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Charity number: 262057

THE JOHN COATES CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

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THE JOHN COATES CHARITABLE TRUST

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 6
Trustees' Responsibilities Statement	7
Independent Auditors' Report on the Financial Statements	8 - 11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 - 26

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THE JOHN COATES CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2021

Trustees	Mrs Catharine Ania Kesley Mrs Rebecca Judith Lawes Mrs Claire Phyllida Cartledge Mrs Susan Patricia Down Ms Antonia Youngman Ms Elspeth McGregor
Charity registered number	262057
Principal office	The Trust Partnership 6 Trull Farm Buildings Trull Tetbury Gloucestershire GL8 8SQ
Independent auditors	Peters Elworthy & Moore Chartered Accountants Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA
Investment Managers	Punter Southall Wealth 11 Strand London WC2N 5HR Veritas Investment Partners (UK) Limited Riverside House 2a Southwark Bridge Road London SE1 9HA
Bankers	National Westminster Bank plc 156 Fleet Street London EC4A 2DX

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TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their report together with the audited financial statements of The John Coates Charitable Trust (the charity) for the year ended 5 April 2021. The Trustees confirm that the Annual Report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition effective 1 January 2019).

Objectives and Activities

Objects

The main object of the Trust is to provide financial support to charitable institutions or other charitable purposes. Since 5 November 1990, both the capital and the income of the Trust are paid or applied to such charitable objects in such proportions and at such times as the trustees in their absolute discretion think fit.

Public Benefit statement

Through our grant-making to charities, Trustees believe that both elements of the public benefit requirement have been met. Over 14,000 beneficiaries from all over the UK have received financial support in the past year. Whether it be contributing towards medical research, addressing societal issues of concern, supporting the arts or restoring our heritage, our focus is on helping people lead more enriched lives. For further details of how we work, please see our grant-making policy below.

Grant-making policy

It is our policy mainly to make distributions either to large national charitable organisations or to small charities which are of personal or local interest to one or more of us. The average grant is between £5,000 and £10,000. Applicants fill in a grant application form to enable us to assess the nature of the project, or ongoing work requiring funding, and thereby better determine whether it is, in our opinion, relevant to trustees' current areas of interest. We ask all applicants how they evidence the need and the expected outcomes of the work. As part of the process, we also request a budget for the work requiring funding as well as a copy of the latest examined/audited accounts.

Many of the charities that have benefited under the Trust, and particularly the small local ones, are visited by one or more of us in order to ascertain how the money has been used. In addition, we ask all successful applicants to sign their agreement to the terms and conditions of the grant. These require grantees to keep accurate financial records, evidence how the monies are spent, notify us as soon as possible if there is a delay to the grant's intended use or any desire to fund something different and, finally, to confirm that they have the requisite safeguarding policies in place. In addition, we also ask that beneficiaries report any breach of policy to us during the period of the grant they receive.

In the light of Covid-19, Trustees have given priority to charities they already support which are especially hard-hit and those which are at the frontline of the national response to the pandemic.

There have been no material changes to the grant-making policy during the year.

Achievements and Performance

Achievements

During the year we made charitable donations of £462,000 (2020: £382,000) between 78 charitable organisations (2020: 79), supporting projects that we have assisted in the past, as well as donating funds to new beneficiary charities.

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Of these charities, the majority were in the field of medicine, often leading the response to the pandemic.
More than half our grantees were national organisations, usually long-established, and with whom we have long-standing relationships. It is our belief that such charities are best placed to understand beneficiary need and be able to offer practical help.

Feedback from our grantees showed that they used our grants to help them pivot their services in response to the pandemic, achieve greater financial security, and deliver core work at a time of unprecedented change.
As part of our grant monitoring, for the first time we asked grantees for feedback on our application process and how we communicated with them. We were gratified to learn that, of those who responded, 95% of grantees highlighted the ease of the process and the clarity of our communication with them.

Performance

The charity has no paid staff.

We believe that the charity has sufficient assets to meet its obligations.

Financial Review

Financial Performance

The financial statements are set out on pages 12 to 26. There were no material changes to the accounting policies in the year.

As noted below, it is the trustees' policy to distribute all their annual income. There was a deficit of income over expenditure of £173,510 (2020: deficit of £55,271).

The total gain on investments in the year totalled £2,964,793 (2020: loss of £1,994,614), leaving a net increase in funds of £2,762,621 (2020: loss of £2,049,885). Further details of donations made and investment performance are set out above under Achievements and Performance.

Reserves policy

We aim to hold in reserve sufficient funds to cover grant commitments, budgeted costs and routine activities, for example, trustee meetings and expenses for the current financial year. We aim to maintain an appropriate budget for future years to cover longer-term grant commitments and administration costs.

The Trust generates income from an investment portfolio of approximately £15.2m. For the forthcoming 12 months, core administrative fees are expected to be in the region of £145,000. The free reserves as at 5 April 2021 were £121,940 which is considered to be in line with the reserves policy.

Total funds held by the Trust were £15,395,828 at the year end (2020: £12,604,545), comprising the expendable endowment of £15,273,888 (2020: £12,416,239) and unrestricted funds available for distribution of £121,940 (2020: £188,306). The unrestricted funds represent the free reserves of the Trust.

Our reserves policy is reviewed on an annual basis.

Investment policy

We have the power to invest Trust funds in such assets of whatever nature we think fit as described above. The assets of the Trust were managed on a discretionary basis, cash to meet immediate requirements being held on deposit with the National Westminster Bank.

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Our investment managers were set a benchmark of a 3.5% p.a. increase in, the value of the portfolio above the Consumer Price Index and specifically, each manager was asked to achieve a net income of £200,000 in the year to 5 April 2021.

The Consumer Price Index increased by 1% in the year to April 2021 (2020: increased by 1.5%). The investment portfolios increased as follows (excluding cash) and recuperated the losses made in 2020 when the year end fell close to the bottom of the market during the early days of the pandemic:-

	2020 year end value £	2021 year end value £	Increase %
Punter Southall Wealth	5,018,708	6,671,622	32.94
Veritas	6,510,024	8,321,864	27.83
	11,528,732	14,993,486	

The net income achieved was as follows:-

	£
Punter Southall Wealth	233,367
Veritas	197,266

In a difficult year due to the COVID pandemic both investment managers achieved close to, or exceeded, the income target. The decrease from the prior year reflected the overall performance of the market.

There has been no change to the benchmark or the net income target.

The benchmark and net income target are reviewed annually. The trustees reflect on the income generated and the capital growth when reviewing performance of the investment managers.

Future plans

We aim to continue to make grants in accordance with our grant-making policy as detailed on page 2. Given last year's focus on medical projects, it is our intention to do more to support the arts in 2021.

Going Concern

Having assessed the Trust's financial position and plans for the foreseeable future, the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

In the light of Covid-19, the trustees will give priority to charities they already support which are especially hard-hit and those which are at the frontline of the national response to the pandemic.

Structure Governance and Management

Governing document

Settlement deed dated 6 November 1969 by John Bernard Maurice Coates.

Trustee selection methods

New trustees are appointed by deed by the acting Trustees. Although we would hope that future trustees will be found from among the descendants of the Settlor, we recognise that this may not always be possible. In these circumstances, we would look to appoint an "outside" trustee, and may, if necessary, appoint a professional to take on this role. In such circumstances, trustees would be identified via targeted recruitment.

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Potential trustees are met by the Chair who then makes a recommendation to the full Board at an appropriately convened meeting. Trustees are sent a joining pack which includes the following documents:

- Trustee eligibility declaration and list of automatic exclusions
- The most recent signed accounts and annual report
- The constitution
- Trustee register and contact details
- Policies held by the Trust
- The Essential Trustee guidance from the Charity Commission
- Any such other documents as the Chair requests.

There is no limit to the length of tenure served; however, the Trustees may wish to recruit new trustees and retire existing trustees based on the skills they deem required on the Board to effectively execute their current strategy.

Organisational structure of the charity and how decisions are made

We are empowered by the trust deed to pay out the capital and the income of the Trust to or for such charitable purposes as we, in our absolute discretion think fit.

Risk policy

We have reviewed the major risks which we face.

The main financial risk relates to the underperformance of our investment portfolio, which is our sole asset. We realise that the risks cannot be eliminated entirely, but we have policies in place to mitigate them so far as possible. Our investment portfolio is managed by established investment managers and its performance, suitability of its investment holdings and investment policy are reviewed on a regular basis by the managers and trustees.

Our risk is spread by the diversity of our portfolio which consists of UK and non-OK shareholdings and bonds. In the event that our income should fall, we can transfer funds from our expendable endowment to support grants to charitable organisations if required.

The management of our investment portfolio is split between two investment managers. This should further mitigate the risk in this area.

As far as reputational risk is concerned, we make donations only to UK registered charities, whose accounts are subject to the UK reporting and accounting regulations. It is part of our application process to request details of how our donation has been spent. We do not commit to making staged payments, although in practice, we do make repeat donations to some charities over a period of several years. We occasionally visit a charity before any grant is made to enable us to get an idea of how our money will be used. More often, visits are made after a donation.

Our risk policy is reviewed on an annual basis.

Fundraising

The charity has no fundraising activities requiring disclosure under S162A the Charities Act 2011.

Charities Code of Governance

The Trustees have engaged The Trust Partnership to provide administration and governance support. The Trust Partnership provides advice and guidance to ensure the Trustees are working in line with the Charities Code of Governance and follow best practice where it is practical to do so.

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

Rebecca Lawes

Mrs Rebecca Judith Lawes
(Trustee)
Date: 18 October 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 5 APRIL 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Rebecca Lawes

Mrs Rebecca Judith Lawes
(Trustee)
Date: 18 October 2021

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JOHN COATES CHARITABLE TRUST

OPINION

We have audited the financial statements of The John Coates Charitable Trust (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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AUDITORS' 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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- we obtained an understanding of the entity’s policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the entity; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships; and
- performed audit work over the risk of management override of controls, including testing adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course

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of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- we reviewed minutes of meetings of those charged with governance; and
- reviewing correspondence with relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Peters Elworthy & Moore

Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 22 October 2021

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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THE JOHN COATES CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Note	Endowment funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM:					
Investments	2	**-**	**430,651**	**430,651**	473,768
TOTAL INCOME AND ENDOWMENTS		**-**	**430,651**	**430,651**	473,768
EXPENDITURE ON:					
Raising funds	3	**107,144**	**-**	**107,144**	107,126
Charitable activities	4	**-**	**497,017**	**497,017**	421,913
TOTAL EXPENDITURE		**107,144**	**497,017**	**604,161**	529,039
NET EXPENDITURE BEFORE NET GAINS/(LOSSES) ON INVESTMENTS		**(107,144)**	**(66,366)**	**(173,510)**	(55,271)
Net gains/(losses) on investments	8	**2,964,793**	**-**	**2,964,793**	(1,994,614)
NET MOVEMENT IN FUNDS		**2,857,649**	**(66,366)**	**2,791,283**	(2,049,885)
RECONCILIATION OF FUNDS:					
Total funds brought forward		**12,416,239**	**188,306**	**12,604,545**	14,654,430
Net movement in funds		**2,857,649**	**(66,366)**	**2,791,283**	(2,049,885)
TOTAL FUNDS CARRIED FORWARD		**15,273,888**	**121,940**	**15,395,828**	12,604,545

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 26 form part of these financial statements.

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BALANCE SHEET
AS AT 5 APRIL 2021

	Note		2021 £		2020 £
FIXED ASSETS					
Investments	8		**15,237,246**		12,389,670
			15,237,246		12,389,670
CURRENT ASSETS					
Debtors	9	**58,826**		55,131	
Cash at bank and in hand		**139,164**		196,228	
		197,990		251,359	
Creditors: amounts falling due within one year	10	**(39,408)**		(36,484)	
NET CURRENT ASSETS			**158,582**		214,875
TOTAL NET ASSETS			**15,395,828**		12,604,545
CHARITY FUNDS					
Endowment funds	11		**15,273,888**		12,416,239
Unrestricted funds	11		**121,940**		188,306
TOTAL FUNDS			**15,395,828**		12,604,545

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Rebecca Lawes

Mrs Rebecca Judith Lawes
Trustee

Date: 18 October 2021

The notes on pages 14 to 26 form part of these financial statements.

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1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The John Coates Charitable Trust 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.

1.2 GOING CONCERN

The Trustees' believe that the charity will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

1.3 INCOME

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

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

1.4 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes.

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

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1. ACCOUNTING POLICIES (CONTINUED)

1.4 EXPENDITURE (CONTINUED)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 INVESTMENTS

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 LIABILITIES AND PROVISIONS

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

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1. ACCOUNTING POLICIES (CONTINUED)

1.10 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 FUND ACCOUNTING

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

The expendable endowment represents the value of assets held as investments arising from the original assets settled by the late J B M Coates on 6 November 1969. The income arising on these assets is available for use in accordance with the trust's objects and is included in unrestricted income. The fund is available for expenditure on charitable donations as the trustees see fit.

2. INVESTMENT INCOME

	Unrestricted funds 2021 £	**Total funds 2021 £**	Total funds 2020 £
Dividend income	430,633	**430,633**	472,934
Bank interest	18	**18**	834
	430,651	**430,651**	473,768
TOTAL 2020	473,768	473,768	

3. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2021 £	**Total funds 2021 £**	Total funds 2020 £
Investment management fees	107,144	**107,144**	107,126
TOTAL 2020	107,126	107,126	

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4. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities 2021 £	Support costs 2021 £	**Total funds 2021 £**	Total funds 2020 £
Charitable activities	462,000	35,017	**497,017**	421,913
TOTAL 2020	382,000	39,913	421,913	

Support costs are allocated to grants payable on the basis of the total number of grants awarded.

In 2020 all expenditure on charitable activities was attributable to unrestricted funds.

ANALYSIS OF SUPPORT COSTS

	Charitable activities 2021 £	**Total funds 2021 £**	Total funds 2020 £
Audit fees	6,600	**6,600**	5,070
Accountancy fees	3,765	**3,765**	4,275
Trust administration expenses	22,928	**22,928**	30,002
Trustees' expenses	800	**800**	500
Other expenses	924	**924**	66
	35,017	**35,017**	39,913
TOTAL 2020	39,913	39,913	

All of the above costs in 2021 and 2020 are governance costs.

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5. ANALYSIS OF GRANTS

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Grants	462,000	**462,000**	382,000
TOTAL 2020	382,000	382,000	

Grants to institutions

	2021 £	2020 £
Alzheimer's Society	**5,000**	5,000
A New Direction London Limited	**-**	4,000
Armonico Consort Ltd	**3,000**	-
Aspire (Assoc. for Spinal Injury Research)	**5,000**	2,000
Bankside Open Spaces Trust	**5,000**	-
Barn Owl Trust, The	**-**	1,000
Big Issue Foundation, The	**5,000**	5,000
Bletchley Park Trust Ltd	**10,000**	5,000
Blue Smile Project	**5,000**	3,000
Brain Tumour Charity, The	**5,000**	-
British Diabetic Association, The	**5,000**	-
British Heart Foundation, The	**15,000**	10,000
British Red Cross Society, The	**-**	5,000
British Stammering Association	**-**	5,000
British Wheelchair Sports Foundation, The	**5,000**	-
Bumblebee Conservation Trust	**-**	3,000
Cambridge Literary Festival	**5,000**	-
Campaign for National Parks	**-**	1,000
Carers Uk	**5,000**	5,000
Chance to Shine Foundation Ltd	**5,000**	5,000
Changing Faces	**5,000**	5,000
Chichester Counselling Services	**-**	3,000
Chichester Festival Theatre	**-**	5,000
Carried forward to next page	**88,000**	72,000

DocuSign Envelope ID: E5A2BDE2-6376-4BE3-8A63-529CDD190624

Grants to institutions (cont.)

	2021	2020
	£	£
Brought forward from previous page	**88,000**	72,000
Chichester Information Shop for Young People	**4,000**	-
Child Bereavement UK	**7,000**	-
Children's Trust, The	**5,000**	-
Christmas for Kids	**-**	3,000
Classics for All	**-**	3,000
CLIC Sargent Cancer Care for Children	**7,500**	10,000
Country Holidays for Inner City Kids (CHICKS)	**-**	10,000
Creekside Education Trust	**-**	4,000
Crohn's & Colitis UK	**5,000**	-
Cystic Fibrosis Trust	**-**	8,000
DEBRA	**5,000**	4,000
Dementia UK	**5,000**	2,000
Disasters Emergency Committee (Coronavirus Appeal)	**10,000**	-
Doorstep Library Network	**5,000**	-
Duchenne UK	**-**	5,000
Dyspraxia Foundation	**-**	2,500
East Anglia's Children's Hospices	**5,000**	-
Eating Matters	**-**	2,000
Evan's Guide	**-**	5,000
Eve Appeal, The	**-**	5,000
FareShare	**10,000**	-
Fields in Trust	**8,000**	5,000
FoodCycle	**5,000**	-
Geffrye Museum Trust, The	**-**	8,000
Give a Book	**-**	5,000
Giving World	**5,000**	3,000
Golden Oldies (The Sing & Smile Charity)	**-**	1,000
Guy's & St Thomas' Charity (Evelina Children's Hospital)	**5,000**	-
High Tide Festival Productions Limited	**-**	2,000
Honeypot Children's Charity, The	**8,000**	-
Horatio's Garden	**5,000**	-
Carried forward to next page	**192,500**	159,500

DocuSign Envelope ID: E5A2BDE2-6376-4BE3-8A63-529CDD190624

Grants to instituions (cont.)

	2021	2020
	£	£
Brought forward from previous page	**192,500**	159,500
Horniman Public Museum and Public Park, The	**-**	5,000
Hot Line Meals Service (London)	**-**	5,000
Indpendent Providor of Special Education Advice (IPSEA)	**-**	5,000
Jo's Cervical Cancer Trust	**5,000**	5,000
Junction Community Trust (SPEAR)	**-**	5,000
Kids Out UK	**5,000**	6,000
Kingston Theatre Trust	**-**	3,000
Lifelites	**4,000**	-
Macmillan Cancer Support	**10,000**	10,000
Maggie Keswick Jencks Cancer Caring Centres Trust	**10,000**	10,000
Magic Breakfast	**10,000**	-
Meath Epilepsy Charity	**3,000**	-
Missing People Limited	**10,000**	-
Money Charity, The	**-**	5,000
Motor Neurone Disease Association	**5,000**	5,000
Movement for Non-Mobile Children, The (Whizz-Kidz)	**4,000**	5,000
Multiple Sclerosis Society	**10,000**	10,000
National Axial Spondyloarthritis Society (NASS)	**5,000**	-
National Rheumatoid Arthritis Society, The	**4,000**	-
NESSie IN ED CIC	**5,000**	-
Nordoff Robbins Music Therapy	**3,000**	3,000
North Devon Hospice	**4,000**	-
No Way Trust Ltd, The	**5,000**	-
Oracle Cancer Trust	**5,000**	-
Outward Bound Trust, The	**-**	5,000
Oxford Shakespeare Ensemble (formerly Creation Theatre Company)	**-**	4,000
Painshill Park Trust Limited	**-**	10,000
Paul's Cancer Support Centre	**5,000**	5,000
Petersfield Swimming Pool	**-**	3,000
Polka Children's Theatre Ltd	**5,000**	-
President and Fellows of Murray Edwards College, Founded as New Hall, in The University of Cambridge	**3,000**	-
Carried forward to next page	**312,500**	268,500

DocuSign Envelope ID: E5A2BDE2-6376-4BE3-8A63-529CDD190624

Grants to institutions (cont.)

	2021 £	2020 £
Brought forward from previous page	**312,500**	268,500
Prisoners' Advice Service	**-**	5,000
Prisoners Education Trust	**-**	3,000
Prostate Cancer UK	**-**	2,500
Queen Mary University of London	**-**	4,000
Rainbow Trust Children's Charity	**5,000**	3,000
Read Easy UK	**5,000**	-
Redthread Youth Ltd	**-**	5,000
Refuge	**5,000**	-
Foundation and Friends of the Royal Botantic Gardens, Kew, The	**-**	5,000
Royal Horticultural Society (Wisley), The	**-**	5,000
Royal Hospital for Neuro-disability	**5,000**	5,000
Royal Marsden Cancer Charity, The	**10,000**	10,000
RSPB (The Royal Society for the Protection of Birds)	**3,000**	-
Samaritans	**10,000**	-
Schoolreaders	**5,000**	5,000
Scope (Navigate Project)	**5,000**	5,000
Sebastian's Action Trust	**10,000**	10,000
Sick Children's Trust	**-**	5,000
Sir John Soane's Museum	**-**	5,000
South Downs National Park Trust	**5,000**	3,000
South West Coast Path Association	**5,000**	-
Sportability	**-**	2,000
Starlight	**-**	4,000
St Catherine's Hospice Ltd	**10,000**	-
Stroke Association	**-**	5,000
Surfers Against Sewage	**3,000**	-
Target Ovarian Cancer	**10,000**	-
Teenage Cancer Trust	**7,500**	-
Tom's Trust	**3,000**	-
Treloar Trust	**-**	5,000
Carried forward to next page	**419,000**	365,000

DocuSign Envelope ID: E5A2BDE2-6376-4BE3-8A63-529CDD190624

Grants to institutions (cont.)

	2021 £	2020 £
Brought forward from previous page	**419,000**	365,000
Two Moors Festival Ltd	**5,000**	-
UK Sailing Academy	**5,000**	5,000
Veterans Aid	**-**	2,000
Waterloo Community Counselling	**5,000**	-
Watts Gallery	**-**	5,000
Winchester and District Young Carers	**3,000**	-
Winston's Wish	**5,000**	-
Wintercomfort for the homeless	**5,000**	-
Women's Aid Federation of England	**-**	5,000
Young Minds Trust	**10,000**	-
YWCA England & Wales	**5,000**	-
	462,000	382,000

6. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**6,600**	5,070
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	**2,400**	4,275

7. TRUSTEES' REMUNERATION AND EXPENSES

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

During the year ended 5 April 2021, expenses totalling £800 were reimbursed or paid directly to 6 Trustees (2020 - £500 to 4 Trustees). These expenses relate to travel, stationery, postage and telephone costs.

DocuSign Envelope ID: E5A2BDE2-6376-4BE3-8A63-529CDD190624

8. FIXED ASSET INVESTMENTS

	Listed investments £	Cash held for investment £	Total £
COST OR VALUATION			
At 6 April 2020	**11,528,732**	**860,938**	**12,389,670**
Additions	**2,866,207**	**-**	**2,866,207**
Disposals (proceeds £2,366,246)	**(1,923,583)**	**-**	**(1,923,583)**
Revaluations	**2,522,130**	**-**	**2,522,130**
Cash movement	**-**	**(617,178)**	**(617,178)**
AT 5 APRIL 2021	**14,993,486**	**243,760**	**15,237,246**

Day-to-day management of the investments was delegated to Veritas Investment Partners and Punter Southall Wealth.

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

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.
The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

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

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9. DEBTORS

	2021	2020
	£	£
Accrued income	**58,826**	55,131
	58,826	55,131

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accruals	**34,408**	32,484
Grants accrued - institutional	**5,000**	4,000
	39,408	36,484

DocuSign Envelope ID: E5A2BDE2-6376-4BE3-8A63-529CDD190624

11. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 6 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2021 £
UNRESTRICTED FUNDS					
General Funds	**188,306**	**430,651**	**(497,017)**	**-**	**121,940**
ENDOWMENT FUNDS					
Endowment Funds	**12,416,239**	**-**	**(107,144)**	**2,964,793**	**15,273,888**
TOTAL OF FUNDS	**12,604,545**	**430,651**	**(604,161)**	**2,964,793**	**15,395,828**

The expendable endowment represents the value of assets held as investments arising from the original assets settled by the late John Bernard Maurice Coates on 6 November 1969 less investment manager fees less expenditure. The income arising on these assets is available for use in accordance with the trust's objects and is included in unrestricted income. The fund is available for expenditure on charitable donations as the trustees deem fit.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 6 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2020 £
UNRESTRICTED FUNDS					
General Funds	136,451	473,768	(421,913)	-	188,306
ENDOWMENT FUNDS					
Endowment Funds	14,517,979	-	(107,126)	(1,994,614)	12,416,239
TOTAL OF FUNDS	14,654,430	-	(529,039)	(1,994,614)	12,604,545

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12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	15,237,246	-	**15,237,246**
Current assets	55,380	142,610	**197,990**
Creditors due within one year	(18,738)	(20,670)	**(39,408)**
TOTAL	15,273,888	121,940	**15,395,828**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Endowment funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	12,389,670	-	12,389,670
Current assets	43,766	207,593	251,359
Creditors due within one year	(17,197)	(19,287)	(36,484)
TOTAL	12,416,239	188,306	12,604,545

13. RELATED PARTY TRANSACTIONS

During the year a grant of £5,000 (2020 - £5,000) was given to Chance to Shine Foundation Ltd, a charity whose Trustees include the spouse of one of The John Coates Charitable Trust's Trustees.