

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021
FOR
BATES CHARITABLE TRUST**

RECEIVED
26 JAN 2022
BY
JOHNSON TIDSALL

BATES CHARITABLE TRUST

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BATES CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their report with the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity was set up by trust deed, in order for the trustees to hold a fund upon trust to apply the income thereof and the capital arising there from, for charitable purpose.

The trustees hold the income of the fund and use their absolute discretion to raise money and to decide to which charities it be applied.

Significant activities

The trustees have maintained a programme of support for a range of charities and charitable causes during the year.

The charities and charitable causes supported for public benefit can be broadly categorised into the following groups:

Christian relief organisations, overseas mission agencies and projects.

Schemes for the relief of poverty within the local area, especially projects that tackle the source of poverty.

Support for local church mission projects within the Derby area.

The trustees make judgements on the best information available to them and endeavour to give help where they believe it is most needed.

In setting our programme each year we have regard to the Charity Commission's guidance on public benefit at our trustee meetings.

The trustees plan to continue with the programme of support for the foreseeable future, as income allows.

Grantmaking

The trustees decide the general policy and the specific criteria for grant making. Their policy is to restrict the total grants for any one financial year to the expected investment income, having in mind that surpluses from earlier years are also available.

ACHIEVEMENT AND PERFORMANCE

There has been an increase in the value of the fund's investments during the year of 23.53% (2020: decrease of 16.29%).

Investment income has decreased by 12.71% (2020: increase of 6.91%) during the year.

Grants and donations made by the trust decreased to £33,000 from £33,500, although one donation in 2020 for The London Institute for Contemporary Christianity of £1,000 has been cancelled in 2021 due to the cheque never being cashed - assumed lost. The largest recipients in 2021 were Derby City Mission and Broadway Baptist Church (2020: Derby City Mission).

The trustees have particular regard to work which stands within the evangelical tradition of the Church of England.

The trustees receive many applications from charities for help. These are reviewed at regular intervals and monies are allocated to causes considered to be within the objects of the charity, especially where their help may give support to local rural organisations and churches. They also regularly support certain national charities assisting those in need.

FINANCIAL REVIEW

Financial position

The results for the year showed a total net income after gains/ (losses) on investments of £204,192 (2020: losses of £171,107). Of this, a loss of £1,455 (2020: gain of £1,571) related to unrestricted funds and a gain of £205,647 (2020: loss of £172,678) to endowment funds.

Funds available at the year end totalled £1,044,386 (2020: £840,194) of which £10,049 (2020: £11,504) related to unrestricted funds and £1,034,337 (2020: £828,690) to endowment funds.

BATES CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021

FINANCIAL REVIEW

Investment policy and objectives

The objective is to create sufficient income and capital growth to enable the charity to make donations but with consideration to future needs, having regards to inflation.

The criteria are a balanced return between income and capital with a medium attitude to risk and with a discretionary mandate.

Both capital and income may at any time be used for the furtherance of the charities aims but usually only the income will be distributed and any capital withdrawals are likely to be limited to an upper ceiling of 1% of the fund value.

The portfolio asset allocation should fall within the following broad range:

Fixed interest	10% - 40%
Equities	40% - 80% of which overseas equities 5% - 25%
Cash	0% - 15%

No initial investment should exceed 10% of the value of the fund and when an investment does become greater than 10% it should come up for review as to whether it should be scaled back. Direct investment in derivatives is not permitted.

The trustees have appointed Investec Wealth & Investment Limited as their investment managers and receive regular reports and advice from them.

Ethical Statement

It is the intention of the Trustees to avoid where possible investment directly in companies which impoverish people or areas or nations, or that invest in Countries where there are oppressive political regimes. The Trustees also wish to avoid investments in companies whose principal activity is involvement with armaments.

Reserves policy

The general unrestricted fund is regarded by the trustees as being available for grant making.

Unrestricted reserves are maintained at a level, considered to be adequate by the trustees, to cover an average year's expenditure excluding grants payable.

The permanent endowment fund represents the investments held by the charity and is regarded by the trustees as being the main source of income for the charity.

Going concern

The Coronavirus (COVID-19) pandemic in 2020 affected global markets.

The Trustees saw a drop in the capital value of the funds at the end of the 2020 but the portfolio is varied enough and has increased during 2021 however, the distributions have decreased in 2021 due to the prior year devaluation. The Trustees decided to release some of the donations earlier than usual in 2020 to help the charities they support in these uncertain times but have since revised this back for 2021.

The Trustees only distribute the income available and on that basis feel that it is appropriate to continue to prepare the financial statements on a going concern basis

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

280602

Principal address

20 Main Avenue
Allestree
DERBY
DE22 2EG

BATES CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021

Trustees

W F Bates
J H Bates
J E Bates
N Waldron

Independent Examiner

Johnson Tidsall Limited
Chartered Accountants
81 Burton Road
Derby
Derbyshire
DE1 1TJ

Advisers

Investment Managers

Investec Wealth & Investment Limited
2 Gresham Street
London
EC2V 7QN

Approved by order of the board of trustees on 24th January 2022 and signed on its behalf by:



.....
Rev. W F Bates - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BATES CHARITABLE TRUST

Independent examiner's report to the trustees of Bates Charitable Trust

I report to the charity trustees on my examination of the accounts of Bates Charitable Trust (the Trust) for the year ended 5 April 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Johnson Tidsall Limited
Chartered Accountants
81 Burton Road
Derby
Derbyshire
DE1 1TJ

Date: 7/2/2022

BATES CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	3	32,242	-	32,242	36,938
EXPENDITURE ON					
Raising funds	4	-	13,421	13,421	14,074
Charitable activities					
Church and Charitable purposes	5	33,697	-	33,697	35,227
Total		<u>33,697</u>	<u>13,421</u>	<u>47,118</u>	<u>49,301</u>
Net gains/(losses) on investments		<u>-</u>	<u>219,068</u>	<u>219,068</u>	<u>(158,744)</u>
NET INCOME/(EXPENDITURE)		<u>(1,455)</u>	<u>205,647</u>	<u>204,192</u>	<u>(171,107)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>11,504</u>	<u>828,690</u>	<u>840,194</u>	<u>1,011,301</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>10,049</u></u>	<u><u>1,034,337</u></u>	<u><u>1,044,386</u></u>	<u><u>840,194</u></u>

The notes form part of these financial statements

BATES CHARITABLE TRUST

BALANCE SHEET 5 APRIL 2021

	Notes	Unrestricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Investments	10	-	1,034,337	1,034,337	828,690
CURRENT ASSETS					
Cash at bank		44,783	-	44,783	38,779
CREDITORS					
Amounts falling due within one year	11	(34,734)	-	(34,734)	(27,275)
NET CURRENT ASSETS		<u>10,049</u>	<u>-</u>	<u>10,049</u>	<u>11,504</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,049</u>	<u>1,034,337</u>	<u>1,044,386</u>	<u>840,194</u>
NET ASSETS		<u>10,049</u>	<u>1,034,337</u>	<u>1,044,386</u>	<u>840,194</u>
FUNDS	12				
Unrestricted funds				10,049	11,504
Endowment funds				1,034,337	828,690
TOTAL FUNDS				<u>1,044,386</u>	<u>840,194</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24.01.2022 and were signed on its behalf by:


W F Bates - Trustee

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. STATUTORY INFORMATION

Bates Charitable Trust is a charity registered with the Charity Commission. The charity's registered number and principal address can be found in the Reference and Administrative details of the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Going Concern

The Coronavirus (COVID-19) pandemic in 2020 caused a drop in the overall capital fund value which has subsequently increased to pre COVID-19 values in 2021 however, the distributions have decreased due to the prior year devaluation. The Trustees only distribute the income available each year and on that basis feel that it is appropriate to continue to prepare the financial statements on a going concern basis

Significant judgements

The following judgements (apart from those involving estimates) have been made in the process of applying the charity's accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Carrying value of investments - reliance is placed on the expertise of the fund managers, Investec Wealth and Management, to maximise the investment fund's potential. The market value of investments at the year end was £1,034,337 (2020: 828,689)

Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Income

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

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. The amounts are shown gross of investment management costs incurred which are reported as a cost of raising funds. Investment income is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2021

2. ACCOUNTING POLICIES - continued

Governance costs

Governance costs include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Taxation

The charity is exempt from tax on its charitable activities.

Investments

Investments quoted on a recognised stock exchange are valued at fair value, being market value at the year end. Other investment assets are included at trustees' best estimate of market value.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Permanent endowment funds

Assets donated on condition that the fund be held permanently by the charity, although the constituent assets may change, are held in a permanent endowment fund. Transactions and other events which affect the total amount of permanent endowment funds are shown separately in the Statement of Financial Activities in accordance with the Statement of Recommended Practice. Income generated by the investment assets is not subject to restriction and for this reason is credited to the general unrestricted fund, with the exception of unit trust equalisation income which is credited to the permanent endowment fund.

3. INVESTMENT INCOME

	2021	2020
	£	£
Fixed interest stocks, convertibles and equity investments	32,188	36,878
Deposit account interest	54	60
	<u>32,242</u>	<u>36,938</u>

4. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
Portfolio management	<u>13,421</u>	<u>14,074</u>

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2021

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Church and Charitable purposes	<u>32,000</u>	<u>1,697</u>	<u>33,697</u>

6. GRANTS PAYABLE

	2021 £	2020 £
Church and Charitable purposes	<u>32,000</u>	<u>33,500</u>

The total grants paid to institutions during the year was as follows:

	2021 £	2020 £
Church Mission Society	1,500	2,000
Christian Aid	2,000	2,000
TEAR Fund	1,500	1,500
Safe and Sound, Derby	1,000	1,000
Good News Family Care	1,000	1,000
Manna Mozambique & Angola Anglican Association	500	1,000
Derby City Mission	4,000	4,500
Christian Solidarity Worldwide	1,000	1,000
Derby Kids Camp	-	500
Freedom From Torture	1,000	1,000
London Institute Contemp Christianity	(500)	1,000
Crossroads	1,000	1,000
Swadlincote Youth for Christ	1,000	1,000
Compassion	1,000	500
Christian Witness to Israel	-	500
Upbeat Communities	500	-
Chicks	-	500
Home Start Erewash	500	500
Church Army	500	-
Broadway Baptist	4,000	4,000
CPAS (Falcon Camp)	1,000	1,000
Exairco Trust	1,000	1,000
Restore	1,000	1,000
UCCF Christian Unions	500	500
St Luke's Healthcare for the Clergy	1,000	1,000
A Roche UK	1,000	1,000
MHA	1,000	1,000
Freedom Community Project	500	500
St Matthews, Overseal	500	2,000
The Leprosy Mission	500	-
Mission Direct	500	-
The BACA Charity	500	-
Betel UK	500	-
Scripture Union	500	-
Theos	500	-
	<u>32,000</u>	<u>33,500</u>

The grant payable to The London Institute for Contemporary Christianity includes the uncleared cheque from 2020 that has now been cancelled.

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2021

7. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Church and Charitable purposes	<u>4</u>	<u>1,693</u>	<u>1,697</u>

Accountancy fees include the cost of independent examination of £1,693 (2020: £1,722).

Support costs, included in the above, are as follows:

Finance

	2021 Church and Charitable purposes £	2020 Total activities £
Bank charges	<u>4</u>	<u>5</u>

Governance costs

	2021 Church and Charitable purposes £	2020 Total activities £
Accountancy	<u>1,693</u>	<u>1,722</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2021 nor for the year ended 5 April 2020.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	36,938	-	36,938
EXPENDITURE ON			
Raising funds	140	13,934	14,074
Charitable activities			
Church and Charitable purposes	35,227	-	35,227
Total	<u>35,367</u>	<u>13,934</u>	<u>49,301</u>
Net gains/(losses) on investments	<u>-</u>	<u>(158,744)</u>	<u>(158,744)</u>
NET INCOME/(EXPENDITURE)	1,571	(172,678)	(171,107)

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2021

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Endowment fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	9,933	1,001,368	1,011,301
TOTAL FUNDS CARRIED FORWARD	<u>11,504</u>	<u>828,690</u>	<u>840,194</u>

10. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 6 April 2020	825,188	3,502	828,690
Additions	167,614	177,143	344,757
Disposals	(158,105)	(165,655)	(323,760)
Revaluations	184,650	-	184,650
At 5 April 2021	<u>1,019,347</u>	<u>14,990</u>	<u>1,034,337</u>
NET BOOK VALUE			
At 5 April 2021	<u>1,019,347</u>	<u>14,990</u>	<u>1,034,337</u>
At 5 April 2020	<u>825,188</u>	<u>3,502</u>	<u>828,690</u>

Listed investments are analysed as follows:

	2021 £	2020 £
UK investments	670,414	572,238
Overseas investments	<u>348,933</u>	<u>252,950</u>
	<u>1,019,347</u>	<u>825,188</u>

Included within listed investments are the following material investments:

	2021 £	2020 £
TR Property Investment	71,280	56,745
Experion	<u>58,570</u>	<u>48,657</u>

Cost or valuation at 5 April 2021 is represented by:

	Listed investments £	Cash and settlements pending £	Totals £
Valuation in 2021	<u>1,019,347</u>	<u>14,990</u>	<u>1,034,337</u>

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other creditors	<u>34,734</u>	<u>27,275</u>

12. MOVEMENT IN FUNDS

	At 6/4/20 £	Net movement in funds £	At 5/4/21 £
Unrestricted funds			
General fund	11,504	(1,455)	10,049
Endowment funds			
Endowment fund	828,690	205,647	1,034,337
TOTAL FUNDS	<u>840,194</u>	<u>204,192</u>	<u>1,044,386</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	32,242	(33,697)	-	(1,455)
Endowment funds				
Endowment fund	-	(13,421)	219,068	205,647
TOTAL FUNDS	<u>32,242</u>	<u>(47,118)</u>	<u>219,068</u>	<u>204,192</u>

Comparatives for movement in funds

	At 6/4/19 £	Net movement in funds £	At 5/4/20 £
Unrestricted funds			
General fund	9,933	1,571	11,504
Endowment funds			
Endowment fund	1,001,368	(172,678)	828,690
TOTAL FUNDS	<u>1,011,301</u>	<u>(171,107)</u>	<u>840,194</u>

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2021

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	36,938	(35,367)	-	1,571
Endowment funds				
Endowment fund	-	(13,934)	(158,744)	(172,678)
TOTAL FUNDS	<u>36,938</u>	<u>(49,301)</u>	<u>(158,744)</u>	<u>(171,107)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 6/4/19 £	Net movement in funds £	At 5/4/21 £
Unrestricted funds			
General fund	9,933	116	10,049
Endowment funds			
Endowment fund	1,001,368	32,969	1,034,337
TOTAL FUNDS	<u>1,011,301</u>	<u>33,085</u>	<u>1,044,386</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	69,180	(69,064)	-	116
Endowment funds				
Endowment fund	-	(27,355)	60,324	32,969
TOTAL FUNDS	<u>69,180</u>	<u>(96,419)</u>	<u>60,324</u>	<u>33,085</u>

Endowment fund

Income from the investments are for the provision of grants payable for charitable purposes. The capital element of the fund is unavailable for distribution.

BATES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 5 APRIL 2021**

13. RELATED PARTY DISCLOSURES

During the year there were the following transactions with related parties:

Broadway Baptist Church, Derby

Broadway Baptist Church is a church of which Rev W F Bates is a trustee.

During the year a donation of £4,000 (2020 - £4,000) was made from the Charity to Broadway Baptist Church.

14. ULTIMATE CONTROLLING PARTY

The Charity is controlled by its Trustees