

**Charity Registration Number: 1150784**  
**Company Registration Number: 08395296**

**COUTTS CHARITABLE FOUNDATION**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 1 April 2020**

## **COUTTS CHARITABLE FOUNDATION**

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## **COUTTS CHARITABLE FOUNDATION**

### **LEGAL AND ADMINISTRATIVE DETAILS**

#### **TRUSTEES**

The Rt Hon Lord Waldegrave of North Hill (Chair)

The Rt Hon, the Lord Geidt GCB, GCVO, OBE  
(resigned 1 December 2019)

Francesca Barnes  
(appointed 2 July 2019)

Peter Flavel

Leslie Gent  
(resigned 28 June 2019)

Rachel Harrington  
(appointed 2 July 2019)

Thomas Kenrick

Laura Lines  
(appointed 2 July 2019)

Dr Judith McNeill  
(appointed 2 July 2019)

Alison Rose

Lenka Setkova  
(resigned 2 July 2019)

Camilla Stowell

Dr Linda Yueh

#### **COMPANY SECRETARY**

Ralph Ricks

#### **CORRESPONDENT AND ADMINISTRATOR**

Gerald Child

#### **CONSULTANTS**

Rachel Billett

Sue Cook  
(appointed 20 February 2020)

#### **REGISTERED OFFICE**

440 Strand  
London  
WC2R 0QS

## **COUTTS CHARITABLE FOUNDATION**

### **LEGAL AND ADMINISTRATIVE DETAILS**

#### **AUDITOR**

Buzzacott  
130 Wood Street  
London  
EC2V 6DL

#### **BANKER**

Coutts & Company  
440 Strand  
London  
WC2R 0QS

#### **INVESTMENT MANAGER**

Coutts & Company  
440 Strand  
London  
WC2R 0QS

#### **CHARITY REGISTRATION NUMBER**

1150784

#### **COMPANY REGISTRATION NUMBER**

08395296

## **COUTTS CHARITABLE FOUNDATION**

### **TRUSTEES' REPORT**

The Trustees present their report and audited financial statements for the Coutts Charitable Foundation (known as The Coutts Foundation) ("the Charity") for the period 2 April 2019 to 1 April 2020.

The Charity was set up to effect Coutts & Company's ("Coutts") commitment to the community.

The mission of the Coutts Foundation is to support sustainable solutions to tackle the causes and consequences of poverty, focusing on the communities where Coutts has a presence. During the reporting period, the Charity had a particular focus on supporting organisations that benefit women and girls facing disadvantage.

As a grant-making foundation, the Trustees distribute funds to a limited number of charitable organisations based in the UK that reflect the Charity's mission and focus. Details of organisations supported by the Charity can be found at [www.coutts.com/foundation](http://www.coutts.com/foundation). The Charity achieves its mission and objectives by pro-actively identifying appropriate organisations to support and tracking their progress through receipt of written narrative and financial reports and through site visits.

### **OBJECTIVES OF THE CHARITY**

The objective of the Charity is to assist charitable bodies which undertake activities for the public benefit. The Trustees confirm that in carrying out the objectives of the Charity due regard has been paid to the public benefit guidance published by the Charity Commission.

### **ORGANISATIONAL STRUCTURE, GOVERNANCE AND DECISION-MAKING**

The Charity is a charitable company limited by guarantee, incorporated on 8 February 2013 and registered as a charity on 12 February 2013. The Charity was established under a Memorandum of Association which established the objects and powers of the Charity and is governed under its Articles of Association. In the event of the Charity being wound up members are required to contribute an amount not exceeding £1.

The Charity is governed by a Board of Directors who are Trustees for the purposes of charity law. The founding Trustees of the Charity were Senior Executives of Coutts, with subsequent Trustees being appointed by the Board. Coutts may, by written notice to the Trustees, appoint up to 60% of the total number of Trustees from time to time. Trustees serve terms of three years and are eligible for re-election at the end of the term. All new Trustees undertake an induction programme and receive a structured introduction to the operation of the Charity. The Trustees are mindful that due to appointments and resignations during this reporting period, 70% of the current Trustees are connected to Coutts, and a plan is in place to redress this balance during the next round of Trustee recruitment in 2020-2021.

The relationship between Coutts and the Charity is set out in an agreed Memorandum of Understanding, which references financial and other support given to the Charity by Coutts.

There were no employees in respect of the current period. Coutts provides direct and indirect pro-bono services/expertise to the Charity in a number of areas, including office space and IT services, staff support from a part-time Administrator and volunteer support from the Company Secretary and other staff members. During the reporting period, the value of this staff time and direct services relating to investment management and payments was calculated at £46,387 (2019: £52,519). The Charity is undertaking a review of the overall value of the direct and indirect support it receives from Coutts.

Trustee meetings are held a minimum of three times a year to review and agree areas of grant-making, governance, policy, strategy, performance of investments and risk management. In addition, the Charity has a Finance and Investment Sub-Committee and a Governance and Nominations Sub-Committee, which have delegated authority by the Trustees. Members of Sub-Committees are all Trustees of the Charity.

The Trustees take all decisions on which charities the Charity will support. The Charity adopts a proactive approach to identifying organisations to support that reflect its mission and focus. A detailed due-diligence process is undertaken before Trustees approve any funding, which includes making a site visit to organisations that are considered for funding.

## COUTTS CHARITABLE FOUNDATION

### TRUSTEES' REPORT

#### RISK MANAGEMENT

The Trustees have identified five main areas of risks:

**Governance** – looks at board skills, composition, attendance, succession planning, management of conflicts of interest/loyalty and management of the relationship with the primary funder, Coutts & Co.

**Funding and management of reserves** – looks at the income of the Charity and the management of the Charity's reserves.

**Strategy and the work of charities supported** – looks at progress of organisations supported by the Charity and potential risks; and at the strategy of the Charity.

**Human resourcing** – looks at the day-to-day management of the Charity's work.

**Communications** – looks at reputational risks and media.

Having assessed the major risks the Trustees believe that by ensuring adequate controls and processes exist, they mitigate those risks. During the first quarter of 2020 the Trustees were especially mindful of the potential risks posed by the Covid-19 pandemic to the assets and operations of both the Charity and its grantees. The relevant risks and means of mitigation were added to the risk register.

The detailed risk register, which includes means of mitigation, is reviewed annually by the Governance and Nominations Sub-Committee and by the Trustees.

#### REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

As at 1 April 2020, the Charity had committed to making donations amounting to £904,526 (2019: £787,500). Payments of £568,195 (2019: £552,500) were made to charitable organisations. Support costs of £64,297 (2019: £67,430) include fees for consultants to assist with due diligence on potential grantees.

The Charity maintains on-going communication with all organisations supported. To understand the impact of the organisations supported (and therefore of the Coutts Foundation's grant-making) all charities supported provide the Charity with reports every six months on progress. Trustees also look to meet with the supported charities.

During the reporting period the Trustees were pleased to further develop their support for the women and girls' sector by adding two new grantees – Tender Arts & Education and Winner, The Preston Road Women's Centre – to the portfolio. The Trustees also sought to enhance their work in this field by collaborating with other organisations on ways to strengthen the work of grantees. In particular, the Charity agreed to fund places for up to four of its grantees on the Clore Social Leadership Programme for Emerging Leaders in the Women and Girls' Sector in 2020 (post this reporting period), and commissioned On Road Media to carry out a scoping study with the Charity's grantees for a programme to enhance their communications capabilities. The Trustees expect to review the recommendations from this study in November 2020.

The Trustees have also committed to undertaking a review of the Foundation's funding for the women and girls' sector to date, in order to:

1. Tell the story of the work that the Coutts Foundation has helped to fund during the last six years, summarising key achievements of grantees.
2. Summarise the Charity's approach of unrestricted, long-term, sector specific funding, and the benefits of this (for other philanthropists and Foundations).
3. Provide internal reflections on the Charity's own grant making and aid the Charity in considering where it may best add value in its future funding.

The results of this review will be made available at [www.coutts.com/foundation](http://www.coutts.com/foundation) in early 2021.

During the reporting period the Trustees also agreed to expand their support for The Connection at St Martin's – with whom both Coutts & Co and the Charity have had a long relationship – by providing an additional grant to support the charity's new Street Engagement Team (SET).

## **COUTTS CHARITABLE FOUNDATION**

### **TRUSTEES' REPORT**

#### **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)**

The Charity will continue to focus on developing its grants portfolio focusing on the communities where Coutts has a presence. The total annual volume of donations may vary depending on the number of organisations identified to support and the value of grant commitments and annual payments made to each organisation.

The investment portfolio is managed by an asset manager appointed by the Trustees. Trustees and the Finance and Investment Subcommittee review performance against the objectives set in the Investment Policy and are satisfied that the performance in 2019 and 2020 met their expectations.

The value of the investment portfolio has decreased during the period. The Charity's investment strategy aims to grow the real value of investments over long term, and to deliver a cash flow to help meet charitable grants and donations.

The Charity intends to operate within existing objectives, policies and governance structure for the forthcoming year. The Charity will continue to further its mission through its support of existing grantees and the exploration of possible new opportunities. The Trustees do not anticipate changing its strategic focus in the coming year. But, due to the significant uncertainties arising from the Covid pandemic, the Trustees are prepared to be flexible with 2020/21 plans, in whatever ways are appropriate for the Foundation and its charity partners.

#### **Subsequent events – the impact of Covid-19**

At the end of this reporting period, the Trustees responded to the Covid-19 pandemic and associated restrictions to ensure the financial and operational sustainability of the Charity, and provided additional support to its grantees.

The Trustees moved all Board and Sub-Committee meetings online, using Zoom, and moved payments to online banking. The Charity updated its financial controls to reflect this. Given the temporary significant decrease in the value of the Charity's investment portfolio, the Trustees ensured that sufficient funds were held in cash to meet all existing commitments, and ringfenced the remaining cash to provide emergency funding relating to Covid-19 for existing grantees.

During this reporting period the Trustees had agreed to explore an additional strand of grant-making focused on the role of the performing arts in tackling the causes and consequences of poverty, and appointed a consultant with relevant experience to support them in developing this strategy. This work was temporarily paused in light of Covid-19 and will be revisited by the Trustees later in 2020.

#### **FINANCIAL REVIEW**

The Trustees are satisfied with the Charity's performance during the year. The Charity's income consisted of donations received and investment income.

Total income during the period was £591,901 (2019: £146,859). After donations to beneficiaries of £686,182 (2019: £810,000), support costs of £64,297 (2019: £67,430) and net loss on investments of £496,046 (2019: net gain of £112,263), there was a net decrease in funds of £653,955 (2019: £618,147).

The decrease of the Charity's funds by £653,955 (2019: £618,147) was driven by the difference between receipt of donations from Coutts & Co and an increase in total liabilities, due to the donations committed and paid within the year. The Trustees carried out a review of the Charity's funding and reserves policy.

During the period, the Trustees set a Reserves Policy – in consultation with Coutts & Co – that covers three years of commitments but does not build an endowment. The Trustees wish to ensure that the Foundation could fulfil its grant-making commitments and other expenditure to spend down in an orderly manner, if required. Given that the Foundation generally makes three-year grant commitments, a time horizon for reserves of at least three years' expenditure is necessary. At the Charity's current level of grant-making, this requires reserves of at least £3m.

## COUTTS CHARITABLE FOUNDATION

### TRUSTEES' REPORT

#### FINANCIAL REVIEW (continued)

The Trustees therefore made the decision to draw down from the investment portfolio over the coming two to three years to make more funds available for grant-making, retaining at least £3m to provide appropriate reserves. Coutts & Co confirmed their continued support of the Charity, initially by matching the funds thus drawn down during this transitional period, and it is expected that annual expenditure of up to £1m will in future be covered by regular donations from Coutts & Co.

The Trustees will maintain sufficient liquidity and cash reserves outside of any investment portfolio at all times to meet near-term expenditure (of at least one year). Trustees are mindful that all the Charity's funds are in fact unrestricted and that, in the case of urgent need, further liquid assets can be generated.

#### SMALL COMPANIES EXEMPTION

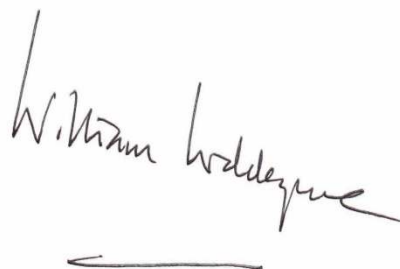
The Trustees have taken the small companies exemption contained in s414B of the Companies Act 2006 from the requirements to prepare a strategic report.

Approved by the Trustees and signed on their behalf by:



Dr Linda Yueh  
Trustee and Chair of Finance and Investment  
Sub-Committee

11 January 2021



The Rt Hon Lord Waldegrave of North Hill  
Chair of Trustees

11 January 2021



## COUTTS CHARITABLE FOUNDATION

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Charity for the purposes of company law) 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) and to the Financial Reporting Standard 102 ("FRS 102").

Company law requires the Trustees to prepare financial statements for each financial period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity, and of the incoming resources and application of resources, including the income and expenditure of the Charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed including FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware, and
- the Trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

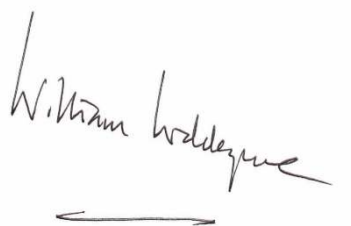
This information is given and should be interpreted in accordance with the provisions of the Companies Act 2006 s418.

Approved by the Trustees and signed on their behalf by:



Dr Linda Yueh  
Trustee and Chair of Finance and Investment  
Sub-Committee

11 January 2021



The Rt Hon Lord Waldegrave of North Hill  
Chair of Trustees

11 January 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COUTTS CHARITABLE FOUNDATION**

We have audited the financial statements of Coutts Charitable Foundation ("the Charity") for the year ended 1 April 2020 which comprise the Statement of Financial Activities, Balance Sheet and the related notes 1 to 10, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Framework Applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 1 April 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year ended 1 April 2020;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Framework Applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COUTTS CHARITABLE FOUNDATION**

## **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

## **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 management either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COUTTS CHARITABLE FOUNDATION

## Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Edward Finch** (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP,  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

29 January 2021

# COUTTS CHARITABLE FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure account)  
for the year ended 1 April 2020

	Notes	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
<b>Income</b>			
<b>Income from generated funds:</b>			
Donations received <sup>(1)</sup>	3	496,387	52,519
Investment income	4	95,514	94,340
<b>Total income</b>		<b>591,901</b>	<b>146,859</b>
<b>Expenditure</b>			
<b>Charitable activities:</b>			
Grant expenditure	5	(686,182)	(810,000)
Support costs <sup>(2)</sup>		(64,297)	(67,430)
<b>Total expenditure</b>		<b>(750,479)</b>	<b>(877,430)</b>
Realised gain on disposal of investments		398,552	133,846
Unrealised loss on revaluation of investments	7	(894,598)	(21,583)
Net (loss)/gain on investments		<b>(496,046)</b>	<b>112,263</b>
Unrealised gain on capital bank accounts		669	161
<b>Net expenditure for the year and net movement in funds</b>		<b>(653,955)</b>	<b>(618,147)</b>
<b>Reconciliation of funds</b>			
Funds brought forward		4,210,945	4,829,092
<b>Total funds carried forward</b>		<b>3,556,990</b>	<b>4,210,945</b>

Notes:

(1)&(2) Following a review of the accounting policy for donated services, the prior year figures for donations received and support costs have been restated for consistency. There is no impact on the opening fund balance for the current year.

The Statement of Financial Activities includes all gains and losses in the year. All funds are unrestricted. All income and expenditure derive from continuing activities.

The accompanying notes form an integral part of these financial statements.

# COUTTS CHARITABLE FOUNDATION

## BALANCE SHEET as at 1 April 2020

	Notes	2020 £	2019 £
<b>Non-current assets</b>			
Investments	7	3,181,068	4,120,631
<b>Current assets</b>			
Cash at bank		1,286,448	877,814
<b>Total assets</b>		<b>4,467,516</b>	<b>4,998,445</b>
<b>Current liabilities</b>			
Grants payable	8	(640,847)	(547,500)
Accruals		(6,000)	-
		<b>(646,847)</b>	<b>(547,500)</b>
<b>Net current assets</b>		<b>639,601</b>	<b>330,314</b>
<b>Non-current liabilities</b>			
Grants payable	8	(263,679)	(240,000)
<b>Total liabilities</b>		<b>(910,526)</b>	<b>(787,500)</b>
<b>Net assets</b>		<b>3,556,990</b>	<b>4,210,945</b>
<b>Unrestricted funds</b>		<b>3,556,990</b>	<b>4,210,945</b>

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Trustees and signed on their behalf by:

Dr Linda Yueh  
Trustee and Chair of Finance and Investment Sub-Committee  
2020

Rt Hon Lord Waldegrave of North Hill  
Chair of Trustees  
2020

## COUTTS CHARITABLE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Accounting policies

##### a) Basis of accounting

The Charity is a public benefit entity and these financial statements are prepared:

- in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006;
- presented with the benefit of the disclosure exemption permitted by FRS 102, Section 1A;
- on the historical cost convention, with the exception of investments which have been included at market value; and
- on a going concern basis. The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

Having considered the impact of the coronavirus pandemic and other significant factors, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and therefore conclude that the charity is a going concern.

##### b) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

##### c) Income

All income is recognised in the Statement of Financial Activities when the Charity is entitled to, and virtually certain to receive the income and the amount can be quantified with reasonable accuracy. The following policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.
- Investment income is included when receivable. Tax recoverable relating to interest income is accounted for in the same period as the related income.

##### d) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Grants payable are recognised when a constructive obligation arises that result in payment being unavoidable, generally when the grant letter has been issued to the beneficiary.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity. The remuneration of the auditor in the current financial period of £6,000 + VAT has been borne by The Coutts Foundation.

##### e) Cash flow statement

The Charity has taken the exemption from producing a cash flow statement conferred by Financial Reporting Standard 102 as it qualifies as a small charity.

## COUTTS CHARITABLE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Accounting policies (continued)

##### f) Taxation

The Charity is a registered charity and as such is not subject to tax on its income or gains falling within chapter 3 of part II of the Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

##### g) Investments

Investments are classified as fair value through profit or loss and are measured initially and subsequently at fair value by reference to quoted market prices or other observable data. Transaction costs are expensed immediately and gains and losses are taken to the Statement of Financial Activities.

##### h) Foreign currencies

Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising on translation is included in the Statement of Financial Activities.

#### 2. Critical accounting policies and key sources of estimation uncertainty

The preparation of the Charity's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The Trustees do not believe that any accounting judgements or estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

#### 3. Donations received

	2020 £	2019 <sup>(1)</sup> £
Donations:		
Coutts & Company	496,387	52,519
	<b>496,387</b>	<b>52,519</b>

The Trustees carried out a review of the Charity's funding and reserves policy.

Coutts provides direct and indirect pro-bono services/expertise to the Charity in a number of areas, including office space and IT services, staff support from a part-time Administrator and volunteer support from the Company Secretary and other staff members. During the reporting period, the value of this staff time and direct services relating to investment management and payments was calculated at £46,387 (2019: £52,519). The Charity is undertaking a review of the overall value of the direct and indirect support it receives from Coutts.

Note:

(1) Following a review of the accounting policy for donated services, the prior year figures for donations received have been restated for consistency. There is no impact on the opening fund balance for the current year.



## COUTTS CHARITABLE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

#### 4. Investment income

	2020 £	2019 £
Income from investments	92,856	91,017
Interest on bank deposits:		
UK	2,584	3,304
Non UK	74	19
	<b>95,514</b>	<b>94,340</b>

Investment incomes are derived from holdings which are listed on UK stock exchange or incorporated in the UK.

#### 5. Grant expenditure

	2020 £	2019 £
<b>Grants committed to by the Charity in the year :</b>		
The Fairlight Trust Anawim	961	90,000
End Violence Against Women Coalition	-	135,000
Southall Black Sisters Trust	-	120,000
Stockport Women's Centre	120,000	-
Tender Education & Arts	90,000	-
The Connection at St Martin's (SET)	242,721	-
The Connection at St Martin's	180,000	-
The Nelson Trust	-	150,000
Winner, The preston Road Women's Centre	150,000	-
Women Centre Ltd	-	150,000
Women for Refugee Women <sup>(1)</sup>	(60,000)	90,000
Working Chance Ltd <sup>(2)</sup>	(37,500)	75,000
	<b>686,182</b>	<b>810,000</b>

The above comprises of the total value of charitable donations which have been committed to during the period by the Charity.

Notes:

- (1) The grant for Women for Refugee Women was not renewed during the year, following conversations with the charity and a positive change in their funding position.
- (2) The Charity Trustees' exercised their right to withhold the final payment of this grant due to a breach of the grant terms and conditions.

#### 6. Trustees remuneration and expenses

There are no employees and the Trustees received neither remuneration nor expenses in the current year or prior period.

# COUTTS CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Investments

	2020 £	2019 £
<b>Listed investments - UK</b>		
(Classification is based on the country of incorporation or listing)		
Opening market value	4,120,631	3,990,405
Additions at cost	2,594,548	1,954,468
Disposals at opening book value	(2,639,513)	(1,802,659)
Net unrealised loss	(894,598)	(21,583)
Closing market value	3,181,068	4,120,631
Cost at 1 April	3,641,072	3,685,636

Investments are valued by reference to observable data or other quoted market prices. The investment allocation follows SORP disclosure guidance.

### 8. Grants payable

	Due within one year		Due after more than one year	
	2020	2019	2020	2019
	£	£	£	£
Angelou Centre	30,000	30,000	-	-
Bawso	-	30,000	-	-
City Gateway	-	30,000	-	-
End Violence Against Women Coalition	40,000	45,000	-	40,000
Housing for women	-	30,000	-	-
Southall Black Sisters Trust	80,000	40,000	-	40,000
Stockport Women's Centre	80,000	30,000	40,000	-
Tender Education & Arts	30,000	-	30,000	-
The Connection at St Martin's (SET)	80,847	-	83,679	-
The Connection at St Martin's	120,000	60,000	60,000	-
The Fairlight Trust Anawim	30,000	30,000	-	30,000
The Magdalene Group	-	30,000	-	-
The Nelson Trust	50,000	50,000	-	50,000
Toynbee Hall	-	25,000	-	-
Winner, The Preston Road Women's Centre	50,000	-	50,000	-
Women Centre Ltd	50,000	50,000	-	50,000
Women for Refugee Women	-	30,000	-	30,000
Working Chance Ltd	-	37,500	-	-
	640,847	547,500	263,679	240,000

### 9. Commitments

	2020 £	2019 £
Grant commitments recognised at the start of the year	787,500	530,000
New grant commitments charged to the Statement of Financial Activities in the year	686,182	810,000
Grants paid during year	(569,156)	(552,500)
	904,526	787,500
Within one year	640,847	547,500
More than one year	263,679	240,000
	904,526	787,500

Grants of the value £24,000 were approved but not yet communicated to the beneficiaries (Clare Social Leadership Programme) in 2020 (2019: nil).

## **COUTTS CHARITABLE FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **10. Related party transactions**

Coutts is the primary funds provider of the Charity. Coutts may, by written notice to the Trustees, appoint up to 60% of the total number of Trustees from time to time.

Coutts provides direct and indirect pro-bono services/expertise to the Charity in a number of areas, including office space and IT services, staff support from a part-time Administrator and volunteer support from the Company Secretary and other staff members. During the reporting period, the value of this staff time and direct services relating to investment management and payments was calculated at £46,387 (2019: £52,519). The Charity is undertaking a review of the overall value of the direct and indirect support it receives from Coutts.

No Trustee or other person related to the Charity had any personal interest in any transaction entered into by the Charity during the period.