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Charity number: 262057

THE JOHN COATES CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

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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 - 7
Trustees' Responsibilities Statement	8
Independent Auditors' Report on the Financial Statements	9 - 12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15 - 28

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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 2022

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 (until January 2022) 11 Strand London WC2N 5HR Veritas Investment Partners (UK) Limited Riverside House 2a Southwark Bridge Road London SE1 9HA Sarasin & Partners LLP (from January 2022) Juxon House 100 St. Paul's Churchyard London EC4M 8BU
Bankers	National Westminster Bank plc 156 Fleet Street London EC4A 2DX

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TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2022

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 2022. 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

Our focus is on helping people lead more enriched lives and through our grant-making to charities, over 10,000,000 beneficiaries from across the UK will receive support. Our grants have been awarded to a wide variety of causes, including: medical research, healthcare, addressing societal issues of concern, supporting the arts, protecting the environment and restoring our heritage. For further details of how we work, please see our grant-making policy below.

Grant-making policy

Generally, it is our policy to make distributions either to large national charitable organisations or to small charities which are of personal or local interest to at least one of us. The average grant is between £5,000 and £10,000 and applicants can receive funding for a maximum of six consecutive years, unless invited to reapply. Applicants fill in a short eligibility questionnaire to access the grant application form. The application form enables us to assess the nature and impact of the project. We also ask applicants how they can demonstrate 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. Successful applicants are allocated a named trustee who acts as a contact in addition to the administration team. This has helped develop strong relationships over the years between us and the charities that we support.

Within 12 months of the grant being received, charities complete a short online monitoring report which asks about their achievements and challenges. The form also asks for general feedback on the application process.

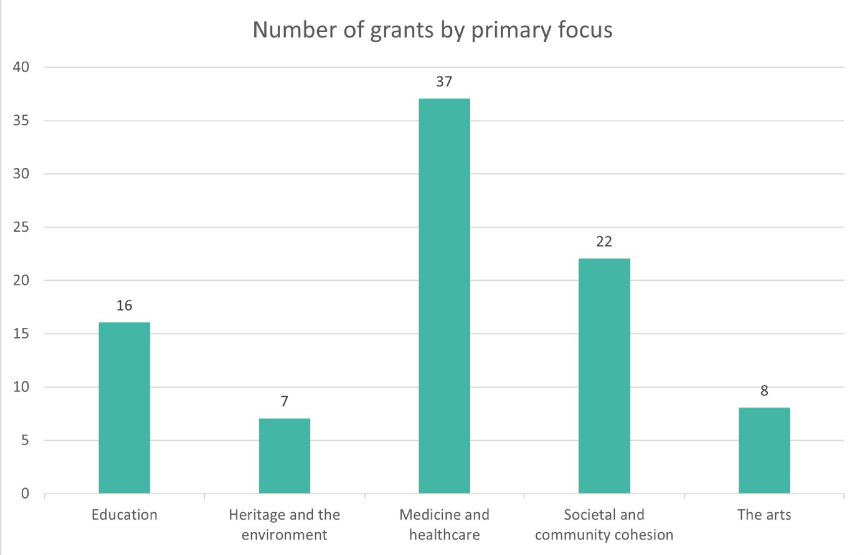
Achievements and Performance

Achievements

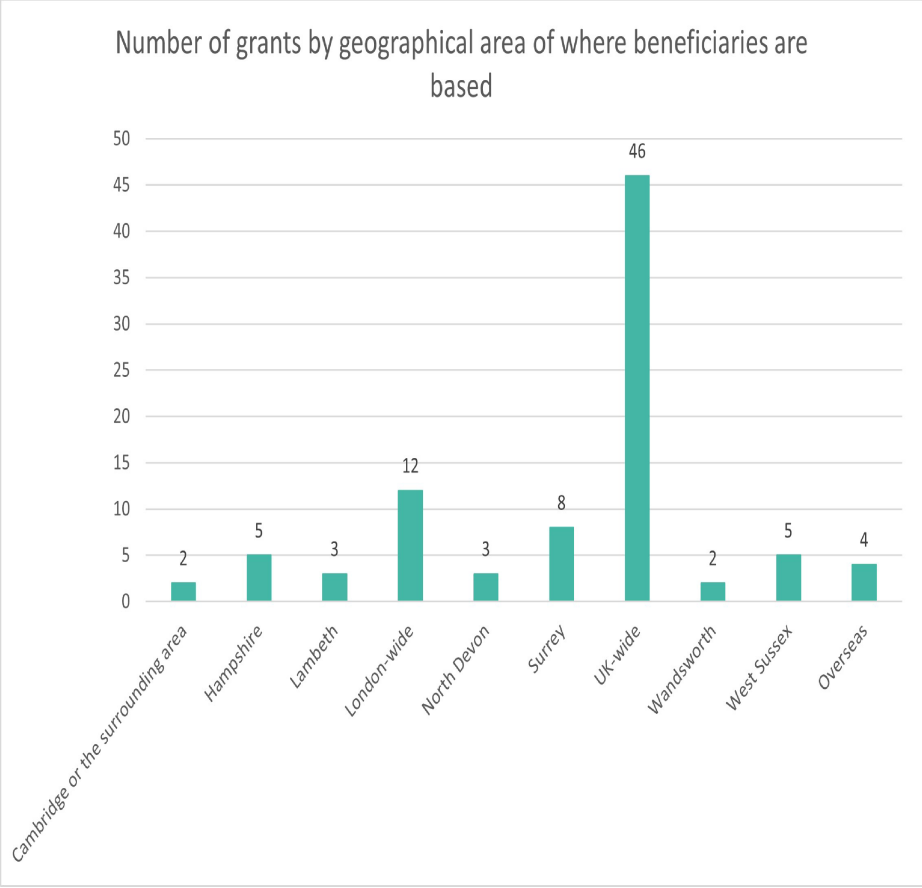
During the year we made 90 (2021:78) charitable donations totalling £485,000 (2021: £462,000), largely supporting charities that we have assisted in the past and developed relationships with, as well as donating funds to 14 new beneficiary charities.

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Of these charities, the majority were in the field of medicine and healthcare, followed by societal and community cohesion.



Over half of the grants awarded were to charities working across the UK. A small number of grants were awarded to charities delivering humanitarian services overseas including Covid-19 assistance, refugee support and to the Ukraine war relief.



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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 13 to 28. 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 £262,631 (2021: deficit of £173,510). The deficit is due to a reduction of investment income due to the timing of dividends following a change in one of the portfolios from multiple holdings to a single fund.

The total gain on investments in the year totalled £1,158,202 (2021: gain £2,964,793), leaving a net increase in funds of £895,571 (2021: £2,791,283).

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 £16.3m. For the forthcoming 12 months, core administrative fees are expected to be in the region of £40,000. There are currently no long-term grant commitments.

Since 1 January 2022 there has been an annual total return target of £500,000, which is predominantly met from investment income with the balance met from the realisation of capital/investments. Where actual income is below £500,000 a transfer is made annually for the difference from endowment funds. Total funds held by the Trust were £16,291,399 at the year end (2021: £15,395,828), comprising the expendable endowment of £16,193,487 (2021: £15,273,888) and negative unrestricted funds available for distribution of £1,483 (2021: positive funds £121,940). The unrestricted funds represent the free reserves of the Trust.

The free reserves as at 5 April 2022 were negative £1,483. This is below the target reserves due to the adoption of the total return target part way through the year but is expected to return to positive reserves in line with the target.

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 National Westminster Bank.

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The Trustees revised their investment policy in November 2020 and moved to a total return basis with effect from 1 January 2022. 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 is asked to achieve a total return target of £250,000 each calendar year.

The Consumer Price Index increased by 6.2% in the year to 31 March 2022 (2021: increased by 1%). 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:-

	2021 year end value £	2022 year end value £	Increase/(decrease) %
Punter Southall Wealth	6,671,622	-	N/A
Sarasin	-	7,961,919	N/A
Veritas	8,321,864	7,879,768	(5.31)
Total	**14,993,486**	**15,841,687**	**5.66**

The net income achieved was:

	2021 £	2022 £
Punter Southall Wealth	233,367	203,814
Sarasin	-	700
Veritas	197,266	163,043

Future plans

We aim to continue to make grants in accordance with our grant-making policy as detailed on page 2 which has recently been reviewed and Trustees have streamlined the funding priorities by including sub-categories which are of personal interest whilst still meeting our charitable objects:

Education

- Improving the key skills of children and young adults, e.g., reading and financial skills
- Outdoor education
- Support for disabled people.

The arts

- Encouraging children to access the arts
- Support for theatres and festivals.

Medicine and healthcare

- Funding research
- Raising awareness and providing information
- Supporting service-users.

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Heritage, conservation and the environment

• History preservation
• Protection and/or enhancement of green spaces (including parks, estates and gardens) and coastal areas, rivers and lakes
• Protection of endangered species, both flora and fauna.

Societal and community cohesion

• Family based services, including support of carers
• Prisoners' wellbeing
• Support for disabled people in community settings
• Support for those from disadvantaged backgrounds and/or are at risk of becoming marginalised
• Support for women facing difficult circumstances.

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.

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.

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
- Trustee code of conduct
- 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.

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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.

The management of our investment portfolio is split between two investment managers. Our risk is further spread by the diversity of our portfolio which consists of UK and non-UK shareholdings and bonds. During the financial year, Trustees agreed to change their investments to a total return strategy allowing the investment managers further flexibility to manage their section of the portfolio.

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. We do often pay grants to the same charity over a number of years however a follow-up monitoring report is completed before the charity can reapply and this needs to demonstrate an effective use of the funds received. 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 of 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.

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: 21 July 2022

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 5 APRIL 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make 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: 21 July 2022

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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 2022 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 2022 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 Charity'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: 21 July 2022

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 2022

	Note	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME AND ENDOWMENTS FROM:					
Investments	2	**-**	**367,571**	**367,571**	430,651
TOTAL INCOME AND ENDOWMENTS		**-**	**367,571**	**367,571**	430,651
EXPENDITURE ON:					
Raising funds	3	**106,174**	**-**	**106,174**	107,144
Charitable activities		**-**	**524,028**	**524,028**	497,017
TOTAL EXPENDITURE		**106,174**	**524,028**	**630,202**	604,161
NET EXPENDITURE BEFORE NET GAINS ON INVESTMENTS		**(106,174)**	**(156,457)**	**(262,631)**	(173,510)
Net gains on investments		**1,158,202**	**-**	**1,158,202**	2,964,793
NET INCOME/(EXPENDITURE)		**1,052,028**	**(156,457)**	**895,571**	2,791,283
Transfers between funds	11	**(33,034)**	**33,034**	**-**	-
NET MOVEMENT IN FUNDS		**1,018,994**	**(123,423)**	**895,571**	2,791,283
RECONCILIATION OF FUNDS:					
Total funds brought forward		**15,273,888**	**121,940**	**15,395,828**	12,604,545
Net movement in funds		**1,018,994**	**(123,423)**	**895,571**	2,791,283
TOTAL FUNDS CARRIED FORWARD		**16,292,882**	**(1,483)**	**16,291,399**	15,395,828

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

The notes on pages 15 to 28 form part of these financial statements.

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BALANCE SHEET
AS AT 5 APRIL 2022

	Note		2022 £		2021 £
FIXED ASSETS					
Investments	8		**16,250,729**		15,237,246
			16,250,729		15,237,246
CURRENT ASSETS					
Debtors	9	**24,048**		58,826	
Cash at bank and in hand		**45,263**		139,164	
		69,311		197,990	
Creditors: amounts falling due within one year	10	**(28,641)**		(39,408)	
NET CURRENT ASSETS			**40,670**		158,582
TOTAL NET ASSETS			**16,291,399**		15,395,828
CHARITY FUNDS					
Endowment funds	11		**16,292,882**		15,273,888
Unrestricted funds	11		**(1,483)**		121,940
TOTAL FUNDS			**16,291,399**		15,395,828

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: 21 July 2022

The notes on pages 15 to 28 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.

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

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 2022 £	**Total funds 2022 £**	Total funds 2021 £
Dividend income	367,558	**367,558**	430,633
Bank interest	13	**13**	18
	367,571	**367,571**	430,651
TOTAL 2021	430,651	430,651	

3. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2022 £	**Total funds 2022 £**	Total funds 2021 £
Investment management fees	106,174	**106,174**	107,144
TOTAL 2021	107,144	107,144	

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4. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	485,000	39,028	**524,028**	497,017
TOTAL 2021	462,000	35,017	497,017	

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

In 2021 all expenditure on charitable activities was attributable to unrestricted funds.

ANALYSIS OF SUPPORT COSTS

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Audit fees	5,340	**5,340**	6,600
Accountancy fees	3,840	**3,840**	3,765
Trust administration expenses	29,033	**29,033**	22,928
Trustees' expenses	800	**800**	800
Other expenses	-	**-**	924
Bank fees	15	**15**	-
	39,028	**39,028**	35,017
TOTAL 2021	35,017	35,017	

All of the above costs in 2022 and 2021 are governance costs.

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

5. ANALYSIS OF GRANTS

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Grants	485,000	**485,000**	462,000
TOTAL 2021	462,000	462,000	

Grants to institutions

	2022 £	2021 £
Alzheimer's Society	**10,000**	5,000
Armonico Consort Ltd	**-**	3,000
Aspire (Assoc. for Spinal Injury Research)	**5,000**	5,000
Bankside Open Spaces Trust	**-**	5,000
Become Charity	**5,000**	-
Big Issue Foundation, The	**5,000**	5,000
Bletchley Park Trust Ltd	**-**	10,000
Blue Smile Project	**-**	5,000
Brain Tumour Charity, The	**-**	5,000
British Diabetic Association, The	**5,000**	5,000
British Heart Foundation, The	**10,000**	15,000
British Red Cross Society, The	**10,000**	-
British Stammering Association	**5,000**	-
British Wheelchair Sports Foundation, The	**-**	5,000
Bumblebee Conservation Trust	**4,000**	-
Cambridge Literary Festival	**4,000**	5,000
Canine Partners for Independence	**5,000**	-
Carers Uk	**5,000**	5,000
Chance to Shine Foundation Ltd	**5,000**	5,000
Changing Faces	**-**	5,000
Cherry Trees	**3,000**	-
Chichester Festival Theatre	**5,000**	-
Carried forward to next page	**86,000**	88,000

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

Grants to institutions (cont.)

	2022 £	2021 £
Brought forward from previous page	**86,000**	88,000
Chichester Information Shop for Young People	**4,000**	4,000
Child Bereavement UK	**5,000**	7,000
Children's Trust, The	**-**	5,000
Classics for All	**3,000**	-
CLIC Sargent Cancer Care for Children	**-**	7,500
Cosmetic Toiletry & Perfumery Foundation	**5,000**	-
Creekside Education Trust	**5,000**	-
Crohn's & Colitis UK	**-**	5,000
DEBRA	**-**	5,000
DEC (Afghanistan Appeal)	**10,000**	-
DEC (Ukraine Appeal)	**15,000**	-
DEC Coronavirus	**10,000**	10,000
Dementia UK	**-**	5,000
Doorstep Library Network	**-**	5,000
Downs South London	**2,500**	-
East Anglia Children's Hospices	**-**	5,000
ERIC	**3,000**	-
Euan's Guide	**5,000**	-
Exmoor Search & Rescue	**2,500**	-
FareShare	**-**	10,000
Farms for City Children	**5,000**	-
Fields in Trust	**-**	8,000
FoodCycle	**-**	5,000
Foundation & Friends of the Royal Botanic Gardens, Kew	**5,000**	-
Forward Trust	**3,000**	-
Garden Museum	**5,000**	-
Girls' Network, The	**5,000**	-
Giving World	**-**	5,000
Go Beyond (CHICKS)	**10,000**	-
Golden Oldies (The Sing & Smile Charity)	**2,000**	-
Carried forward to next page	**191,000**	174,500

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

Grants to institutions (cont.)

	2022 **£**	2021 £
Brought forward from previous page	**191,000**	174,500
Guy's & St Thomas' Charity (Evelina Children's Hospital)	**-**	5,000
Hardman Trust	**2,500**	-
Honeypot Children's Charity, The	**5,000**	8,000
Hot Line Meals Service (London)	**5,000**	-
Horatio's Garden	**-**	5,000
Inspire Foundation	**5,000**	-
IPSEA	**8,000**	-
Jo's Cervical Cancer Trust	**-**	5,000
Kangaroos Mid Sussex	**3,000**	-
Kids Out UK	**-**	5,000
Katherine Low Settlement Limited	**5,000**	-
Key4Life CIO	**5,000**	-
Lifelites	**3,000**	4,000
Lighthouse Relief	**2,500**	-
Linking Environment and Farming	**5,000**	-
Macmillan Cancer Support	**-**	10,000
Macular Disease Society	**5,000**	-
Maggie Keswick Jencks Cancer Caring Centres Trust*	**-**	10,000
Magic Breakfast	**10,000**	10,000
Marine Conservation Society	**5,000**	-
Maytree Respite Centre	**5,000**	-
Meath Epilepsy Charity	**-**	3,000
Missing People Limited	**5,000**	10,000
Money Charity, The	**5,000**	-
Motor Neurone Disease Association	**5,000**	5,000
Movement for Non-Mobile Children, The (Whizz-Kidz)	**5,000**	4,000
Multiple Sclerosis Society	**-**	10,000
National Axial Spondyloarthritis Society (NASS)	**5,000**	5,000
National Literacy Trust	**5,000**	-
National Rheumatoid Arthritis Society, The	**-**	4,000
NESSie IN ED CIC	**-**	5,000
No Way Trust Ltd, The	**5,000**	5,000
Nordoff Robbins Music Therapy	**-**	3,000
Normandy Community Therapy Garden	**3,000**	-
Carried forward to next page	**303,000**	290,500

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

Grants to institutions (cont.)

	2022 £	2021 £
Brought forward from previous page	**303,000**	290,500
North Devon Hospice	**-**	4,000
NSPCC	**10,000**	-
Oracle Cancer Trust	**-**	5,000
Outward Bound Trust, The	**5,000**	-
Paul's Cancer Support Centre	**-**	5,000
Pimlico Opera	**5,000**	-
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
Rainbow Trust Children's Charity	**3,000**	5,000
Read Easy UK	**-**	5,000
Redthread Youth Ltd	**5,000**	-
Refuge	**10,000**	5,000
Restart Lives	**5,000**	-
Roundhouse Trust	**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**	10,000
Schoolreaders	**5,000**	5,000
Scope (Navigate Project)	**5,000**	5,000
Sebastian's Action Trust	**-**	10,000
Shooting Star Children's Hospices	**5,000**	-
Society for Horticultural Therapy (Thrive)	**3,000**	-
South Downs National Park Trust	**-**	5,000
South West Coast Path Association	**5,000**	5,000
St Catherine's Hospice Ltd	**5,000**	10,000
Starlight Children's Foundation	**5,000**	-
Step by Step Partnership Ltd	**3,000**	-
Stroke Association	**5,000**	-
Surfers Against Sewage	**5,000**	3,000
Surrey Association for Visual Impairment	**3,000**	-
Sussex Archaeological Society	**5,000**	-
Target Ovarian Cancer	**5,000**	10,000
Carried forward to next page	**435,000**	408,500

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

Grants to institutions (cont.)

	2022 **£**	2021 £
Brought forward from previous page	**435,000**	408,500
Teenage Cancer Trust	**-**	7,500
Theatre Development Trust	**10,000**	-
Theatres Trust	**10,000**	-
Tom's Trust	**-**	3,000
Treloar Trust	**5,000**	-
Two Moors Festival Ltd	**5,000**	5,000
UK Sailing Academy	**-**	5,000
University of Westminster	**5,000**	-
Walking with the Wounded	**5,000**	-
Waterloo Community Counselling	**-**	5,000
Watts Gallery Trust	**4,000**	-
Well Being of Women	**3,000**	-
Winchester and District Young Carers	**-**	3,000
Winston's Wish	**-**	5,000
Wintercomfort for the homeless	**-**	5,000
YHA (England and Wales)	**3,000**	-
Young Minds Trust	**-**	10,000
YWCA England & Wales	**-**	5,000
Total grants awarded in the year	**485,000**	462,000
Reconciliation of grant expense		
Grant commitments b/f* (note 10)	**(5,000)**	(4,000)
Grants paid in the year	**490,000**	461,000
Grant commitments c/f* (note 10)	**-**	5,000
Total grant expense for the year	**485,000**	462,000

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

6. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts (VAT inclusive)	**6,720**	6,600
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above (VAT inclusive)	**2,460**	2,400

7. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 5 April 2022, expenses totalling £800 were reimbursed or paid directly to 6 Trustees (2021 - £800 to 6 Trustees). These expenses relate to travel, stationery, postage and telephone costs.

8. FIXED ASSET INVESTMENTS

	Listed investments £	Cash held for investment £	Total £
COST OR VALUATION			
At 6 April 2021	**14,993,486**	**343,760**	**15,337,246**
Additions	**10,282,934**	**-**	**10,282,934**
Disposals	**(9,281,410)**	**-**	**(9,281,410)**
Revaluations	**(153,323)**	**-**	**(153,323)**
Movement in cash	**-**	**65,282**	**65,282**
AT 5 APRIL 2022	**15,841,687**	**409,042**	**16,250,729**

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

8. FIXED ASSET INVESTMENTS (CONTINUED)

Day-to-day management of the investments was delegated to Veritas Investment Partners, Sarasin & Partners LLP (from January 2022) and Punter Southall Wealth (until January 2022).

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.

9. DEBTORS

	2022	2021
	£	£
Accrued income	**24,048**	58,826
	24,048	58,826

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accruals	**28,641**	34,408
Grants accrued - institutional	**-**	5,000
	28,641	39,408

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11. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 6 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 5 April 2022 £
UNRESTRICTED FUNDS						
General Funds	**121,940**	**367,571**	**(524,028)**	**33,034**	**-**	**(1,483)**
ENDOWMENT FUNDS						
Endowment Funds	**15,273,888**	**-**	**(106,174)**	**(33,034)**	**1,158,202**	**16,292,882**
TOTAL OF FUNDS	**15,395,828**	**367,571**	**(630,202)**	**-**	**1,158,202**	**16,291,399**

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. Since 1 January 2022 the Charity has adopted a total return approach with its investment managers for a combined annual total return target of £500,000. There is no specific income target and the balance is met from the proceeds from the sale of investments (capital).

The transfer in the year represents the difference between actual income and the total return target.

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

11. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR 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

DocuSign Envelope ID: 676BFA81-9C0F-4D98-899B-8E8B506CEB4E

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	16,250,729	-	**16,250,729**
Current assets	55,281	14,030	**69,311**
Creditors due within one year	(13,128)	(15,513)	**(28,641)**
TOTAL	16,292,882	(1,483)	**16,291,399**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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

13. RELATED PARTY TRANSACTIONS

During the year a grant of £5,000 (2021 - £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.