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Charity number: 262057

THE JOHN COATES CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

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THE JOHN COATES CHARITABLE TRUST

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THE JOHN COATES CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2023

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	Veritas Investment Partners (UK) Limited Riverside House 2a Southwark Bridge Road London SE1 9HA Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU
Bankers	National Westminster Bank plc 156 Fleet Street London EC4A 2DX CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2023

The Trustees present their report together with the audited financial statements of The John Coates Charitable Trust (the Trust) for the year ended 5 April 2023. The Trustees confirm that the Annual Report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust'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 4,000,000 beneficiaries from across the UK will receive support as a result of our grants which 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. When planning the Trust's activities, the Trustees have regard to the Charity Commission's guidance on public benefit.

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. 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.

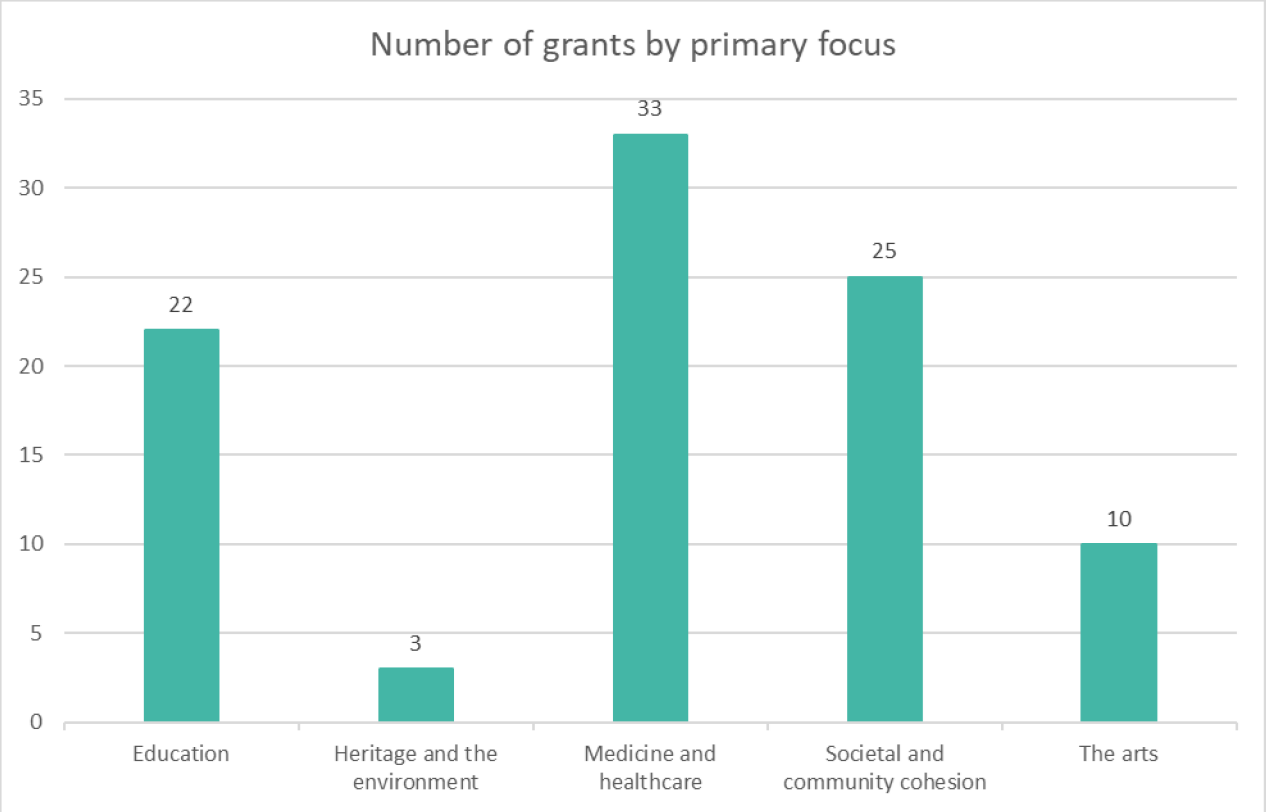
Within 12 months of the grant being received, charities complete a short online monitoring report which asks about their achievements and challenges. The form also asks for general feedback on the application process.

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Achievements

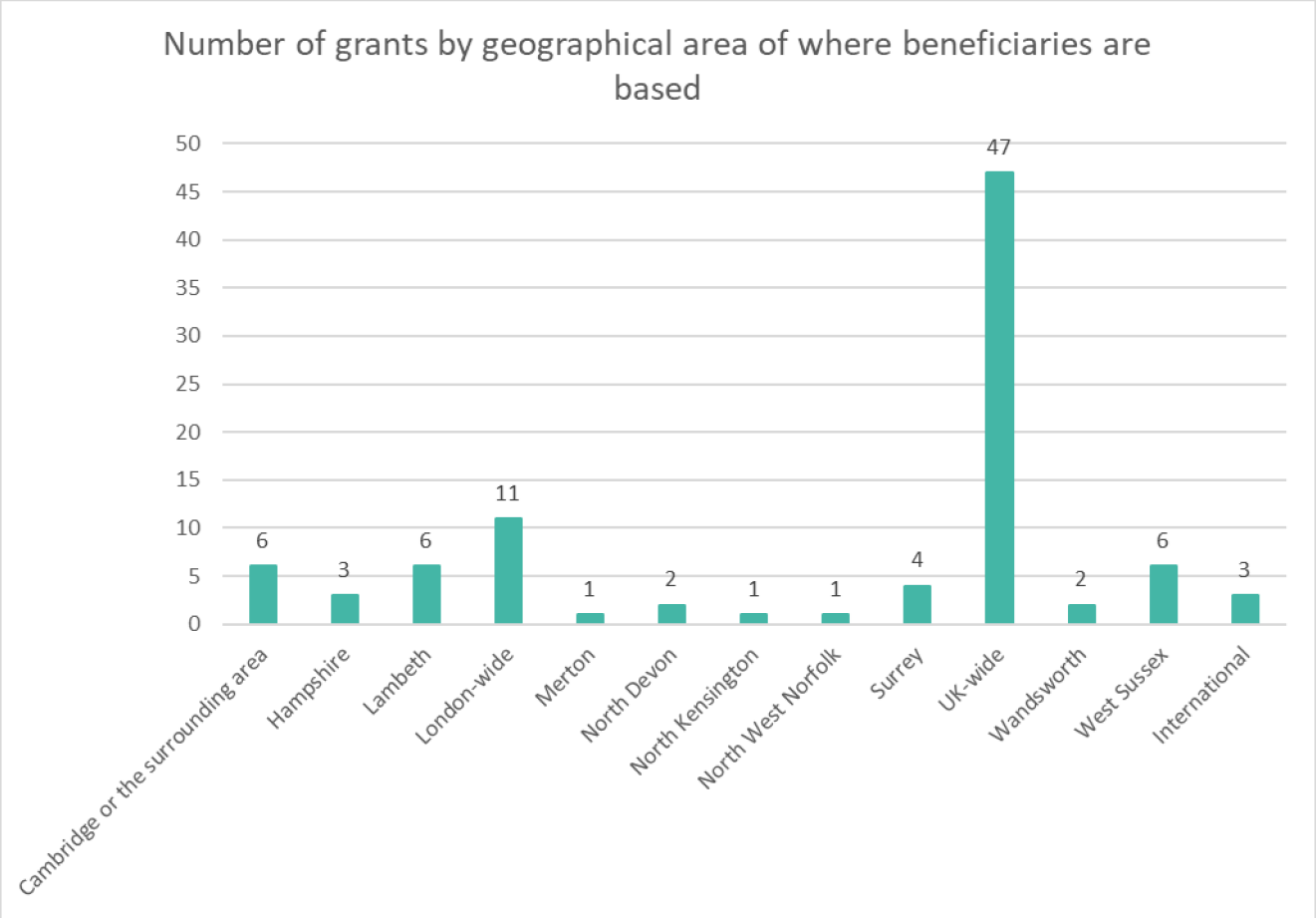
During the year we made 93 (2022: 90) charitable donations totalling £483,994 (2022: £485,000), mainly supporting charities that we have assisted in the past and developed relationships with, as well as donating funds to 28 (2022: 14) new beneficiary charities.

Of these grants, the majority were in the field of medicine and healthcare with 33 (2022: 37) grants awarded in this category, followed by 25 (2022: 22) grants being awarded within the societal and community cohesion category. 22 (2022: 16) grants were awarded in the education category, 10 (2022: eight) grants were awarded in the arts category and three (2022: seven) grants were awarded in the heritage and environment category.



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Of the 93 grants awarded, 47 (2022: 46) were awarded to charities working nationally across the UK, highlighting the preference for supporting charities where there is a wide reach of beneficiaries. Three (2022: three) grants were in support of international humanitarian aid appeals, namely towards the Afghanistan Earthquake Appeal in June 2022, the Pakistan Floods Appeal in September 2022, and the Turkey-Syria Earthquake Appeal in February 2023. The remaining 43 (2022: 40) grants were awarded to local charities working within geographical areas which have a personal connection with the Trustees.



Financial Review

Financial Performance

The financial statements are set out on pages 13 to 30. There were no material changes to the accounting policies in the year. The Trust has no paid staff. We believe that the Trust has sufficient assets to meet its obligations.

As noted below, it is the Trustees' policy to distribute all their annual income. There was a deficit of income over expenditure of £242,041 (2022: deficit of £262,631).

The total loss on investments in the year totalled £678,228 (2022: gain of £1,158,202), leaving a net decrease in funds of £920,269 (2022: gain of £895,571).

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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, when applicable, and administration costs.

The Trust generates income from an investment portfolio worth approximately £15.3m at the year end. 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 £15,371,130 at the year end (2022: £16,291,399), comprising the expendable endowment of £15,391,522 (2022: £16,292,882) and unrestricted funds available for distribution of negative £20,392 (2022: negative funds £1,483). The unrestricted funds represent the free reserves of the Trust.

The free reserves as at 5 April 2023 were negative £20,392. This is below the target reserves due to the adoption of the total return target part way through the prior 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 the National Westminster Bank and CAF Bank.

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 10.1% in the year to 31 March 2023 (2022: increased by 7%). The investment portfolios decreased as follows (excluding cash):-

	2022 year end value £	2023 year end value £	Decrease %
Sarasin	7,961,919	7,331,525	7.91
Veritas	7,879,768	7,747,652	1.68
Total	**15,841,687**	**15,079,177**	

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The net income acheived was as follows:

	2022 £	2023 £
Punter Southall Wealth	203,814	-
Sarasin	700	201,520
Veritas	163,043	131,347

Future Plans

The Trustees have considered their current grant-making processes and, after much thought, plan to streamline their focus and invite charities to apply under selected areas of interest.

With a smaller number of charities being supported, Trustees will be able to award larger grants, thereby increasing the impact of these grants. Trustees also wish to be able to visit the charities supported and develop close working relationships with them which at present is not always possible because of the large number of beneficiary charities.

Trustees expect the total amount of funds distributed to remain at a similar level over the next year.

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

The governing document of the Trust is the Trust Deed dated 6 November 1969 amended on 1 March 2022.

In light of Covid-19 restrictions, Trustees amended the governing document to allow decisions to be made electronically and meetings to be held online, in order to ensure the Trust continues to meet its objectives.

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

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- 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 Trust 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 overseas shareholdings and bonds.

Reputational risk is managed by only awarding donations to charities who have been registered with the Charity Commission for a minimum of five years, whose accounts are subject to the Charity Commission reporting and accounting regulations. We often make 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 Trust 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 following 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: 16 August 2023

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 5 APRIL 2023

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 Trust 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 Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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: 16 August 2023

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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 'Trust') for the year ended 5 April 2023 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 Trust's affairs as at 5 April 2023 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 Trust 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 Trust'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 Trust'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 Trust 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 Trust 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 Trust’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.

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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 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 Trust's legal advisers.

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 Trustees 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 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 Trust and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Peters Elworthy and Moore

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

Date: 16 August 2023

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 2023

	Note	Endowment funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME AND ENDOWMENTS FROM:					
Investments	3	**-**	**332,661**	**332,661**	367,571
TOTAL INCOME AND ENDOWMENTS		**-**	**332,661**	**332,661**	367,571
EXPENDITURE ON:					
Raising funds	4	**55,793**	**-**	**55,793**	106,174
Charitable activities	5	**-**	**518,909**	**518,909**	524,028
TOTAL EXPENDITURE		**55,793**	**518,909**	**574,702**	630,202
NET EXPENDITURE BEFORE NET GAINS ON INVESTMENTS		**(55,793)**	**(186,248)**	**(242,041)**	(262,631)
Net (losses)/gains on investments	9	**(678,228)**	**-**	**(678,228)**	1,158,202
NET (EXPENDITURE)/INCOME		**(734,021)**	**(186,248)**	**(920,269)**	895,571
Transfers between funds	12	**(167,339)**	**167,339**	**-**	-
NET MOVEMENT IN FUNDS		**(901,360)**	**(18,909)**	**(920,269)**	895,571
RECONCILIATION OF FUNDS:					
Total funds brought forward		**16,292,882**	**(1,483)**	**16,291,399**	15,395,828
Net movement in funds		**(901,360)**	**(18,909)**	**(920,269)**	895,571
TOTAL FUNDS CARRIED FORWARD		**15,391,522**	**(20,392)**	**15,371,130**	16,291,399

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

The notes on pages 15 to 30 form part of these financial statements.

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BALANCE SHEET
AS AT 5 APRIL 2023

	Note		2023 £		2022 £
FIXED ASSETS					
Investments	9		**15,317,791**		16,250,729
			15,317,791		16,250,729
CURRENT ASSETS					
Debtors	10	**23,466**		24,048	
Cash at bank and in hand		**57,932**		45,263	
		81,398		69,311	
Creditors: amounts falling due within one year	11	**(28,059)**		(28,641)	
NET CURRENT ASSETS			**53,339**		40,670
TOTAL NET ASSETS			**15,371,130**		16,291,399
FUNDS					
Endowment funds	12		**15,391,522**		16,292,882
Unrestricted funds	12		**(20,392)**		(1,483)
TOTAL FUNDS			**15,371,130**		16,291,399

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: 16 August 2023

The notes on pages 15 to 30 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) (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 Trust 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 Trust 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 adviser 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 Trust to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Trust'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 Trust; 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 Trust 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 Trust 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 Trust 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. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The most significant areas of adjustment and key assumptions that affect the items in the accounts are to do with estimating the liability from multi-year grant commitments. The Trustees do not consider the impact of discounting to be material and therefore no adjustment is made. Further no adjustment is made for the potential clawback of grants that are unused. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

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3. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Dividend income	332,285	**332,285**	367,558
Bank interest	376	**376**	13
	332,661	**332,661**	367,571
TOTAL 2022	367,571	367,571	

4. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	55,793	**55,793**	106,174
TOTAL 2022	106,174	106,174	

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	483,994	34,915	**518,909**	524,028
TOTAL 2022	485,000	39,028	524,028	

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

In 2023 and 2022 all expenditure on charitable activities was attributable to unrestricted funds.

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5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Charitable activities 2023 £	**Total funds 2023 £**	Total funds 2022 £
Audit fees	6,600	**6,600**	5,340
Accountancy fees	4,200	**4,200**	3,840
Trust administration expenses	23,232	**23,232**	29,033
Trustees' expenses	800	**800**	800
Bank fees	83	**83**	15
	34,915	**34,915**	39,028
TOTAL 2022	39,028	39,028	

All of the above costs in 2023 and 2022 are governance costs.

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6. ANALYSIS OF GRANTS

	Grants to Institutions 2023 £	Total funds 2023 £	Total funds 2022 £
Grants	483,994	**483,994**	485,000
TOTAL 2022	485,000	485,000	

Grants to instituations

	2023 £	2022 £
Action on Post Partum Psychosis	**3,000**	-
Alzheimer's Society	**-**	10,000
Aspire	**-**	5,000
Battersea Arts Centre	**5,000**	-
Baytree Centre	**5,000**	-
Become Charity	**5,000**	5,000
Best Beginnings	**5,000**	-
Big Issue Foundation, The	**5,000**	5,000
Bletchley Park Trust	**5,000**	-
Bloomfield Learning Centre	**5,000**	-
Blue Smile Project	**5,000**	-
Brain Tumor Charity, The	**5,000**	-
British Diabetic Association, The	**-**	5,000
British Heart Foundation, The	**-**	10,000
British Red Cross, The	**-**	10,000
British Stammering Association	**-**	5,000
Bumblebee Conservation Trust	**-**	4,000
Cambridge Literary Festival	**3,000**	4,000
Canine Partners for Independance	**5,000**	5,000
Carers UK	**5,000**	5,000
Chance to Shine Foundation Ltd	**-**	5,000
Carried forward to next page	**61,000**	78,000

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Grants to institutions (continued)

	2023 **£**	2022 £
Brought forward from previous page	**61,000**	78,000
	-	-
Changing Faces	**5,000**	-
Cherry Trees	**-**	3,000
Chichester Festival Theatre	**-**	5,000
Chichester Information Shop For Young People	**-**	4,000
Child Bereavement UK	**-**	5,000
Classiscs for All	**3,000**	3,000
Country Trust	**5,000**	-
Cosmetic Toiletry & Perfumery Foundation	**-**	5,000
Creekside Education Trust Ltd	**-**	5,000
Debate Mate Schools Limited	**3,843**	-
DEBRA	**5,000**	-
Demelza House Children's Hospice	**1,953**	-
Dementia UK	**5,000**	-
DEC (Afghanistan Appeal)	**10,000**	10,000
DEC (Earthquake Turkey/Syria Appeal)	**10,000**	-
DEC (Pakistan Flood Appeal)	**15,000**	-
DEC (Ukraine Appeal)	**-**	15,000
DEC Coronavirus	**-**	10,000
Down's South London	**-**	2,500
Doorstep Library	**5,000**	-
Dreams Come True	**3,000**	-
Durrell Wildlife Conservation Trust - UK	**5,000**	-
East Anglia's Children's Hospices	**3,000**	-
ERIC	**3,000**	3,000
English Touring Opera	**3,000**	-
Euan's Guide	**5,000**	5,000
Exmoor Search & Rescue Team	**-**	2,500
Farms for City Children	**-**	5,000
Carried forward to next page	**151,796**	161,000

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Grants to institutions (continued)

	2023 **£**	2022 £
Brought forward from previous page	**151,796**	161,000
	-	-
Fine Cell Work	**5,000**	-
FitzRoy	**5,000**	-
FoodCycle	**5,000**	-
Forward Trust	**-**	3,000
Foundation & Friends of the Royal Botanic Gardens, Kew	**-**	5,000
Freedom Community Alliance	**4,000**	-
Froglife Trust	**3,000**	-
Garden Museum, The	**-**	5,000
GASP Motor Project	**5,000**	-
Girls' Network, The	**-**	5,000
Giving World	**5,000**	-
Go Beyond (CHICKS)	**-**	10,000
Golden-Oldies (The Sing & Smile Charity)	**-**	2,000
Guy's & St Thomas' Foundation	**5,000**	-
Hardman Trust	**-**	2,500
Helen Bamber Foundation	**5,000**	-
Honeypot Children's Charity, The	**-**	5,000
Hot Line Meals Service (London)	**5,000**	5,000
Independent Provider of Special Education Advice (IPSEA)	**-**	8,000
INSPIRE Foundation	**-**	5,000
Jo's Cervical Cancer Trust	**5,000**	-
Kangaroos Mid Sussex	**3,000**	3,000
Katherine Low Settlement Limited	**5,000**	5,000
Key4Life CIO	**-**	5,000
Kid's Network	**5,000**	-
Latin Programme, The	**5,000**	-
Lifecentre	**3,000**	-
Lifelites	**-**	3,000
Carried forward to next page	**224,796**	232,500

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Grants to institutions (continued)

	2023 £	2022 £
Brought forward from previous page	**224,796**	232,500
	-	-
Lighthouse Relief	**-**	2,500
Linking Environment and Farming	**-**	5,000
Living Paintings Trust	**3,000**	-
London Philharmonic Orchestra Limited	**3,500**	-
Macmillan Cancer Support	**10,000**	-
Macular Disease Society	**-**	5,000
Maggie Keswick Jencks Cancer Caring Centres Trust*	**-**	-
Magic Breakfast	**5,000**	10,000
Marine Conservation Society (MCS)	**5,000**	5,000
Maytree Respite Centre	**5,000**	5,000
Mental Health Innovations	**5,000**	-
Merton Community Transport	**3,000**	-
Missing People	**-**	5,000
Money Charity, The	**5,000**	5,000
Motor Neurone Disease Association	**-**	5,000
Movement for Non-Mobile Children, The (Whizz-Kids)	**-**	5,000
Multiple Sclerosis Society	**10,000**	-
Museum of Cambridge	**3,000**	-
Music in Hospitals & Care	**5,000**	-
National Axial Spondyloarthritis Society (NASS)	**5,000**	5,000
National Literacy Trust	**-**	5,000
National Society for the Prevention of Cruelty to Children	**-**	10,000
Natural History Museum, The	**10,000**	-
New Horizon Youth Centre	**5,000**	-
No Way Trust Limited	**-**	5,000
Normandy Community Therapy Garden	**-**	3,000
Old Vic Theatre Trust 2000	**5,000**	-
Outward Bound Trust, The	**7,760**	5,000
Para Dance UK	**5,000**	-
Carried forward to next page	**325,056**	318,000

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Grants to institutions (continued)

	2023 **£**	2022 £
Brought forward from previous page	**325,056**	318,000
	-	-
Pimlico Opera	**-**	5,000
Prisoners' Advice Service	**5,000**	-
Rainbow Trust Children's Charity	**-**	3,000
Redthread Youth	**-**	5,000
Read Easy UK	**5,000**	-
Refuge	**10,000**	10,000
Renewed Hope Trust	**3,000**	-
Restart Lives	**-**	5,000
Roundhouse Trust	**-**	5,000
Royal Hospital for Neuro-disability	**-**	5,000
Royal Marsden Cancer Charity, The	**5,000**	10,000
Royal Star & Garter Homes	**3,938**	-
Saffron Hall Trust	**4,000**	-
Samaritans	**10,000**	10,000
Schoolreaders	**7,000**	5,000
Scope (Navigate Project)	**-**	5,000
Sebastian's Action Trust	**10,000**	-
Second Chance Childrens Charity	**3,000**	-
Shooting Star Children's Hospices	**-**	5,000
Silver Line Helpline	**8,000**	-
Sixteen, The	**5,000**	-
Smart Works Charity	**5,000**	-
Society for Horticultural Therapy (Thrive)	**-**	3,000
South Downs National Park Trust	**3,000**	-
South West Coastal Path Association	**5,000**	5,000
Southwark Playhouse Theatre	**4,000**	-
St Catherine's Hospice	**5,000**	5,000
Starlight Children's Foundation	**-**	5,000
Carried forward to next page	**425,994**	409,000

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Grants to institutions (continued)

	2023 **£**	2022 £
Brought forward from previous page	**425,994**	409,000
	-	-
Step by Step Partnership Ltd	**-**	3,000
Stroke Association	**5,000**	5,000
Surfers Against Sewage	**-**	5,000
Surrey Association for Visual Impairment	**-**	3,000
Sussex Archaeological Society (aka Sussex Past)	**-**	5,000
Target Ovarian Cancer	**5,000**	5,000
Team Domenica	**3,000**	-
Theatre Development Trust	**-**	10,000
Theatre Royal Haymarket Masterclass Trust	**4,000**	-
Theatres Trust	**-**	10,000
Thornage Hall Independent Living	**10,000**	-
Treloar Trust	**5,000**	5,000
Two Moors Festival	**-**	5,000
University of Westminster	**-**	5,000
Walking With the Wounded	**-**	5,000
Watts Gallery Trust	**-**	4,000
Waverley Hoppa Community Transport	**3,000**	-
Wellbeing of Women	**3,000**	3,000
Winston's Wish	**5,000**	-
YHA (England and Wales)	**-**	3,000
Young Minds	**10,000**	-
Young Women's Trust	**5,000**	-
Total grants awarded in the year	**483,994**	485,000
Reconciliation of grant expense		
Grant commitments brought forward* (Note 12)	**-**	(5,000)
Grants paid in the year	**483,994**	490,000
Grant commitments carried forward (Note 12)	**-**	-
Total grant expense for the year	**483,994**	485,000

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7. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the Trust's auditor in respect of:		
The audit of the Trust's annual accounts (VAT inclusive)	**6,600**	5,280
All other non-audit services (VAT inclusive)	**4,200**	3,900

8. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 5 April 2023, expenses totalling £800 were reimbursed or paid directly to 6 Trustees (2022 - £800 to 6 Trustees). These expenses relate to travel, stationery, postage and telephone costs.

9. FIXED ASSET INVESTMENTS

	Listed investments £	Cash held in investment portfolio £	Total £
COST OR VALUATION			
At 6 April 2022	**15,841,687**	**409,042**	**16,250,729**
Additions	**1,980,718**	**-**	**1,980,718**
Disposals (proceeds £2,065,000)	**(2,112,938)**	**-**	**(2,112,938)**
Revaluations	**(630,290)**	**-**	**(630,290)**
Cash movement	**-**	**(170,428)**	**(170,428)**
AT 5 APRIL 2023	**15,079,177**	**238,614**	**15,317,791**

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9. FIXED ASSET INVESTMENTS (CONTINUED)

Day-to-day management of the investments was delegated to Veritas Investment Partners and Sarasin & Partners LLP.

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 Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk 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 Trust'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 Trust manages these investment risks by retaining expert advisers 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 Trust 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.

10. DEBTORS

	2023	2022
	£	£
Accrued income	**23,466**	24,048

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accruals	**28,059**	28,641

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12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 6 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 5 April 2023 £
UNRESTRICTED FUNDS						
General Funds	**(1,483)**	**332,661**	**(518,909)**	**167,339**	**-**	**(20,392)**
ENDOWMENT FUNDS						
Endowment Funds	**16,292,882**	**-**	**(55,793)**	**(167,339)**	**(678,228)**	**15,391,522**
TOTAL OF FUNDS	**16,291,399**	**332,661**	**(574,702)**	**-**	**(678,228)**	**15,371,130**

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 Trust 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.

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12. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR 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

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13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	15,317,791	-	**15,317,791**
Current assets	85,074	(3,676)	**81,398**
Creditors due within one year	(11,343)	(16,716)	**(28,059)**
TOTAL	15,391,522	(20,392)	**15,371,130**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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

14. RELATED PARTY TRANSACTIONS

During the year a grant of £5,000 (2022 - £NIL) was given to The Latin Programme, a charity whose trustees include one of The John Coates Charitable Trust's Trustees.

During the prior year a grant of £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. No grant was given to this charity in the current year.