | (243,984) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,990,516 | 202,556 | 3,139,939 | 5,333,011 | 5,576,995 |
| Total funds carried forward | 12 | 2,062,079 | 198,032 | 3,053,809 | 5,313,920 | 5,333,011 |

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

All incoming resources and resources expended derive from continuing activities.

The accompanying notes form part of the financial statements.

The Cote Charity (Charity Number 257237)

Balance sheet as at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 4,147,882 | 4,188,065 |
| Investments | 8 | 659,371 | 359,917 |
| | | 4,807,253 | 4,547,982 |
| Current assets | | | |
| Debtors | 9 | 60,138 | 40,499 |
| Cash at bank | | 869,393 | 1,035,830 |
| | | 929,531 | 1,076,329 |
| Creditors: amounts falling due within one year | 10 | (422,864) | (291,300) |
| Net current assets | | 506,667 | 785,029 |
| Total assets less current liabilities | | 5,313,920 | 5,333,011 |
| Creditors: amounts falling due after more than one year | 11 | - | - |
| Net assets | | 5,313,920 | 5,333,011 |
| Funds | | | |
| Unrestricted | 12 | 2,062,079 | 1,990,516 |
| Restricted | 12 | 198,032 | 202,556 |
| Permanent endowment | 12 | 3,053,809 | 3,139,939 |
| | 13 | 5,313,920 | 5,333,011 |

The financial statements on pages 14 to 25 were approved by the Trustee on 07 JULY 2023 and were signed on its behalf by:


Patrick Despard
Director


Michael Bothamley
Director

The accompanying notes form part of the financial statements.

The Cote Charity

Cash flow statement for the year ended 31 December 2022

| | Notes | 2022 £ | 2021 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities: | | | |
| Net income for the reporting year | | (19,091) | (243,984) |
| Adjustments for: | | | |
| Depreciation charges | 7 | 112,530 | 117,488 |
| Losses/(gains) on investments | 8 | 100,546 | (22,697) |
| Dividends and interest from investments | 1 | (22,461) | (11,583) |
| (Increase) in debtors | | (19,639) | (13,923) |
| Increase in creditors | | 131,564 | 76,673 |
| Net cash provided by operating activities | | 283,449 | (98,026) |
| Cash flow from financing activities: | | | |
| Repayment of Bank Loan | | - | (61,314) |
| Net cash used in financing activities | | - | (61,314) |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | 1 | 22,461 | 11,583 |
| Purchase of investment in MVCIP | | (400,000) | - |
| Purchase of property, plant and equipment | 7 | (72,347) | (82,164) |
| Net cash used in investing activities | | (449,886) | (70,581) |
| Change in cash and cash equivalents in the year | | (166,437) | (229,921) |
| Cash and cash equivalents at the beginning of the year | | 1,035,830 | 1,265,751 |
| Cash and cash equivalents at the end of the year | | 869,393 | 1,035,830 |

The accompanying notes form part of the financial statements.

The Cote Charity

Principal accounting policies

Basis of preparation

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently and are shown below.

The Cote Charity 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and fixed asset investments, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102).

Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Incoming resources – donations

Donations to the Charity are included in the financial statements in the year in which they are receivable.

Incoming resources – investments

Interest on bank deposits is included as income in the financial statements on an accruals basis. Distributions from the investment in the Merchant Venturers' Charities Investment Pool ("MVCIP") are treated as income in the year in which they accrue.

Incoming resources – charitable activities

Incoming resources from care for the elderly comprise rents and fees for the provision of accommodation and care services, which are accounted for on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenses. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of financial activities.

- (a) Charitable activities relates to the costs incurred in running and supporting the day-to-day care of the elderly activities in the execution of the Charity's objects.
- (b) Other costs relate to the strategic management of the Charity and its assets, and compliance with statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related assets where appropriate.

The Cote Charity

Principal accounting policies (continued)

Taxation

The Cote Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Fixed assets and depreciation

Fixed asset investments are stated at cost less depreciation.

Depreciation is calculated so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

| | |
|---|----------------|
| Freehold buildings and improvements | 15 to 50 years |
| Fixtures, fittings and office equipment | 3 to 5 years |
| Motor vehicles | 5 years |

Land and assets in the course of construction are not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

Investments

Fixed asset investments are stated at bid-market value at the balance sheet date in accordance with FRS102.

The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Fund accounting

The Charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

Funds which are expendable at the discretion of the Trustee in furtherance of the objects of the Charity. In addition to expenditure on care homes, such funds may be held in order to finance capital investment and working capital.

Restricted funds

Donations or legacies which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation.

Permanent endowment fund

The permanent endowment fund incorporates the original endowments of £100 and the operational properties, together with the surplus or deficit arising from the revaluation of the property (see note 7) and capital additions to the property which cannot be distinguished from the original endowment property.

Pension costs

The Charity makes contributions to employees' personal pensions in accordance with the auto-enrolment provisions. The payments to the defined contributions scheme are charged to the statement of financial activities in the period in which the obligation to make contributions arises.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2022

1 Investment income

| | 2022 £ | 2021 £ |
|--------------------------|---------------|---------------|
| Distributions from MVCIP | 21,344 | 10,915 |
| Bank interest | 1,117 | 668 |
| | 22,461 | 11,583 |

2 Analysis of charitable expenditure – care for older people

| | Direct costs £ | Support costs £ | Total 2022 £ | Total 2021 £ |
|-------------------------------|----------------------|-----------------------|--------------------|--------------------|
| Staff costs | 1,138,391 | 56,713 | 1,195,104 | 1,093,125 |
| Running costs | 454,289 | - | 454,289 | 262,183 |
| Maintenance and depreciation | 317,823 | - | 317,823 | 423,384 |
| Management and administration | 25,900 | 125,475 | 151,375 | 131,172 |
| | 1,936,403 | 182,188 | 2,118,591 | 1,909,864 |

All the support costs have been allocated to one charitable activity (care for the elderly).

3 Other costs

| | 2022 £ | 2021 £ |
|-------------------------------|--------------|--------------|
| Audit fee | 5,316 | 5,316 |
| Trustee's indemnity insurance | 95 | 105 |
| | 5,411 | 5,421 |

4 Net income/expenditure

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Net income/expenditure is stated after charging: | | |
| Audit fee | 5,316 | 5,316 |
| Depreciation | 112,530 | 117,488 |

The audit fee excluding irrecoverable VAT was £4,430 (2021: £4,430).

The Cote Charity

Notes to the financial statements for the year ended 31 December 2022

5 Staff costs

The average number of persons employed on a full and part-time basis by The Cote Charity during the year, analysed by category, is as follows:

| | 2022 | 2021 |
|-------------------------------|------|------|
| Residential care | 47 | 46 |
| Management and administration | 4 | 4 |
| | 51 | 50 |

The aggregate payroll costs of these persons were as follows:

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,081,321 | 996,977 |
| Social security costs | 88,540 | 76,333 |
| Pension costs | 25,243 | 19,815 |
| | 1,195,104 | 1,093,125 |

No individual employee received emoluments exceeding £60,000 during 2022 or 2021.

A recharge is made by the Society of Merchant Venturers for staff as disclosed in note 14. The Directors of SMV Trustee Company Limited Trustee are considered to be the only key management personnel of the Charity. See note 6 below.

6 Trustee's remuneration

No director of SMV Trustee Company Limited received remuneration or reimbursement of expenses for their services to the Charity during the year (2021: £nil) nor had any beneficial interest in any contract with the Charity during the year (2021: £nil).

A professional indemnity insurance premium of £95 (2021: £105) was paid by the Charity on behalf of the Trustee.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2022

7 Tangible fixed assets

| | Assets in the course of construction | Freehold land and buildings £ | Fixtures, fittings and office equipment £ | Motor vehicles £ | Total £ |
|----------------------------|--|--|---|------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 January 2022 | 233,238 | 5,083,364 | 259,106 | 29,290 | 5,604,998 |
| Additions | 50,032 | - | 22,315 | - | 72,347 |
| At 31 December 2022 | 283,270 | 5,083,364 | 281,421 | 29,290 | 5,677,345 |
| Depreciation | | | | | |
| At 1 January 2022 | - | 1,140,795 | 246,848 | 29,290 | 1,416,933 |
| Charge for year | - | 104,038 | 8,492 | - | 112,530 |
| At 31 December 2022 | - | 1,244,833 | 255,340 | 29,290 | 1,529,463 |
| Net book value | | | | | |
| At 31 December 2022 | 283,270 | 3,838,531 | 26,081 | - | 4,147,882 |
| At 31 December 2021 | 233,238 | 3,942,569 | 12,258 | - | 4,188,065 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2022

8 Fixed asset investments

| | Total £ |
|---|----------------|
| Cost | |
| At 1 January and 31 December 2022 | 565,890 |
| Revaluations | |
| Unrealised gains at 1 January 2022 | 194,027 |
| Net loss arising on revaluation | (100,546) |
| Unrealised gains at 31 December 2022 | 93,481 |
| Net book value | |
| At 31 December 2022 | 659,371 |
| At 31 December 2021 | 359,917 |

All investments are held in the Merchant Venturers' Charities Investment Pool, which was structured as follows at 31 December 2022:

| | % |
|----------------------------------|--------------|
| Investment assets in the UK | 39.1 |
| Investment assets outside the UK | 42.6 |
| Alternatives & Multi-Asset | 16.8 |
| Cash | 1.5 |
| | 100.0 |

9 Debtors

| | 2022 £ | 2021 £ |
|-------------------------------|---------------|-----------|
| Rents and fees | 21,480 | 11,924 |
| Other debtors and prepayments | 38,658 | 28,575 |
| | 60,138 | 40,499 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2022

10 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|---------------------------------------|----------------|----------------|
| Trade creditors | 151,139 | 69,439 |
| Other taxes and social security costs | 22,210 | 20,479 |
| Other creditors | 128,849 | 77,638 |
| Accruals | 111,633 | 85,304 |
| Covid-19 Grant | 9,033 | 38,440 |
| | 422,864 | 291,300 |

11 Funds

| | Balance at 1 January 2022 £ | Incoming resources £ | Resources expended £ | Investment Losses £ | Transfers between funds £ | Balance at 31 December 2022 £ |
|-------------------------------------|--------------------------------------|----------------------------|----------------------------|---------------------------|------------------------------------|--|
| Unrestricted | | | | | | |
| General fund | 1,990,516 | 2,204,238 | (2,032,129) | (100,546) | - | 2,062,079 |
| Restricted | | | | | | |
| Staff fund | (98) | 1,091 | (1,415) | | - | (422) |
| Katherine House amenity fund | 13,997 | 27 | (330) | | - | 13,694 |
| Katherine House building fund | 137,584 | - | (3,618) | | - | 133,966 |
| Griffiths House amenity fund | 553 | 101 | - | | - | 654 |
| Residents Personal Allowances | 520 | - | (380) | | - | 140 |
| Covid-19 Grant | - | 31,591 | (31,591) | | - | - |
| Griffiths House building fund | 50,000 | - | - | | - | 50,000 |
| Total Restricted | 202,556 | 32,810 | (37,334) | - | - | 198,032 |
| Permanent endowment | 3,139,939 | - | (86,130) | - | - | 3,053,809 |
| Total | 5,333,011 | 2,237,048 | (2,155,593) | (100,546) | - | 5,313,920 |

The General fund includes £93,481 (2021: £194,027) relating to unrealised gains in the value of fixed asset investments.

The Staff fund represents donations given to the Charity for the benefit of staff.

The Katherine House amenity fund represents donations given to the Charity for the benefit of the residents at Katherine House.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2022

The Katherine House building fund represents donations towards the cost of building Katherine House net of related depreciation.

The Griffiths House amenity fund represents donations given to the Charity for the benefit of residents at Griffiths House.

The Griffiths House building fund represents donations towards the cost of building Griffiths House net of related depreciation.

The Permanent endowment fund represents part of the land and buildings of the Charity net of year end bank loan and depreciation.

The Covid-19 Grant represents special funding provided by the Local Authority to help the charity with its response to the pandemic and was utilised in line with conditions specified. Any unutilised funds at the end of the grant term will be returned in accordance with the conditions of funding.

12 Analysis of funds balance

| | Unrestricted | Restricted | Permanent endowment | Total |
|-------------------------|------------------|----------------|------------------------|------------------|
| | £ | £ | £ | £ |
| Fixed assets | 910,108 | 183,965 | 3,053,809 | 4,147,882 |
| Fixed asset investments | 659,372 | - | - | 659,372 |
| Net current assets | 492,599 | 14,067 | - | 506,666 |
| Long term creditors | - | - | - | - |
| Net assets | 2,062,079 | 198,032 | 3,053,809 | 5,313,920 |

The Cote Charity

13 Transactions with related parties

Society of Merchant Venturers

The Charity incurred a charge for the reallocation of salaries and overheads of £52,092 (2021: £51,826) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil (2021: £nil) was outstanding at the year end.

Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Cote Charity. For details of investments held and income received from MVCIP see notes 1 and 8. At 31 December 2022 £6,657 was outstanding from MVCIP (2021: £2,776).

14 Connected charities

The Society of Merchant Venturers' Almshouses Charity (Registered Charity Number 202152) is a connected charity under the definition of the Charities' SORP 2019 as it has the same Trustee as The Cote Charity. Further information can be obtained from the Charities' registered address detailed on page 1 of the Trustee's report. The Cote Charity made a charge of £4,187 (2021: £4,604) for the services of the Colston's Almshouse Manager and a charge of £5,610 for a maintenance officer (2021: £5,411) to the SMV Almshouses Charity. At 31 December 2022 £nil (2021: £nil) was owing by the SMV Almshouses Charity to the Cote Charity relating to these services.

The SMV Almshouses Charity provided the services of a Chaplain to The Cote Charity at a cost of £1,054 (2021: £275) of which £46 (2021: £138) was outstanding at 31 December 2022.

15 Analysis of changes in net debt

| | At 1 January 2022 £ | Cash flow £ | At 31 December 2022 £ |
|----------------------------------|---------------------------|------------------|-----------------------------|
| Cash and cash equivalents | | | |
| Cash | 1,035,830 | (166,437) | 869,393 |
| | <u>1,035,830</u> | <u>(166,437)</u> | <u>869,393</u> |
| Total | <u>1,035,830</u> | <u>(166,437)</u> | <u>869,393</u> |

THE COTE CHARITY

England & Wales - Charity number 257237

Accounts

Registered Charity Number 257237

The Cote Charity

**Annual report and financial statements
for the year ended 31 December 2021**

The Cote Charity

Annual report and financial statements for the year ended 31 December 2021

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The Cote Charity

Report of the Trustee for the year ended 31 December 2021

The Trustee presents its report and audited financial statements for the year ended 31 December 2021. The financial statements comply with current statutory requirements, the Trust deed and the Statement of Recommended Practice for Charities (SORP 2019).

Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

| | |
|-------------------|------------------------------|
| David Freed | |
| Patrick Despard | |
| Michael Bothamley | |
| Gillian Camm DL | |
| Ross Ancell | |
| Tony Kenny | (Deceased 03 June 2021) |
| Charles Griffiths | |
| Cullum McAlpine | (Retired 10 November 2021) |
| John Watson | (Retired 10 November 2021) |
| Gail Bragg | (Retired 10 November 2021) |
| Alan Lewis | |
| Robert Bourns DL | |
| Mohammed Saddiq | |
| Jonathon Baker | |
| Andrew Nisbet | (Retired 10 November 2021) |
| Martin Thatcher | |
| Roderick Davidson | (Retired 10 November 2021) |
| Steve Allpress | (Appointed 10 November 2021) |
| Nick Baker | (Appointed 10 November 2021) |
| Karl Tucker | (Appointed 10 November 2021) |
| Katharine Finn | (Appointed 10 November 2021) |

Registered address of the Charity

Merchants' Hall
The Promenade
Clifton
Bristol
BS8 3NH

Charity Number: 257237

The Cote Charity

Report of the Trustee for the year ended 31 December 2021 (continued)

Names and addresses of other relevant organisations

Auditor

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

Banker

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

Solicitor

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

Investment Manager

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA (via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459).

Structure, governance and management

Governing document

The Charity is constituted under a Charity Commission Scheme dated 8 October 1968 and is registered with the Charity Commission, number 257237.

Governing body and organisational management

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee. All the members of the Society of Merchant Venturers' Standing Committee are Directors of SMV Trustee Company Limited.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Audit Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

Day to day running of the Charity is delegated by the Trustee to a Sub-Committee (the Care of Older People Sub-Committee), the Members of which who served during the year were:

Dr Jacqueline Cornish (Chair)
John Laycock (Retired 10 November 2021)
Stephen Parsons (Retired 10 November 2021)
Caroline-Jane Duckworth
Anne Nisbet
Charles Densham
Robert Davis (Retired 10 November 2021)
Chris Pople (Retired 10 November 2021)
Mary Prior
Charles Griffiths
Jullian Telling (Retired 10 November 2021)
Anthony Brown
Edward Ware (Appointed 10 November 2021)
David Marsh (Appointed 10 November 2021)

The Cote Charity

Report of the Trustee for the year ended 31 December 2021 (continued)

Governing body and organisational management (continued)

The Care of Older People Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend to, and gain approval from, the Trustee for broad operational and strategic issues, as well as reporting to the Trustee on all relevant operational matters. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting with the Chairman and subsequent meeting and site visits with the Cote Manager.

The Cote Manager assists the Care of Older People Sub-Committee in fulfilling the day-to-day management of the Charity. Accounting support is provided by the Merchant Venturers' Finance department.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks.

The Conflicts of Interest Advisory Sub-Committee was established in 2021 and comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise. As detailed in note 15, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee) appropriate.

Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity. They are inducted through meetings with the Chair and Cote Manager.

Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee has examined the major risks faced by the Charity.

In addition to managing the response to COVID-19, the Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks and to mitigate the impact that they have on the Charity.

The risk register is reviewed and updated as required but not fewer than on a bi-annual basis by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers Audit Committee and is noted by the Trustee. As part of managing the response to COVID-19, the Care of Older People Sub-Committee has reviewed the risk register at every meeting during 2021. The Charity is reliant on resident income and monitors closely the level of vacancies at Katherine House and Griffiths House. This enables costs to be managed as required and informs the working capital requirements. The Care of Older People Sub-Committee has viewed an outbreak of infection or infectious disease as a key risk. This is being monitored closely during the COVID-19 pandemic with mitigation in place such as; robust procedures and policies, ongoing staff training, regular reviews and feedback, as well as utilising professional advice and support to ensure the Charity maintains pace with the changing guidelines.

The Cote Charity

Report of the Trustee for the year ended 31 December 2021 (continued)

Objectives and activities Objects of the charity

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The objects of the Charity, defined in the Trust deed, which should be referred to for exact details, are:

- (a) to provide a residential home or homes or a combination or combinations of a residential home and a nursing home for elderly persons over 60 years of age who through infirmity or financial needs are unable to provide a home for themselves;
- (b) to pay pensions, annuities or grants to elderly persons over 60 years of age (whether or not residents of the homes) and who through infirmity or financial need are unable to provide the necessities or comforts of life; and
- (c) for general charitable purposes.

There have been no changes made to the objects in the year.

Aims and intended impact

The aim of the Charity is to provide residential homes of high quality for older people. Where appropriate, older people in reduced circumstances are offered support to enable them to access the services. The Trustee has given careful consideration to the level of fees set for Katherine House and Griffiths House to ensure that they are fair.

Objectives for the year

This year the principal objectives of the charity have been:

- to continue to provide a high standard of care and support services in good accommodation;
- to let units at Cote House and Robinson Place on a short term basis to generate funds to further the Charity's objectives;
- to continue to develop a plan to enable Cote House and its grounds to be used to further the Charity's objectives and meet the expectations of current and future residents.

Volunteers

The welfare of the Cote residents, whilst overseen by the Cote management team and staff, also benefits from the support provided by the Merchant Venturers' Visiting Group, a team of volunteers, who regularly visit the Homes. In 2021 due to the COVID-19 pandemic, limited visits have been able to take place in person. Wherever possible activities at the homes have continued in a covid safe manner. Examples include; volunteers participating in shared reading with residents and "singing for the brain", as well as outdoor concerts.

The Cote Charity

Report of the Trustee for the year ended 31 December 2021 (continued)

Achievements and performance

The Charity continues to provide an excellent service that meets the varying demands of its residents at Katherine House and Griffiths House. Levels of care are favourably commented upon by residents, their families and independent inspectors. Their success was demonstrated by the 2020 inspection by the Care Quality Commission which rated Katherine House 'Good' in all categories, with 'Outstanding' for the 'responsive' category and the 2021 inspection by the Care Quality Commission which rated Griffiths House 'Good' in all categories.

Financial review

The Charity produced a net deficit (detailed on page 14) of (153,504) (2020: £181,282 net surplus).

The COVID-19 pandemic has had a significant effect on the Care sector as residents are vulnerable to the disease. Due to the restrictions necessary to protect residents and staff, new residents have not come into the homes in line with previous years and this has led to higher than usual vacancies. The budgeted occupancy for 2021 for Katherine House was 91% and the actual occupancy was 74%. The budgeted occupancy for 2021 for Griffiths House was 92% and the actual occupancy was 76%. Some costs are variable and therefore were lower than budgeted. Occupancy levels will continue to be a key focus for 2022. Current forecasts suggest that although occupancy is below historic levels, a reduction in variable costs means there is sufficient cash available to support the charity's requirements.

Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee for the investment and performance of the financial assets; the appointment of appropriate Fund Manager, monitoring their performance, and to recommend to the Trustee the optimum strategy for financial investment.

The Charity continued to invest in the Merchant Venturers' Charities Investment Pool (MVCIP) (Charity number 1053459) during the year. The Sub-Committee's policy is to maintain income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future.

Reserves policy

The Trustee's policy takes account of (a) the liabilities which would be faced by the charity if it were to cease operating, (b) the financial 'cushion' it would need in order to have time to respond to a serious but possible funding crisis without immediately losing capacity, and (c) any longer term objectives which might require significant investment.

The principal accounting policies on pages 16 to 17 describe the various funds of the Charity.

The Trustee has the policy to maintain reserves of unrestricted funds to a level that provides an operational contingency of approximately 6 months' running costs. Any surplus unrestricted reserves would be used for the redevelopment of Cote House and its grounds.

At 31 December 2021 the unrestricted funds were £1,990,516, which is significantly higher than 6 months' running costs.

At 31 December 2021 restricted funds were £202,556 and permanently endowed funds were £3,139,939.

The policy is reviewed on an annual basis by the Trustee to take account of the development of the charity and a review of the changing risks it faces, particularly in respect of income.

The Cote Charity

Report of the Trustee for the year ended 31 December 2021 (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated future impact of COVID-19 on operations and of its financial resources, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The COVID-19 pandemic has had an effect on the Care sector as residents are vulnerable to the disease. However, all residents within the homes have received the vaccine, there is regular testing available for staff, residents and nominated visitors and there are robust infection control measures in place in the homes.

The Trustee considers that demand for Katherine House and Griffiths House remains strong and will continue for the foreseeable future. In addition, the charity receives general rental income from the units at Robinson Place and units at Cote Paddock. The charity has a strong cash position, and in the event of a significant downturn in income or increase in costs, has the option utilising the cash invested in a deposit account to meet its liabilities.

Consequently, the Trustee is confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Future plans

To continue to provide high quality services to the residents at Katherine House and Griffiths House by:

- Continuing to attract and retain an exceptional workforce
- Continuing to deliver a varied and engaging activities programme to our residents
- Striving to achieve 'Outstanding' care across all categories as rated by CQC.

To continue to let the two houses at Robinson Place to generate funds to support the Charity's objectives.

To implement the first phase of the plan to redevelop Cote House and its grounds, including working in partnership with other charities and developing an overall plan for the site which would further the Charity's objectives and be mindful of its heritage.

The Cote Charity

Report of the Trustee for the year ended 31 December 2021 (continued)

Accounting and reporting responsibilities

Statement of Trustee's responsibilities in respect of the Report of the Trustee and the financial statements

Under charity law, the trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The trustee is required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

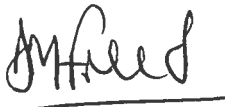
The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Signed for an on behalf of the Trustee



David Freed
Director
Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH
Date: 18 JULY 2022

Independent auditor's report to the Trustee of The Cote Charity

Opinion

We have audited the financial statements of The Cote Charity ("the charity") for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes, including the accounting policies on pages 16 to 17.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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 have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading SMV Trustee Company Limited board, audit committee, and investment committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected year on year movements.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual accounts combinations.
- Substantive testing of rental income and agreement to supporting evidence.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Charity is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and certain aspects of charity legislation recognising the financial and regulated nature of the Charity's activities and its legal form.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence,

if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 9, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Trustee of The Cote Charity (continued)

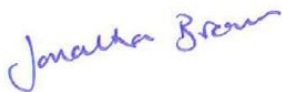
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 auditor's 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 21 July 2022

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Cote Charity

Statement of financial activities for the year ended 31 December 2021

| | Note | Unrestricted funds £ | Restricted funds £ | Permanent endowment fund £ | Total 2021 £ | Total 2020 £ |
|--|------|----------------------------|--------------------------|-------------------------------------|--------------------|--------------------|
| Income from: | | | | | | |
| Donations | | - | 3,483 | - | 3,483 | 3,513 |
| Covid-19 Grant Income | | - | 50,025 | - | 50,025 | 71,172 |
| Charitable activities | | 1,633,538 | - | - | 1,633,538 | 2,029,035 |
| Investments | 1 | 11,583 | - | - | 11,583 | 15,309 |
| Total income | | 1,645,121 | 53,508 | - | 1,698,629 | 2,119,029 |
| Expenditure on: | | | | | | |
| Charitable activities | 2 | (1,815,901) | (22,229) | (71,734) | (1,909,864) | (1,826,997) |
| Covid-19 Grant Expenses | | - | (50,025) | - | (50,025) | (71,172) |
| Other | 3 | (5,421) | - | - | (5,421) | (5,794) |
| Total expenditure | | (1,821,322) | (72,254) | (71,734) | (1,965,310) | (1,903,963) |
| (Losses)/gains on investment assets | 8 | 22,697 | - | - | 22,697 | (33,784) |
| Net income/(Loss) | 4 | (153,504) | (18,746) | (71,734) | (243,984) | 181,282 |
| Transfers between funds | 12 | - | - | - | - | - |
| Net movement in funds | | (153,504) | (18,746) | (71,734) | (243,984) | 181,282 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 2,144,020 | 221,302 | 3,211,673 | 5,576,995 | 5,395,713 |
| Total funds carried forward | 12 | 1,990,516 | 202,556 | 3,139,939 | 5,333,011 | 5,576,995 |

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

All incoming resources and resources expended derive from continuing activities.

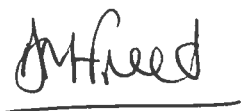
The accompanying notes form part of the financial statements.

The Cote Charity (Charity Number 257237)

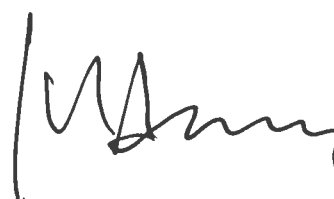
Balance sheet as at 31 December 2021

| | Note | 2021 £ | 2020 £ |
|--|------|------------------|-----------|
| Fixed assets | | | |
| Tangible assets | 7 | 4,188,065 | 4,223,389 |
| Investments | 8 | 359,917 | 337,220 |
| | | 4,547,982 | 4,560,609 |
| Current assets | | | |
| Debtors | 9 | 40,499 | 26,575 |
| Cash at bank | | 1,035,830 | 1,265,751 |
| | | 1,076,329 | 1,292,326 |
| Creditors: amounts falling due within one year | 10 | (291,300) | (275,940) |
| Net current assets | | 785,029 | 1,016,386 |
| Total assets less current liabilities | | 5,333,011 | 5,576,995 |
| Creditors: amounts falling due after more than one year | 11 | - | - |
| Net assets | | 5,333,011 | 5,576,995 |
| Funds | | | |
| Unrestricted | 12 | 1,990,516 | 2,144,020 |
| Restricted | 12 | 202,556 | 221,302 |
| Permanent endowment | 12 | 3,139,939 | 3,211,673 |
| | 13 | 5,333,011 | 5,576,995 |

The financial statements on pages 14 to 26 were approved by the Trustee on 18 JULY 2022 and were signed on its behalf by:



David Freed
Director



Patrick Despard
Director

The accompanying notes form part of the financial statements.

The Cote Charity

Cash flow statement for the year ended 31 December 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|------------------|-----------|
| Cash flows from operating activities: | | | |
| Net income for the reporting year | | (243,984) | 181,282 |
| Adjustments for: | | | |
| Depreciation charges | 7 | 117,488 | 128,290 |
| (Gains)/losses on investments | 8 | (22,697) | 33,784 |
| Dividends and interest from investments | 1 | (11,583) | (15,309) |
| (Decrease)/increase in debtors | | (13,923) | 8,308 |
| Increase in creditors | | 76,673 | 82,829 |
| Net cash provided by operating activities | | (98,026) | 419,184 |
| Cash flow from financing activities: | | | |
| Repayment of Bank Loan | | (61,314) | (113,844) |
| Net cash used in financing activities | | (61,314) | (113,844) |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | 1 | 11,583 | 15,309 |
| Purchase of property, plant and equipment | 7 | (82,164) | (22,380) |
| Net cash used in investing activities | | (70,581) | (7,071) |
| Change in cash and cash equivalents in the year | | (229,921) | 298,269 |
| Cash and cash equivalents at the beginning of the year | | 1,265,751 | 967,482 |
| Cash and cash equivalents at the end of the year | | 1,035,830 | 1,265,751 |

The accompanying notes form part of the financial statements.

The Cote Charity

Principal accounting policies

Basis of preparation

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently and are shown below.

The Cote Charity 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and fixed asset investments, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102).

Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Incoming resources – donations

Donations to the Charity are included in the financial statements in the year in which they are receivable.

Incoming resources – investments

Interest on bank deposits is included as income in the financial statements on an accruals basis. Distributions from the investment in the Merchant Venturers' Charities Investment Pool ("MVCIP") are treated as income in the year in which they accrue.

Incoming resources – charitable activities

Incoming resources from care for the elderly comprise rents and fees for the provision of accommodation and care services, which are accounted for on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenses. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of financial activities.

- (a) Charitable activities relates to the costs incurred in running and supporting the day-to-day care of the elderly activities in the execution of the Charity's objects.
- (b) Other costs relate to the strategic management of the Charity and its assets, and compliance with statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related assets where appropriate.

The Cote Charity

Principal accounting policies (continued)

Taxation

The Cote Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Fixed assets and depreciation

Fixed asset investments are stated at cost less depreciation.

Depreciation is calculated so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

| | |
|---|----------------|
| Freehold buildings and improvements | 15 to 50 years |
| Fixtures, fittings and office equipment | 3 to 5 years |
| Motor vehicles | 5 years |

Land and assets in the course of construction are not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

Investments

Fixed asset investments are stated at mid-market value at the balance sheet date. This is not in accordance with FRS102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a reduction in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Fund accounting

The Charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

Funds which are expendable at the discretion of the Trustee in furtherance of the objects of the Charity. In addition to expenditure on care homes, such funds may be held in order to finance capital investment and working capital.

Restricted funds

Donations or legacies which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation.

Permanent endowment fund

The permanent endowment fund incorporates the original endowments of £100 and the operational properties, together with the surplus or deficit arising from the revaluation of the property (see note 7) and capital additions to the property which cannot be distinguished from the original endowment property.

Pension costs

The Charity makes contributions to employees' personal pensions in accordance with the auto-enrolment provisions. The payments to the defined contributions scheme are charged to the statement of financial activities in the period in which the obligation to make contributions arises.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2021

1 Investment income

| | 2021 £ | 2020 £ |
|--------------------------|---------------|---------------|
| Distributions from MVCIP | 10,915 | 11,768 |
| Bank interest | 668 | 3,541 |
| | 11,583 | 15,309 |

2 Analysis of charitable expenditure – care for older people

| | Direct costs £ | Support costs £ | Total 2021 £ | Total 2020 £ |
|-------------------------------|----------------------|-----------------------|--------------------|--------------------|
| Staff costs | 1,036,245 | 56,880 | 1,093,125 | 1,186,966 |
| Running costs | 262,183 | - | 262,183 | 249,755 |
| Maintenance and depreciation | 423,384 | - | 423,384 | 285,795 |
| Management and administration | 16,127 | 115,045 | 131,172 | 104,481 |
| | 1,737,939 | 171,925 | 1,909,864 | 1,826,997 |

All the support costs have been allocated to one charitable activity (care for the elderly).

3 Other costs

| | 2021 £ | 2020 £ |
|-------------------------------|--------------|--------------|
| Audit fee | 5,316 | 5,316 |
| Trustee's indemnity insurance | 105 | 478 |
| | 5,421 | 5,794 |

4 Net income/expenditure

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Net income/expenditure is stated after charging: | | |
| Audit fee | 5,316 | 5,316 |
| Depreciation | 117,488 | 128,290 |

The audit fee excluding irrecoverable VAT was £4,430 (2020: £4,430).

The Cote Charity

Notes to the financial statements for the year ended 31 December 2021

5 Staff costs

The average number of persons employed on a full and part-time basis by The Cote Charity during the year, analysed by category, is as follows:

| | 2021 | 2020 |
|-------------------------------|------|------|
| Residential care | 46 | 48 |
| Management and administration | 4 | 4 |
| | 50 | 52 |

The aggregate payroll costs of these persons were as follows:

| | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 996,977 | 1,082,858 |
| Social security costs | 76,333 | 82,797 |
| Pension costs | 19,815 | 21,311 |
| | 1,093,125 | 1,186,966 |

No individual employee received emoluments exceeding £62,000 during 2021 or 2020.

A recharge is made by the Society of Merchant Venturers for staff as disclosed in note 14. The Trustee is considered to be the only key management personnel of the Charity. See note 6 below.

6 Trustee's remuneration

No director of SMV Trustee Company Limited received remuneration or reimbursement of expenses for their services to the Charity during the year (2020: £nil) nor had any beneficial interest in any contract with the Charity during the year (2020: £nil).

A professional indemnity insurance premium of £105 (2020: £478) was paid by the Charity on behalf of the Trustee.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2021

7 Tangible fixed assets

| | Assets in the course of construction | Freehold land and buildings £ | Fixtures, fittings and office equipment £ | Motor vehicles £ | Total £ |
|----------------------------|--|--|---|------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 January 2021 | 158,429 | 5,083,364 | 251,751 | 29,290 | 5,522,834 |
| Additions | 74,809 | - | 7,355 | - | 82,164 |
| Transfers | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| At 31 December 2021 | 233,238 | 5,083,364 | 259,106 | 29,290 | 5,604,998 |
| Depreciation | | | | | |
| At 1 January 2021 | - | 1,036,681 | 233,474 | 29,290 | 1,299,445 |
| Charge for year | - | 104,114 | 13,374 | - | 117,488 |
| Disposals | - | - | - | - | - |
| At 31 December 2021 | - | 1,140,795 | 246,848 | 29,290 | 1,416,933 |
| Net book value | | | | | |
| At 31 December 2021 | 233,238 | 3,942,569 | 12,258 | - | 4,188,065 |
| At 31 December 2020 | 158,429 | 4,046,683 | 18,277 | - | 4,223,389 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2021

8 Fixed asset investments

| | Total £ |
|---|----------------|
| Cost | |
| At 1 January and 31 December 2021 | 165,890 |
| Revaluations | |
| Unrealised gains at 1 January 2021 | 171,330 |
| Net gain arising on revaluation | 22,697 |
| Unrealised gains at 31 December 2021 | 194,027 |
| Net book value | |
| At 31 December 2021 | 359,917 |
| At 31 December 2020 | 337,220 |

All investments are held in the Merchant Venturers' Charities Investment Pool, which was structured as follows at 31 December 2021:

| | % |
|----------------------------------|--------------|
| Investment assets in the UK | 37.6 |
| Investment assets outside the UK | 43.2 |
| Alternatives & Multi-Asset | 18.0 |
| Cash | 1.2 |
| | 100.0 |

9 Debtors

| | 2021 £ | 2020 £ |
|-------------------------------|---------------|---------------|
| Rents and fees | 11,924 | 1,592 |
| Other debtors and prepayments | 28,575 | 24,983 |
| | 40,499 | 26,575 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2021

10 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---------------------------------------|----------------|----------------|
| Trade creditors | 69,439 | 66,148 |
| Other taxes and social security costs | 20,479 | 22,098 |
| Other creditors | 77,638 | 54,068 |
| Accruals | 85,304 | 60,807 |
| Covid-19 Grant | 38,440 | 11,505 |
| Bank loan | - | 61,314 |
| | 291,300 | 275,940 |

11 Creditors: amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|---------------|
| Age analysis of bank loan | | |
| Due within one year | - | 61,314 |
| Due after more than one year: | | |
| Between one and two years | - | - |
| Between two and five years | - | - |
| More than five years | - | - |
| Total due after more than one year | - | - |
| Total | - | 61,314 |

The Charity had a loan with NatWest Bank with a balance of £nil at 31 December 2021 (£61,314 at 31 December 2020), which was secured on 19 Cote Paddock. The interest rate was 1.6% over base rate and there was a capital repayment holiday until February 2018. The final repayment was made in August 2021.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2021

12 Funds

| | Balance at 1 January 2021 £ | Incoming resources £ | Resources expended £ | Investment Gains £ | Transfers between funds £ | Balance at 31 December 2021 £ |
|-------------------------------------|--------------------------------------|----------------------------|----------------------------|--------------------------|------------------------------------|--|
| Unrestricted | | | | | | |
| General fund | 2,144,020 | 1,645,121 | (1,821,322) | 22,697 | - | 1,990,516 |
| Restricted | | | | | | |
| Staff fund | 52 | 2,218 | (2,368) | - | - | (98) |
| Katherine House amenity fund | 14,367 | 745 | (1,115) | - | - | 13,997 |
| Katherine House building fund | 155,674 | - | (18,090) | - | - | 137,584 |
| Griffiths House amenity fund | 1,139 | 70 | (656) | - | - | 553 |
| Residents Personal Allowances | 70 | 450 | - | - | - | 520 |
| Covid-19 Grant | - | 50,025 | (50,025) | - | - | - |
| Griffiths House building fund | 50,000 | - | - | - | - | 50,000 |
| Total Restricted | 221,302 | 53,508 | (72,254) | - | - | 202,556 |
| Permanent endowment | 3,211,673 | - | (71,734) | - | - | 3,139,939 |
| Total | 5,576,995 | 1,698,629 | (1,965,310) | 22,697 | - | 5,333,011 |

The General fund includes £194,027 (2020: £171,330) relating to unrealised gains in the value of fixed asset investments.

The Staff fund represents donations given to the Charity for the benefit of staff.

The Katherine House amenity fund represents donations given to the Charity for the benefit of the residents at Katherine House.

The Katherine House building fund represents donations towards the cost of building Katherine House net of related depreciation.

The Griffiths House amenity fund represents donations given to the Charity for the benefit of residents at Griffiths House.

The Griffiths House building fund represents donations towards the cost of building Griffiths House net of related depreciation.

The Permanent endowment fund represents part of the land and buildings of the Charity net of year end bank loan and depreciation.

The Covid-19 Grant represents special funding provided by the Local Authority to help the charity with its response to the pandemic and was utilised in line with conditions specified. Any unutilised funds at the end of the grant term will be returned in accordance with the conditions of funding.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2021

13 Analysis of funds balance

| | Unrestricted | Restricted | Permanent endowment | Total |
|-------------------------|------------------|----------------|------------------------|------------------|
| | £ | £ | £ | £ |
| Fixed assets | 860,543 | 187,583 | 3,139,939 | 4,188,065 |
| Fixed asset investments | 359,917 | - | - | 359,917 |
| Net current assets | 770,056 | 14,973 | - | 785,029 |
| Long term creditors | - | - | - | - |
| Net assets | 1,990,516 | 202,556 | 3,139,939 | 5,333,011 |

14 Transactions with related parties

Society of Merchant Venturers

The Charity incurred a charge for the reallocation of salaries and overheads of £51,826 (2020: £49,107) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil (2020: £nil) was outstanding at the year end.

Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Cote Charity. For details of investments held and income received from MVCIP see notes 1 and 8. At 31 December 2021 £2,776 was outstanding from MVCIP (2020: £2,460).

15 Connected charities

The Society of Merchant Venturers' Almshouses Charity (Registered Charity Number 202152) is a connected charity under the definition of the Charities' SORP 2019 as it has the same Trustee as The Cote Charity. Further information can be obtained from the Charities' registered address detailed on page 1 of the Trustee's report. The Cote Charity made a charge of £4,604 (2020: £4,569) for the services of the Colston's Almshouse Manager and a charge of £5,411 for a maintenance officer (2020: £5,377) to the SMV Almshouses Charity. At 31 December 2021 £nil (2020: £2,487) was owing by the SMV Almshouses Charity to the Cote Charity relating to these services.

The SMV Almshouses Charity provided the services of a Chaplain to The Cote Charity at a cost of £275 (2020: £587) of which £138 (2020: £nil) was outstanding at 31 December 2021.

The Cote Charity

16 Analysis of changes in net debt

| | At 1 January 2021 £ | Cash flow £ | At 31 December 2021 £ |
|----------------------------------|---------------------------|------------------|-----------------------------|
| Cash and cash equivalents | | | |
| Cash | 1,265,751 | (229,920) | 1,035,831 |
| | 1,265,751 | (229,920) | 1,035,831 |
| Borrowings | | | |
| Debt due within one year | (61,314) | 61,314 | - |
| Debt due after one year | - | - | - |
| | (61,314) | 61,314 | - |
| Total | 1,204,437 | (168,606) | 1,035,831 |

THE COTE CHARITY

England & Wales - Charity number 257237

Accounts

Registered Charity Number 257237

The Cote Charity

**Annual report and financial statements
for the year ended 31 December 2020**

The Cote Charity

Annual report and financial statements for the year ended 31 December 2020

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The Cote Charity

Report of the Trustee for the year ended 31 December 2020

The Trustee presents its report and audited financial statements for the year ended 31 December 2020. The financial statements comply with current statutory requirements, the Trust deed and the Statement of Recommended Practice for Charities (SORP 2019).

Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

Mrs G E Camm DL
Mr D M Freed
Mr P Despard
Mr J R Ancell
Mr A E Kenny (Deceased 03 June 2021)
Mr C A Griffiths
Mr C McAlpine
Mr A D Garrad CBE (Retired 10 November 2020)
Mrs L P Marshall (Retired 10 November 2020)
Mr H L M Bothamley
Mr J Watson
Ms A G Bragg
Mr A Lewis
Mr R H G Bourns DL
Mr M Saddiq
Mr A R E Brown (Retired 10 November 2020)
Mr C H Green CBE (Retired 10 November 2020)
Mr J M M Baker (Appointed 10 November 2020)
Mr A Nisbet (Appointed 10 November 2020)
Mr M Thatcher (Appointed 10 November 2020)
Mr R Davidson (Appointed 10 November 2020)

Registered address of the Charity

Merchants' Hall
The Promenade
Clifton
Bristol
BS8 3NH

Charity Number: 257237

The Cote Charity

Report of the Trustee for the year ended 31 December 2020 (continued)

Names and addresses of other relevant organisations

Auditor

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

Banker

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

Solicitor

Mr R N F Drewett DL, Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

Investment Manager

Smith & Williamson Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA (via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459).

Structure, governance and management

Governing document

The Charity is constituted under a Charity Commission Scheme dated 8 October 1968 and is registered with the Charity Commission, number 257237.

Governing body and organisational management

The Trustee of the Charity is SMV Trustee Company Limited. On 3 January 2017 a Charity Commission Scheme was made which appointed a corporate body as trustee of the Charity in place of the Society of Merchant Venturers. This is a company limited by guarantee, SMV Trustee Company Limited and it effectively stepped into the shoes of the Society of Merchant Venturers' Standing Committee (who were the de facto trustees before the order was made) are Directors of SMV Trustee Company Limited together with two independent directors, who serve for a three year term.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Day to day running of the Charity is delegated by the Trustee to a Sub-Committee (the Care of Older People Sub-Committee), the Members of which who served during the year were:

Mr J S Laycock DL (Chairman)
Mr S R Parsons MBE DL (Retired 10 November 2020)
Mrs C-J Duckworth DL
Mrs A M Nisbet DL
Mr C H C Densham
Mr R G Davis
Mr C J Pople
Mrs M Prior CVO MBE
Mr C A Griffiths
Dr J M Cornish
Mr J Telling
Mr A R E Brown (Appointed 10 November 2020)

The Cote Charity

Report of the Trustee for the year ended 31 December 2020 (continued)

Governing body and organisational management (continued)

The Care of Older People Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend to, and gain approval from, the Trustee for broad operational and strategic issues, as well as reporting to the Trustee on all relevant operational matters. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting with the Chairman and subsequent meeting and site visits with the Cote Manager.

The Cote Manager assists the Care of Older People Sub-Committee in fulfilling the day-to-day management of the Charity. Accounting support is provided by the Merchant Venturers' Finance department.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks.

Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity. They are inducted through meetings with the Chairman and Cote Manager.

Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee has examined the major risks faced by the Charity.

In addition to managing the response to COVID-19, the Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks and to mitigate the impact that they have on the Charity.

The risk register is reviewed and updated as required but not fewer than on a bi-annual basis by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers Audit Committee and is noted by the Trustee. As part of managing the response to COVID-19, the Care of Older People Sub-Committee has reviewed the risk register at every meeting.

The Charity is reliant on resident income and monitors closely the level of vacancies at Katherine House and Griffiths House. This enables costs to be managed as required and informs the working capital requirements. The Care of Older People Sub-Committee has viewed an outbreak of infection or infectious disease as a key risk. This is being monitored closely during the COVID-19 pandemic with mitigation in place such as; robust procedures and policies, ongoing staff training, regular reviews and feedback, as well as utilising professional advice and support to ensure the Charity maintains pace with the changing guidelines.

The Cote Charity

Report of the Trustee for the year ended 31 December 2020 (continued)

Objectives and activities

Objects of the charity

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The objects of the Charity, defined in the Trust deed, which should be referred to for exact details, are:

- (a) to provide a residential home or homes or a combination or combinations of a residential home and a nursing home for elderly persons over 60 years of age who through infirmity or financial needs are unable to provide a home for themselves;
- (b) to pay pensions, annuities or grants to elderly persons over 60 years of age (whether or not residents of the homes) and who through infirmity or financial need are unable to provide the necessities or comforts of life; and
- (c) for general charitable purposes.

There have been no changes made to the objects in the year.

Aims and intended impact

The aim of the Charity is to provide residential homes of high quality for elderly persons. Where appropriate, elderly persons in reduced circumstances are offered support to enable them to access the services. The Trustee has given careful consideration to the level of fees set for Katherine House and Griffiths House to ensure that they are fair.

2020 has undoubtedly been a challenging year for the Care sector due to the global coronavirus disease (COVID-19) pandemic. The Charity experienced a COVID outbreak in December 2020 and very sadly we lost some of our residents to the disease.

Objectives for the year

This year the principal objectives of the charity have been:

- to continue to provide a high standard of care and support services in good accommodation;
- to let units at Cote House and Robinson Place on a short term basis to generate funds to further the Charity's objectives;
- to continue to develop a plan to enable Cote House and its grounds to be used to further the Charity's objectives and meet the expectations of current and future residents.

Volunteers

The welfare of the Cote residents, whilst overseen by the Cote management team and staff, also benefits from the support provided by the Merchant Venturers' Visiting Group, a team of volunteers, who regularly visit the Homes. In 2020 due to the COVID-19 pandemic, visits have been unable to take place in person. Wherever possible activities have been continued via video conferencing and examples include; volunteers participating in shared reading with residents and "singing for the brain". and been able to continue via zoom.

The Cote Charity

Report of the Trustee for the year ended 31 December 2020 (continued)

Achievements and performance

The Charity continues to provide an excellent service that meets the varying demands of its residents at Katherine House and Griffiths House. Levels of care are favourably commented upon by residents, their families and independent inspectors. Their success was demonstrated by the 2020 inspection by the Care Quality Commission which rated Katherine House 'Good' in all categories, with 'Outstanding' for the 'responsive' category and the 2021 inspection by the Care Quality Commission which rated Griffiths House 'Good' in all categories.

Financial review

The Charity achieved net income (detailed on page 13) of £181,282 (2019: £312,179).

The COVID-19 pandemic has had an effect on the Care sector as residents are vulnerable to the disease. Due to the restrictions necessary to protect residents and staff, new residents have not come into the homes in line with previous years and this has led to higher than usual vacancies. The budgeted occupancy for 2020 for Katherine House was 96% and the actual occupancy was 89%. The budgeted occupancy for 2020 for Griffiths House was 94% and the actual occupancy was in line with this. Some costs are variable and therefore were lower than budgeted. Occupancy levels will continue to be a key focus for 2021. Current forecasts suggest that although occupancy is below historic levels, a reduction in variable costs means there is sufficient cash available to support the charity's requirements.

Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee for the investment and performance of the financial assets; the appointment of appropriate Fund Manager, monitoring their performance, and to recommend to the Trustee the optimum strategy for financial investment.

The Charity continued to invest in the Merchant Venturers' Charities Investment Pool (MVCIP) (Charity number 1053459) during the year. The Sub-Committee's policy is to maintain income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future.

Reserves policy

The Trustee's policy takes account of (a) the liabilities which would be faced by the charity if it were to cease operating, (b) the financial 'cushion' it would need in order to have time to respond to a serious but possible funding crisis without immediately losing capacity, and (c) any longer term objectives which might require significant investment.

The principal accounting policies on pages 16 to 17 describe the various funds of the Charity.

The Trustee has the policy to maintain reserves of unrestricted funds to a level that provides an operational contingency of approximately 6 months' running costs. Any surplus unrestricted reserves would be used for the redevelopment of Cote House and its grounds.

At 31 December 2020 the unrestricted funds were £2,144,020, which is significantly higher than 6 months' running costs, unrestricted net assets at this date were £1,000,757, which is also significantly higher than 6 months' running costs.

At 31 December 2020 restricted funds were £221,302 and permanently endowed funds were £3,211,673.

The policy is reviewed on an annual basis by the Trustee to take account of the development of the charity and a review of the changing risks it faces, particularly in respect of income.

The Cote Charity

Report of the Trustee for the year ended 31 December 2020 (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated future impact of COVID-19 on operations and of its financial resources, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The COVID-19 pandemic has had an effect on the Care sector as residents are vulnerable to the disease. However, all residents within the homes have received the vaccine, there is regular testing available for staff, residents and nominated visitors and there are robust infection control measures in place in the homes.

The Trustee considers that demand for Katherine House and Griffiths House remains strong and will continue for the foreseeable future. In addition, the charity receives general rental income from the units at Robinson Place. The charity has a strong cash position, and in the event of a significant downturn in income or increase in costs, has the option utilising the cash invested in a deposit account to meet its liabilities.

Consequently, the Trustee is confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Future plans

To continue to provide high quality services to the residents at Katherine House and Griffiths House by:

- Continuing to attract and retain an exceptional workforce
- Continuing to deliver a varied and engaging activities programme to our residents
- Striving to achieve 'Outstanding' care across all categories as rated by CQC.

To let the two houses at Robinson Place to generate funds to support the Charity's objectives. Generating rental income during the COVID-19 pandemic has helped with financial resilience.

To implement the first phase of the plan to redevelop Cote House and its grounds, including working in partnership with other charities and developing an overall plan for the site which would further the Charity's objectives and be mindful of its heritage.

The Cote Charity

Report of the Trustee for the year ended 31 December 2020 (continued)

Accounting and reporting responsibilities

Statement of Trustee's responsibilities in respect of the Report of the Trustee and the financial statements

Under charity law, the trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed [and rules], subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Signed for an on behalf of the Trustee



G E Camm DL
Director

28 JUN 2021

Independent auditor's report to the Trustee of The Cote Charity

Opinion

We have audited the financial statements of The Cote Charity ("the charity") for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes, including the accounting policies on pages 16 to 17.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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 have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Standing Committee, audit committee, and investment committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected year on year movements.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

Other Information

The trustees are responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 9, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Trustee of The Cote Charity (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 auditor's 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 5 July 2021

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Cote Charity

Statement of financial activities for the year ended 31 December 2020

| | Note | Unrestricted funds £ | Restricted funds £ | Permanent endowment fund £ | Total 2020 £ | Total 2019 £ |
|-------------------------------------|------|----------------------------|--------------------------|-------------------------------------|--------------------|--------------------|
| Income from: | | | | | | |
| Donations | | - | 3,513 | - | 3,513 | 12,963 |
| Covid-19 Grant Income | | - | 71,172 | - | 71,172 | - |
| Charitable activities | | 2,029,035 | - | - | 2,029,035 | 2,015,690 |
| Investments | 1 | 15,309 | - | - | 15,309 | 18,619 |
| Total income | | 2,044,344 | 74,685 | - | 2,119,029 | 2,047,272 |
| Expenditure on: | | | | | | |
| Charitable activities | 2 | (1,653,829) | (790) | (172,378) | (1,826,997) | (1,780,228) |
| Covid-19 Grant Expenses | | - | (71,172) | - | (71,172) | - |
| Other | 3 | (5,794) | - | - | (5,794) | (5,805) |
| Total expenditure | | (1,659,623) | (71,962) | (172,378) | (1,903,963) | (1,786,033) |
| (Losses)/gains on investment assets | 8 | (33,784) | - | - | (33,784) | 50,940 |
| Net income | 4 | 350,937 | 2,723 | (172,378) | 181,282 | 312,179 |
| Transfers between funds | 12 | (35,636) | - | 35,636 | - | - |
| Net movement in funds | | 315,301 | 2,723 | (136,742) | 181,282 | 312,179 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,828,719 | 218,579 | 3,348,415 | 5,395,713 | 5,083,534 |
| Total funds carried forward | 12 | 2,144,020 | 221,302 | 3,211,673 | 5,576,995 | 5,395,713 |

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

All incoming resources and resources expended derive from continuing activities.

The accompanying notes form part of the financial statements.

The Cote Charity (Charity Number 257237)

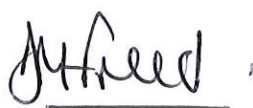
Balance sheet as at 31 December 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|-----------|
| Fixed assets | | | |
| Tangible assets | 7 | 4,223,389 | 4,329,299 |
| Investments | 8 | 337,220 | 371,004 |
| | | 4,560,609 | 4,700,303 |
| Current assets | | | |
| Debtors | 9 | 26,575 | 34,882 |
| Cash at bank | | 1,265,751 | 967,482 |
| | | 1,292,326 | 1,002,364 |
| Creditors: amounts falling due within one year | 10 | (275,940) | (239,363) |
| Net current assets | | 1,016,386 | 763,001 |
| Total assets less current liabilities | | 5,576,995 | 5,463,304 |
| Creditors: amounts falling due after more than one year | 11 | - | (67,591) |
| Net assets | | 5,576,995 | 5,395,713 |
| Funds | | | |
| Unrestricted | 12 | 2,144,020 | 1,828,719 |
| Restricted | 12 | 221,302 | 218,579 |
| Permanent endowment | 12 | 3,211,673 | 3,348,415 |
| | 13 | 5,576,995 | 5,395,713 |

The financial statements on pages 13 to 24 were approved by the Trustee on 28 JUNE 2021 and were signed on its behalf by:



G E Camm DL
Director



D M Freed
Director

The Cote Charity

Cash flow statement for the year ended 31 December 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|------------------|-----------|
| Cash flows from operating activities: | | | |
| Net income for the reporting year | | 181,282 | 312,179 |
| Adjustments for: | | | |
| Depreciation charges | 7 | 128,290 | 130,184 |
| (Gains)/losses on investments | 8 | 33,784 | (50,940) |
| Dividends and interest from investments | 1 | (15,309) | (18,619) |
| Increase in debtors | | 8,308 | (6,834) |
| (Decrease)/increase in creditors | | 82,829 | (31,698) |
| <i>Net cash provided by operating activities</i> | | 419,184 | 334,272 |
| Cash flow from financing activities: | | | |
| Repayment of Bank Loan | | (113,844) | (144,775) |
| <i>Net cash used in financing activities</i> | | (113,844) | (144,775) |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | 1 | 15,309 | 18,619 |
| Purchase of property, plant and equipment | 7 | (22,380) | (28,339) |
| <i>Net cash used in investing activities</i> | | (7,071) | (9,720) |
| <i>Change in cash and cash equivalents in the year</i> | | 298,269 | 179,777 |
| Cash and cash equivalents at the beginning of the year | | 967,482 | 787,705 |
| <i>Cash and cash equivalents at the end of the year</i> | | 1,265,751 | 967,482 |

The Cote Charity

Principal accounting policies

Basis of preparation

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently and are shown below.

The Cote Charity 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and fixed asset investments, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102).

Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Incoming resources – donations

Donations to the Charity are included in the financial statements in the year in which they are receivable.

Incoming resources – investments

Interest on bank deposits is included as income in the financial statements on an accruals basis. Distributions from the investment in the Merchant Venturers' Charities Investment Pool ("MVCIP") are treated as income in the year in which they accrue.

Incoming resources – charitable activities

Incoming resources from care for the elderly comprise rents and fees for the provision of accommodation and care services, which are accounted for on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenses. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of financial activities.

- (a) Charitable activities relates to the costs incurred in running and supporting the day-to-day care of the elderly activities in the execution of the Charity's objects.
- (b) Other costs relate to the strategic management of the Charity and its assets, and compliance with statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related assets where appropriate.

The Cote Charity

Principal accounting policies (continued)

Taxation

The Cote Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Fixed assets and depreciation

Fixed asset investments are stated at cost less depreciation.

Depreciation is calculated so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

| | |
|---|----------------|
| Freehold buildings and improvements | 15 to 50 years |
| Fixtures, fittings and office equipment | 3 to 5 years |
| Motor vehicles | 5 years |

Land and assets in the course of construction are not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

Investments

Fixed asset investments are stated at mid-market value at the balance sheet date. This is not in accordance with FRS102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a reduction in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Fund accounting

The Charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

Funds which are expendable at the discretion of the Trustee in furtherance of the objects of the Charity. In addition to expenditure on care homes, such funds may be held in order to finance capital investment and working capital.

Restricted funds

Donations or legacies which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation.

Permanent endowment fund

The permanent endowment fund incorporates the original endowments of £100 and the operational properties, together with the surplus or deficit arising from the revaluation of the property (see note 7) and capital additions to the property which cannot be distinguished from the original endowment property.

Pension costs

The Charity makes contributions to employees' personal pensions in accordance with the auto-enrolment provisions. The payments to the defined contributions scheme are charged to the statement of financial activities in the period in which the obligation to make contributions arises.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2020

1 Investment income

| | 2020 £ | 2019 £ |
|--------------------------|---------------|---------------|
| Distributions from MVCIP | 11,768 | 13,837 |
| Bank interest | 3,541 | 4,782 |
| | 15,309 | 18,619 |

2 Analysis of charitable expenditure – care for the elderly

| | Direct costs £ | Support costs £ | Total 2020 £ | Total 2019 £ |
|-------------------------------|----------------------|-----------------------|--------------------|--------------------|
| Staff costs | 1,129,408 | 57,558 | 1,186,966 | 1,094,494 |
| Running costs | 249,755 | - | 249,755 | 324,006 |
| Maintenance and depreciation | 285,795 | - | 285,795 | 224,258 |
| Management and administration | 15,919 | 88,562 | 104,481 | 137,470 |
| | 1,680,877 | 146,120 | 1,826,997 | 1,780,228 |

All the support costs have been allocated to one charitable activity (care for the elderly).

3 Other costs

| | 2020 £ | 2019 £ |
|-------------------------------|--------------|--------------|
| Audit fee | 5,316 | 5,316 |
| Trustee's indemnity insurance | 478 | 489 |
| | 5,794 | 5,805 |

4 Net income/expenditure

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Net income/expenditure is stated after charging: | | |
| Audit fee | 5,316 | 5,316 |
| Depreciation | 128,290 | 130,184 |

The audit fee excluding irrecoverable VAT was £4,430 (2019: £4,430).

The Cote Charity

Notes to the financial statements for the year ended 31 December 2020

5 Staff costs

The average number of persons employed on a full and part-time basis by The Cote Charity during the year, analysed by category, is as follows:

| | 2020 | 2019 |
|-------------------------------|-----------|-----------|
| Residential care | 48 | 51 |
| Management and administration | 4 | 3 |
| | 52 | 54 |

The aggregate payroll costs of these persons were as follows:

| | 2020 £ | 2019 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,082,858 | 1,003,737 |
| Social security costs | 82,797 | 73,312 |
| Pension costs | 21,311 | 17,446 |
| | 1,186,966 | 1,094,495 |

No individual employee received emoluments exceeding £62,000 during 2019 or 2020.

A recharge is made by the Society of Merchant Venturers for staff as disclosed in note 14. The Trustee is considered to be the only key management personnel of the Charity. See note 6 below.

6 Trustee's remuneration

No director of SMV Trustee Company Limited received remuneration or reimbursement of expenses for their services to the Charity during the year (2019: £nil) nor had any beneficial interest in any contract with the Charity during the year (2019: £nil).

A professional indemnity insurance premium of £478 (2019: £489) was paid by the Charity on behalf of the Trustee.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2020

7 Tangible fixed assets

| | Assets in the course of construction | Freehold land and buildings £ | Fixtures, fittings and office equipment £ | Motor vehicles £ | Total £ |
|----------------------------|--|--|---|------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 January 2020 | 148,379 | 5,079,539 | 243,246 | 29,290 | 5,500,454 |
| Additions | 10,050 | 3,825 | 8,505 | - | 22,380 |
| Transfers | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| At 31 December 2020 | 158,429 | 5,083,364 | 251,751 | 29,290 | 5,522,834 |
| Depreciation | | | | | |
| At 1 January 2020 | - | 932,610 | 209,255 | 29,290 | 1,171,155 |
| Charge for year | - | 104,071 | 24,219 | - | 128,290 |
| Disposals | - | - | - | - | - |
| At 31 December 2020 | - | 1,036,681 | 233,474 | 29,290 | 1,299,445 |
| Net book value | | | | | |
| At 31 December 2020 | 158,429 | 4,046,683 | 18,277 | - | 4,223,389 |
| At 31 December 2019 | 148,379 | 4,146,929 | 33,991 | - | 4,329,299 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2020

8 Fixed asset investments

| | Total £ |
|---|----------------|
| Cost | |
| At 1 January and 31 December 2020 | 165,890 |
| Revaluations | |
| Unrealised gains at 1 January 2020 | 205,114 |
| Net losses arising on revaluation | (33,784) |
| Unrealised gains at 31 December 2020 | 171,330 |
| Net book value | |
| At 31 December 2020 | 337,220 |
| At 31 December 2019 | 371,004 |

All investments are held in the Merchant Venturers' Charities Investment Pool, which was structured as follows at 31 December 2020:

| | % |
|----------------------------------|--------------|
| Investment assets in the UK | 41.9 |
| Investment assets outside the UK | 42.8 |
| Alternatives & Multi-Asset | 14.2 |
| Cash | 1.1 |
| | 100.0 |

9 Debtors

| | 2020 £ | 2019 £ |
|-------------------------------|---------------|---------------|
| Rents and fees | 1,592 | 3,061 |
| Other debtors and prepayments | 24,983 | 31,821 |
| | 26,575 | 34,882 |

The Cote Charity

Notes to the financial statements for the year ended 31 December 2020

10 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|---------------------------------------|----------------|----------------|
| Trade creditors | 66,148 | 39,359 |
| Other taxes and social security costs | 22,098 | 99 |
| Other creditors | 54,068 | 49,719 |
| Accruals | 60,807 | 42,621 |
| Covid-19 Grant | 11,505 | - |
| Bank loan | 61,314 | 107,565 |
| | 275,940 | 239,363 |

11 Creditors: amounts falling due after more than one year

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|----------------|
| Age analysis of bank loan | | |
| Due within one year | 61,314 | 107,565 |
| Due after more than one year: | | |
| Between one and two years | - | 50,524 |
| Between two and five years | - | 17,067 |
| More than five years | - | - |
| Total due after more than one year | - | 67,591 |
| Total | 61,314 | 175,156 |

The Charity had two loans with NatWest Bank. The first, with a balance of £nil at 31 December 2020 (£58,039 at 31 December 2019), was secured on Katherine House and interest was payable at 1.25% above base rate. The Charity took advantage of a capital repayment holiday until 20 May 2017 to support the build of Griffiths House. The second loan with a balance of £61,314 at 31 December 2020 (£117,117 at 31 December 2019), is secured on 19 Cote Paddock. The interest rate is 1.6% over base rate and there was a capital repayment holiday until February 2018. This loan will be repaid by monthly instalments. Repayment is permitted over a shorter or longer period, ending no later than the final repayment date of 30 April 2022. The latest loan statement received indicates the final repayment will be made in August 2021.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2020

12 Funds

| | Balance at 1 January 2020 £ | Incoming resources £ | Resources expended £ | Investment Losses £ | Transfers between funds £ | Balance at 31 December 2020 £ |
|-------------------------------------|--------------------------------------|----------------------------|----------------------------|---------------------------|------------------------------------|--|
| Unrestricted | | | | | | |
| General fund | 1,828,719 | 2,044,344 | (1,659,623) | (33,784) | (35,636) | 2,144,020 |
| Restricted | | | | | | |
| Staff fund | (347) | 649 | (250) | - | - | 52 |
| Katherine House amenity fund | 12,714 | 2,151 | (498) | - | - | 14,367 |
| Katherine House building fund | 155,674 | - | - | - | - | 155,674 |
| Griffiths House amenity fund | 538 | 643 | (42) | - | - | 1,139 |
| Residents Personal Allowances | - | 70 | - | - | - | 70 |
| Covid-19 Grant | - | 71,172 | (71,172) | - | - | - |
| Griffiths House building fund | 50,000 | - | - | - | - | 50,000 |
| Total Restricted | 218,579 | 74,685 | (71,962) | - | - | 221,302 |
| Permanent endowment | 3,348,415 | - | (172,378) | - | 35,636 | 3,211,673 |
| Total | 5,395,713 | 2,119,029 | (1,903,963) | (33,784) | - | 5,576,995 |

The General fund includes £171,330 (2019: £205,114) relating to unrealised gains in the value of fixed asset investments.

The Staff fund represents donations given to the Charity for the benefit of staff.

The Katherine House amenity fund represents donations given to the Charity for the benefit of the residents at Katherine House.

The Katherine House building fund represents donations towards the cost of building Katherine House net of related depreciation.

The Griffiths House amenity fund represents donations given to the Charity for the benefit of residents at Griffiths House.

The Griffiths House building fund represents donations towards the cost of building Griffiths House net of related depreciation.

The Permanent endowment fund represents part of the land and buildings of the Charity net of year end bank loan and depreciation.

The covid-19 Grant represents special funding provided by the Local Authority to help the charity with its response to the pandemic and was utilised in line with conditions specified. Any unutilised funds at the end of the grant term will be returned in accordance with the conditions of funding.

The Cote Charity

Notes to the financial statements for the year ended 31 December 2020

Transfers between Funds

A transfer of £32,936 from the Unrestricted fund to the Permanent endowment fund represents repayment of the permanent endowment allocation of the Katherine House bank loan from unrestricted cash.

A transfer of £2,700 from the Unrestricted fund to the Permanent endowment fund represents Building Improvements, installation of new fencing around Fire Escape for Cote House.

13 Analysis of funds balance

| | Unrestricted | Restricted | Permanent endowment | Total |
|-------------------------|------------------|----------------|---------------------|------------------|
| | £ | £ | £ | £ |
| Fixed assets | 806,043 | 205,673 | 3,211,673 | 4,223,389 |
| Fixed asset investments | 337,220 | - | - | 337,220 |
| Net current assets | 1,000,757 | 15,629 | - | 1,016,386 |
| Long term creditors | - | - | - | - |
| Net assets | 2,144,020 | 221,302 | 3,211,673 | 5,576,995 |

14 Transactions with related parties

Society of Merchant Venturers

The Charity incurred a charge for the reallocation of salaries and overheads of £49,107 (2019: £49,138) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil (2019: £nil) was outstanding at the year end.

Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Cote Charity. For details of investments held and income received from MVCIP see notes 1 and 8. At 31 December 2020 £2,460 was outstanding from MVCIP (2019: £3,247).

15 Connected charities

The Society of Merchant Venturers' Almshouses Charity (Registered Charity Number 202152) is a connected charity under the definition of the Charities' SORP 2015 as it has related objects and the same Trustee as The Cote Charity. Further information can be obtained from the Charities' registered address detailed on page 1 of the Trustee's report. The Cote Charity made a charge of £4,569 (2019: £4,376) for the services of the Colston's Almshouse Manager, a charge of £nil (2019: £nil) for a housekeeper and a charge of £5,377 for a maintenance officer (2019: £5,219) to the SMV Almshouses Charity. At 31 December 2020 £2,487 (2019: £nil) was owing by the SMV Almshouses Charity to the Cote Charity relating to these services.

The SMV Almshouses Charity provided the services of a Chaplain to The Cote Charity at a cost of £587 (2019: £3,672) of which £nil (2019: £625) was outstanding at 31 December 2020.

The Cote Charity

16 Analysis of changes in net debt

| | At 1 January 2020 £ | Cash flow £ | At 31 December 2020 £ |
|----------------------------------|---------------------------|----------------|-----------------------------|
| Cash and cash equivalents | | | |
| Cash | 967,482 | 298,269 | 1,265,751 |
| | <u>967,482</u> | <u>298,269</u> | <u>1,265,751</u> |
| Borrowings | | | |
| Debt due within one year | (107,565) | 46,251 | (61,314) |
| Debt due after one year | (67,591) | 67,591 | - |
| | <u>(175,156)</u> | <u>113,844</u> | <u>(61,314)</u> |
| Total | <u>792,326</u> | <u>184,425</u> | <u>1,204,437</u> |

