

Charity Number: 1174184
Company Number: CE010732
(England and Wales)

The King Edward VI College Site Foundation
Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2020

The King Edward VI College Site Foundation

Year Ended 31 December 2020

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Report of the Trustees

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the charitable company for the year ended 31 December 2020. 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 the Republic of Ireland (FRS 102)(effective 1 January 2019).

Structure, Governance and Management of The King Edward VI College Site Foundation

The King Edward VI College Site Foundation CIO (Charity number 1174184) is controlled by Totnes Community Development Society as detailed within the Foundations constitution, entered into the Registers of Charities on 9th August 2017. The object of the Foundation is concurrent with the objects of Totnes Community Development Society.

The charitable object of the King Edward IV College Site Foundation CIO (locally known as the Mansion) is that the Mansion is "a centre for the provision of facilities for the promotion of further education for the inhabitants of Totnes, and subject thereto for meeting, lectures, classes, physical exercise and other forms of recreation and other leisure time occupation in the interests of social welfare with the object of improving the conditions of life for the said inhabitants."

Despite the substantial advantages and advances of the Society developing and managing a multiple asset base for the public benefit of Totnes and surrounds through the governance of these two entities within, neither Totnes Community Development Society or The King Edward VI College Site Foundation CIO have made financial guarantees to the other entity. Furthermore, the manner in which the Society controls the Foundation requires the appropriate conduct of both organisations in accordance with the FCA, Charity Commission, HMRC or Companies House rules as they relate to each organisation.

Totnes Community Development Society Ltd was established on 9 July 2012 for the benefit of the community. The Society is a Registered Society and is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014.

Its business is directed by the Directors.

Totnes Community Development Society established new rules with the Financial Conduct Authority on the 5th June 2017 and 25th January 2019. The changes provide for more appropriate details around the objectives of the Society, and also provided for an enhanced asset lock for the activities of the organisation. These were subsequently accepted by HMRC who confirmed that TCDS should be treated as a charity for tax purposes from 5th June 2017.

In accordance with the Rules of the Society, membership is formed of founding members and additional members invited at the discretion of the Directors. At 31 December 2020 the Society had a membership of 412.

Objectives and Activities of Totnes Community Development Society

The society is formed for the benefit of the community. Its charitable objects shall be the promotion for the public benefit of urban and rural regeneration in areas of social and economic deprivation (and in particular in Totnes) by all or any of the following means:

- Maintain or improve the physical, social and economic infrastructure provided that such maintenance or improvement shall not extend to relieving local authorities or other bodies of a statutory duty to maintain or improve;

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Report of the Trustees (Continued)

- Advance education, training or retraining, particularly among unemployed people and providing unemployed people with work experience;
- Provide financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - in setting up their own businesses, or
 - to existing businesses;
- Create training and employment opportunities by the provision of workspace buildings, and/or land for use on favourable terms;
- Provide housing, including social housing, for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such provision shall not extend to relieving local authorities or other bodies of a statutory duty to provide or improve housing;
- Maintain, improve and provide public amenities;
- Provide recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances have need of such facilities;
- Protection or conservation of the environment;
- Facilitate community ownership of renewable energy production;
- Promote and support the arts locally;
- Function in accordance with the legal definition of a Community Land Trust;
- Promote and protect local heritage;
- Provide public health facilities and childcare;
- Promote public safety and prevention of crime;
- Any other charitable object that can be carried out from time to time by a charitable Community Benefit Society.

At this time the society's projects are the ongoing management of the King Edward VI College Site Foundation (The Mansion House) in Totnes and pursuing Atmos Totnes (seeking to bring the former Dairy Crest site into community ownership and use).

Annual Review and Society Report

Totnes Community Development Society has long recognised the potential that multiple asset development and management within a not for profit community organisation offers for long term viability and sustainability of both the assets and the services/activities offered within the assets. Its work since incorporation has been undertaken in the belief that there is a greater opportunity for the assets themselves to be better sustained as a consequence of being able to cross subsidise across the multiple asset base. Practically using surpluses generated through the management of one asset to subsidise work in another. In this way the Society also believes that multiple asset development and management within a not for profit community organisation can collectively sustain and support critical service provision that meets local need. Practically by being able to hold rent or hire charges at affordable levels or by providing free space (where appropriate to do so) to support services under threat of closure due to lack of finances. The Society therefore recognises that its role is not one of activity and service delivery but supporting others to deliver services and activities from within the space it manages; buildings and spaces which are collectively owned by the local community.

The aim of all work completed during the course of 2020 was to consolidate the Society's work, manage through the unprecedented issues prevented by the Covid-19 pandemic and as far as possible, strategic planning for the development of a multiple asset base across Totnes.

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Report of the Trustees (Continued)

In structure this report sets the work the Society achieved in 2020 however equally importantly it also considers the impact of the austerity measures and the external decision-making which has also impacted on the work of the Society, and particularly how the long-term strategy being followed by the Society appears to be a challenge to many seeking to work with and support the work of the Society. This has directly impacted on the work of the Society during 2020.

Organisational Development

Totnes Community Development Society has been established to develop and manage assets in Totnes for the benefit of the community of Totnes, therefore prioritising the sustainability of the organisation over its delivery is something the Directors of the Society have sought and continue to seek to guard against. The balance the Directors of the Society are seeking to achieve is one where operating costs are kept low through ensuring there is just sufficient resource within the Society to deliver its projects.

The Society's Strategic Plan, developed over the course of 2019, set out the planned work to be achieved over the seven years to 2026, incorporating the time period required for the redevelopment of the Mansion. The Strategic Plan considers the following four area:

- The organisational development needs of the Society: including consideration of staffing and commissioned experts required and also the development of any new legal entities.
- Systems development: including the further development and integration of process and systems, including the development of CRM, financial management and other IT software.
- The development of the membership base
- The development of volunteering opportunities

Developing Organisational Capacity

The review of current capacity indicates that there is a great deal of emphasis on Directors to support the work of the Society in a pro-bono capacity. This can result in at times certain Directors providing in the range 20 to 40 voluntary hours per week to the Society. Whilst there is a need for Directors to discharge their responsibilities in relation to the governance of the Society and to support the programme structure, there is a clear risk to the Society in such a workload falling on Directors. Firstly, because Directors are volunteers and are likely to have work requirements which will limit the time they can provide the Society and secondly, because there is a rotation of the Directors every year, organisational continuity could be a challenge.

The review of capacity indicates that there is a need to develop additional limited paid professional capacity within the Society. Directors can therefore continue to provide pro-bono support to the work of the Society, as well as ensure that there is capacity so as to achieve greater sustainability for the organisation.

Members and involvement

Member involvement and engagement is critical to the legitimacy and work of the Society. Whilst Directors of the Society remain unhappy with the level of membership and recognise the need to continue to both increase the number of members and to support and enable members to become more actively involved in the day to day work of the society, by the end of December 2020 the membership of the Society was 412 members, an increase of 35 over the year.

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Report of the Trustees (Continued)

Looking forward to 2022 and beyond it is the aim of the Society to continue to grow the membership ideally to the position where all those aged 16 and over living in Totnes are members.

Volunteering Opportunities

Volunteering opportunities in early 2020 were greatly affected by the ending of the licence to occupy at the Elmhirst and then subsequently in March 2020 as the pandemic started to take effect. It is of note that the essential safety checks and maintenance at the Mansion site continued to be completed by a small core of volunteers supporting the Trustees throughout the difficult period of lockdowns and partial opening which extended over a period of 12 months.

Since reopening the site in April 2021, volunteers at the Mansion have now returned and are growing in numbers. There is a loyal core, with the social aspect of volunteering being felt amongst those now joining and regularly participating. Spaces and rooms have been cleared to prepare them for leasing and hiring by new users. The courtyard is back in regular use with much gardening, decorating and maintenance being completed and is ongoing. The Mansion front facade was given a spring clean and we participated in the May Day celebrations that took place throughout the town.

In August 2021 a new Volunteer coordinator was appointed to bring focus and energy to increasing numbers once again, with a view to strengthening the support that the Mansion site, its buildings, users and the Trustees need. Many roles are being identified which can be filled by all ages and abilities as volunteers.

Atmos Totnes

During 2020 the work of the Society consolidated the post planning pre-development work and secured an extension to the Community Right to Build Order whilst at the same time seeking to pursue our interest in the site through legal routes, following the exchange of contracts between Saputo (Dairy) UK and a third party - Fastglobe (Mastics) Ltd, which TCDS were led to believe was a 12 month lease on the site.

This included:

- A preparation of a permitting schedule within the wider strategy to mitigate the flood risk and risk of contamination from surface water during demolition and construction. This involved pre-application meetings with the Environment Agency to agree the strategy and the final approach to permitting. Two of nine permits and licences required under Flood Risk Management and Surface Water Drainage Development Strategy were applied for, the Bat House and the groundwork investigation. Both applications were approved by the Environment Agency in February 2020.
- On 29th February 2020 South Hams District Council determined on the first set of Reserved Matters which allows the start of work on site by Totnes Community Development Society in accordance with the Community Right to Build Order and the Reserved Matters.

Relationship with Saputo (Dairy) UK

January 2020 began with the TCDS being in the very final stages of completing the legal documentation for the purchase of the former Dairy Crest, subsequently the Saputo site (Dairy Crest were bought out in 2019 by Saputo Inc. in Canada and became Saputo (Dairy) UK).

January was also when we were permitted to make public the news that we had been granted capital funding of £2,576,400 by the National Heritage Lottery Fund for the refurbishment and development of the Brunel Building (it

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Report of the Trustees (Continued)

had been awarded in 2019, but notification of the award could not be made public due to standard Lottery terms and conditions).

On 13 January 2020, after weeks of exchanges between solicitors finalising the contract of sale, TCDS wrote to confirm it was ready to exchange contracts. On the morning of 17 January, one of the Society's Directors was told, in a conversation with Tom Atherton, President & Chief Operating Officer with Saputo (Dairy) UK, that they had received another offer, but that he could not disclose the amount of the offer, nor the buyer's identity, so as to protect client confidentiality.

Later that day Eversheds Solicitors, acting on behalf of Saputo (Dairy) UK, notified TCDS that their client had exchanged contracts with another party, FastGlobe (Mastics) Ltd. TCDS was left with the clear impression that the site had been leased not sold. On 6 February 2020 directors of TCDS met with land agents Bruce Gillies Ltd, to provide them with keys to the site's offices.

Following the news from Saputo (Dairy) UK and the loss of control of the site, TCDS sought legal advice on its position and was advised that while there was much about how the deal was done that was questionable, and while there were elements for a legal case, it would be costly to bring with no guarantee of success. Instead the advice was to ensure that SHDC understood the Community Right to Build Order and would uphold its status in the Joint Local Plan.

A detailed legal opinion was shared with SHDC who replied, in late 2020, "the council as the LPA will always give the Joint Local Plan policies primacy in accordance with s38(6) of the 2004 Act. Any proposal must address these policies, in particular TTV22, and unless the applicant can demonstrate to the Council that there are material considerations which justify departure from these policies to the Council it is unlikely an alternative scheme would be supported".

Since January 2021, we have continued to pursue various avenues to securing the site. It became clear in March 2021, when the Land Registry entry was changed, that the site had been sold to FastGlobe (Mastics) Ltd for £1.35m, rather than leased. TCDS continues to explore ways in which we can regain the site, and develop it in the way that 86% of the community who voted in the referendum supported. We are in dialogue with Saputo (Dairy) UK's parent company, Saputo Inc. in Canada, to whom we have submitted a detailed complaint as to how the deal was done.

A local campaign has formed in support of the need for the Atmos site to be continued as planned under the Community Right to Build Order order for Totnes. This group has been raising awareness of the Atmos project and what it means in real terms for our town. The group are running a campaign and have been asking questions of the process that led to the site now being in the ownership of an entity other than TCDS.

King Edward VI College Site Foundation

At the outset of 2020 the KEVICSF was seeking to meet the requirements identified set in 2019; that its opening met all compliance, statutory and legislative requirements and kept users and the public safe whilst managing the trading position of the charity. We were working to recognise and increase use of the sessional space and tenancy spaces. The Trustees recognise that the Mansion has a significant role to play in enabling the development of new, or otherwise unavailable activities and essential services in Totnes, and facilitating local people to develop a range of much needed provision locally.

In March 2020 the world changed rapidly for all, due to the emerging COVID-19 pandemic and so did the requirements of the charity and its users at the Mansion. In compliance with the Government Lockdown regulations,

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Report of the Trustees (Continued)

sessional space ceased to be allowed to be used. Tenants found that they were unable to continue using the spaces at the Mansion. Some tenants engaged in health and welfare type of provision were unable to practice. The tenant The Totnes Library was forced to close completely during the first lockdown period. The tenant Rainbow Nursery paused for a short period and then with government guidance returned to function for children of essential and key workers.

It was then decided by the Trustees that the Mansion site would be closed completely but with services to Rainbow Nursery maintained so they could continue to fully function. The Nursery was later joined by the Library, now also considered as an essential service who changed their way of providing a service to that of 'Choose and Collect', the public were not allowed into premises, only collecting from outside. One Tenant, Pete's Dragons a bereavement counselling, a most essential service, normally operated from the main Mansion building was re-accommodated in one of the peripheral buildings, the Pulse, so that they could continue their essential services throughout the lockdowns.

Throughout 2020 the services of the Mansion site were fully maintained by the Trustees and volunteers. The weekly maintenance and compliance had to be continued as if the site was fully open. All water, electrical and gas systems maintained with regular checks and compliance tests. Fire equipment was fully maintained also. Except for a few weeks in September 2020 into October 2020 the site remained in a locked down state.

In March 2021 Trustees met and it was decided that we needed to set objectives; prepare to see if we could open the Mansion site once again, obviously in compliance with COVID-19 regulations and guidance. The next objective was to identify which tenants and sessional users could and would want to return. We planned to open the buildings and site by the forthcoming Government forecasted 'unlocking' date, on 17th May 2021. In April 2021 the Trustees supported significantly by volunteers from the community of Totnes set about the site maintenance, cleaning, gardening and decoration.

The Trustees worked with existing tenants and implemented a reduction of rents to be in parity with their return to levels of full business income once again. It is to be noted that no tenant or sessional hirer has been expected to make payment of any rent arrears arising since 23rd March 2020 if they have been in financial difficulty. Reliance on sessional hire as a proportion of the regular income for the charity was no longer possible. It was apparent that the people returning to sessional use was uncertain and offered insufficient stability of income so desperately needed by the charity. New prospective 'anchor' tenants were sought out. Tenants that could commit to sustaining rent payments.

At the time of writing this report, we are pleased to report that due to attracting new tenants the Mansion site spaces are nearly at 90% of capacity with a good prospect of reaching a much higher figure by the close of 2021. In seeking out new tenants we have identified and favoured those offering opportunities to volunteer, train, improving personal welfare and knowledge and most importantly for the benefit for the inhabitants of Totnes.

Presently we have just one long-term letting space left available, with prospective tenants being assessed at the time of writing this report. We are working now to promote the use of the sessional hire spaces remaining which include the Arts and Crafts studio, the ceramics studio, which is now restored by volunteers and brought back into use after long closure, and some shared office space.

The building condition is still of great concern and maintenance is being progressed on immediate needs. We are looking at mid-term requirements, especially with the Hall which is presently not fit for use at all. This is being researched and will be further reported on when an achievable plan is formed.

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Report of the Trustees (Continued)

- Refurbishment and Development Project

Through the efforts of the past 4 months, it has been established and proved that the Mansion site and buildings are a valuable and absolutely essential asset of Totnes. Attention must now turn to resurrecting the draft plans for refurbishment and extension and assess, as Trustees, the best way forwards. It is felt the Mansion is now laying the stable financial foundations that will give potential funders confidence in investing - but that will require much more hard work and commitment of the Trustees to achieve.

Over the course of the previous financial year, with the support of the Architectural Heritage Fund, investigation and design works enabled the first stage of redevelopment plans to be completed to reconfigure the heating, lighting and energy provision alongside the development of the new cafe/reception space in the building.

A full and detailed Options Appraisal was completed which considered the options for the future of the Mansion, including the proposed refurbishment and redevelopment of parts of the Mansion, to achieve financial and social sustainability whilst recognising the importance of the asset.

A full heritage appraisal was prepared which has been reviewed by Historic England and South Hams District Council. This appraisal indicated that the proposals will not have any significant detrimental impact on the heritage of the Mansion.

Looking to 2022

At the time of writing this report 2021 is disappearing fast but sadly it seems COVID-19 remains with us. There is considerable uncertainty for the winter 2021-22 as the impact of rising cases in Devon is to be understood. However the efforts that have gone into rebuilding relationships with users of the Mansion, and establishing new arrangements with a diverse group of Social Entrepreneurs, means the future is looking bright for the Society. As the process of issuing new tenancies and sessional hire agreements has been undertaken, the Trustees have taken into

consideration the resilience of the individual entities to have their 'trading or core business' affected by a future pandemic full or partial lockdown. The new tenancies and partners will have the ability to continue in the worst case scenario, in that they are related to welfare and counselling services, provision of food and promotion of good health. These entities, together with the continued operation of the nursery and library, will strengthen the resilience of the Mansion in the future if required.

The full impact of the pandemic on the business model of the Society is to be understood. The directors recognise work to reconsider the Strategic Plan and update this in line with where the Society finds itself by the end of 2021 will be a key task for early 2022. However, what is clear is that spaces like the Mansion, and developments like Atmos, will be needed more than ever when the full and long term impact of the Coronavirus is felt. There will be a need to rebuild communities and support those who have been or are at risk of being marginalised, which given the economic impact is likely to be a significant number.

The Directors believe that the model developed by Totnes Community Development Society (collective community ownership of assets held within the ownership of the community for the community where everyone is regarded equally and everyone is provided with the opportunity to give of themselves, alongside working with statutory bodies and engaging with others, for the benefit of the whole of the community) is one that will be required in the post-Coronavirus world.

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Year Ended 31 December 2020

Report of the Trustees (Continued)

Financial Review

The Society is operated through donations, grants, philanthropic giving, trading to raise funds and through loan facilities, as set out in the notes to the accounts. The Society operates within the terms of those loans and is constantly working to secure further income.

The Directors believe it is reasonable to rely on the continuation of the loan facilities and of obtaining the necessary grants for continuation of activities and projects in accordance with the objectives of the organisation. Despite the current situation regarding Atmos, we remain supported by those who have made available loan facilities as we continue to explore the options. We have confirmed with all parties that there is no immediate recall on the loans and that they are comfortable to retain their position into the longer terms with the Society reconsiders how to restructure its financing arrangements.

At the date of this report the Society has no reserves. However, Directors acknowledge that as the organisation develops projects, capital assets and direct beneficiaries, such as staff, there will need to be a consistent and regular review of this reserves policy to account for more complex risks and liabilities.

The outturn for the year was a surplus of £13,799 (2019: deficit of £235). As noted above from the point of taking responsibility for the Mansion the Trustees have been undertaking the work detailed above in respect of risk management, running costs, increasing income and managing the cash flow and financial operations. Expenditure on emergency building maintenance remains higher than previously projected.

The forecast for 2021 is broadly breakeven. With COVID-19 impacting much of the year, the slow reopening of the Mansion during the course of 2021 has seen some fantastic new relationships established with long-term hirers which lays a foundation for the financial stability of the site. However, the Trustees recognise that the continued viability of

The Mansion is dependent on the investment and redevelopment planned, as the building will not generate its full economic value in the long term in its current physical condition..

The strategy remains to achieve the necessary investment in the Mansion to enable future years to generate operating surpluses to build reserves, and the Trustees are confident this strategy can be delivered.

Objectives and Aims

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Reference and Administrative Information

Name of Charity	The King Edward VI College Site Foundation
Charity registration number	1174184
Company Registration number	CE010732
Principal address	The Mansion 36 Fore Street Totnes Devon TQ9 5RP

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Report of the Trustees (Continued)

Trustees

The trustees and officers serving during the year and since the year end were as follows:

Anna Lodge	<i>Resigned February 2021</i>
David Chapman	<i>Resigned February 2021</i>
Robert Hopkins	
Frances Northrop	
Pat Shepherd	<i>Appointed May 2021</i>
Carly Trisk-Grove	<i>Appointed May 2021</i>
Ian Trisk-Grove	<i>Appointed May 2021</i>

Auditors

PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Responsibilities of the Trustees

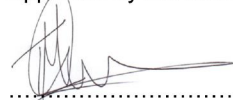
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are required to prepare the financial statements for each financial period which give a true and fair view of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those 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 and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees and signed on its behalf by:



Ian Trisk-Grove

29 October 2021

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Year Ended 31 December 2020

Independent Auditors Report to the Members

Independent auditor's report to the trustees of The King Edward VI College Site Foundation

Opinion

We have audited the financial statements of The King Edward VI College Site Foundation (the "Charity") for the year ended 31 December 2020 which comprise the statement of financial activities, statement of financial position and notes to the financial statements, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 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;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the charity may not have sufficient resources to fund ongoing and unplanned maintenance costs or re-development works. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent Auditors Report to the Members (Continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement page 11, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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.

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the industry/sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the key laws and regulations.

The key laws and regulations we identified were those that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We discussed with management how the compliance with these laws and regulations are monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise.

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Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of any legal & professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Review of Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. We determined that the principal risks were related to the understatement of the deficit through the manipulation of cut-off, in respect of both income and expenditure.

In response to the identified risk, as part of our audit work we:

- Reviewed income and performed substantive testing.
- Performed detailed work on revenue recognition, focussing in particular on recognition of grants.
- Performed detailed work on expenditure, including assessing whether expenditure was accounted for in the correct period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [\[www.frc.org.uk/auditorsresponsibilities\]](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the accounts.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark
Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay. TQ2 7FF



29 October 2021

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Statement of Financial Activities (including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	2020	2019
		£	£	£	£
Income and endowments from:					
Donations and grants	2	20,011	36,076	56,087	16,448
Other trading activities	3	34,594	-	34,594	99,460
Other income	3	8,200	-	8,200	-
Total		62,805	36,076	98,881	115,908
Expenditure on:					
Raising funds	4	(49,006)	(36,076)	(85,082)	(116,143)
Total		(49,006)	(36,076)	(85,082)	(116,143)
Reconciliation of funds					
Total funds brought forward		1,493,562	-	1,493,562	1,493,797
Net income/expenditure		13,799	-	13,799	(235)
Total funds carried forward		1,507,361	-	1,507,361	1,493,562

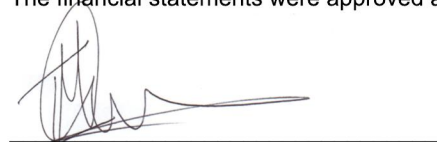
The King Edward VI College Site Foundation

Year Ended 31 December 2020

Statement of Financial Position

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	5	<u>1,500,000</u>	<u>1,500,000</u>
		<u>1,500,000</u>	<u>1,500,000</u>
Current assets			
Debtors	6	19,510	8,793
Cash at bank and in hand		<u>15,053</u>	<u>16,644</u>
		<u>34,563</u>	<u>25,437</u>
Creditors: amount falling due within one year	7	<u>(27,202)</u>	<u>(31,875)</u>
Net current assets		<u>7,361</u>	<u>(6,438)</u>
Total assets less current liabilities		<u>1,507,361</u>	<u>1,493,562</u>
Net assets		<u>1,507,361</u>	<u>1,493,562</u>
The funds of the charitable company			
Unrestricted income funds	9	<u>1,507,361</u>	<u>1,493,562</u>
Total Funds		<u>1,507,361</u>	<u>1,493,562</u>

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



Ian Trisk-Grove
Trustee

29 October 2021

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Notes to the Financial Statements

1. Accounting Policies

Basis of accounting

The organisation is a Charitable Incorporated Organisation (CIO) registered in England and Wales.

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and 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 (FRS 102), and the Charities Act 2011.

The King Edward VI College Site Foundation 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 note(s).

Reporting Period

The accounts cover the year to 31 December 2020.

The CIO was registered on 9 August 2017 and commenced activity on 1 January 2018.

Going Concern

- Maintenance

As noted in the trustees report, the fabric and condition of the Mansion has continued to deteriorate as a result of the lack of investment and preventative maintenance over a significant number of years prior to the transfer of the building into community ownership.

As a consequence of continued higher than projected expenditure and the need to carefully manage cashflow due to income fluctuations Trustees have had to prioritise maintenance work on the Mansion. Maintenance work that is required to ensure legal/statutory compliance is prioritised. Given this there are a growing number of maintenance needs that are not being met.

- Redevelopment and refurbishment

A full and detailed Options Appraisal has been completed which considers the options for the future of the Mansion, including the proposed refurbishment and redevelopment of parts of the Mansion, to achieve financial and social sustainability whilst recognising the importance of the asset.

At the time of the approval of the accounts the Trustees continue to focus on establishing financial stability for the Mansion before proceeding forwards with any refurbishment or redevelopment of the site. Significant focus has been placed on ensuring the site is operating at capacity with regards the tenancy arrangements, and at the time of writing this has nearly been achieved. Alongside working with those partners who are looking to re-open post lockdown measures, a number of new and enthusiastic tenants have signed up to new agreements in 2021 and have ensured that rental incomes are seeing significant growth.

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Notes to the Financial Statements (Continued)

Going Concern (continued)

The Foundation has approached a number of funders who have indicated that whilst they are supportive of the aims of the project, they are not able to support with funding as there is not sufficient deprivation in Totnes. The Foundation has also approached a number of investors regarding the use of loan finance. Whilst they are all interested in providing capital finance for the refurbishment and development work, based on the long term business model and business plan, none are prepared to offer a facility to cover the final pre-development work required to get the project into planning. Without completing this final pre-development work it will not be possible to get the consents in place necessary to undertake the work.

The trustees believe that although there is a significant level of uncertainty about the ability of the Foundation to fund ongoing and unplanned maintenance costs and to secure funding for redevelopment works they have seen a significant strengthening of the financial foundations during 2021. This improvement results in the trustees being confident that there will be sufficient finance in place to meet any ongoing needs and hence they are not at any risk of being forced to close the Mansion and consider that the Foundation is a going concern for the foreseeable future.

Fund

The charity received both restricted and unrestricted funds in the year.

The unrestricted funds were received in relation to long term room rental and sessional room hire at The Mansion.

The restricted funds in the year were received from the Architectural Heritage Fund in relation to surveys, reports and valuations of the property known as The Mansion. All of the funds were expended during the year.

Grants

Grants are accounted for in accordance with the performance model.

Rental Income

Rental income included in the Statement of Financial Activities represents amounts receivable in respect of rooms let on both formal lease terms and on an add-hoc basis.

Tangible fixed assets

Tangible fixed assets comprise the freehold property of The Mansion, which was transferred to the incorporated body from the unincorporated charity on 1 January 2018. No depreciation is provided in the accounts for the freehold property.

Irrecoverable VAT

Irrecoverable VAT is included in the Statement of Financial Activities, and is reported as part of the expenditure to which it relates.

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Notes to the Financial Statements (Continued)

2. Income from donations and grants

	2020	2019
	£	£
Restricted funds		
Grants received	36,076	16,323
Unrestricted funds		
Donations	11	125
Grants received (Covid)	20,000	-
	56,087	16,448

3. Income earned from other activities

	2020	2019
	£	£
Unrestricted funds		
Mansion Room Rental and Hire	34,594	99,460
Recharge of expenditure	8,200	-

The charity received £8,200 of income from the recharge of expenditure to its parent in relation to a National Lottery Community Fund COVID-19 support grant received in the year.

4. Expenditure on other trading activities

	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Mansion Room Rental and Hire	49,006	36,076	85,082	116,143

The above figure of expenditure of £85,082 is analysed as follows:

Direct building management	£41,498
Audit fees	£3,705
Business rates	£1,141
Other expenditure	£38,738

All expenditure in the year is detailed in the appendix (page 25) and includes insurance, cleaning and professional fees on long term plans for The Mansion. No amounts represent expenses charged by the Trustees.

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Notes to the Financial Statements (Continued)

5. Tangible fixed assets

	Land and buildings
Cost of valuation	£
At 1 January 2020	1,500,000
At 31 December 2020	1,500,000
Net book values	
At 1 January 2020	1,500,000
At 31 December 2020	1,500,000

6. Debtors

	2020	2019
	£	£
Amounts due within on year:		
Trade debtors	7,046	3,851
Due from parent undertaking	676	1,688
Prepayments and accrued income	11,788	3,254
	19,510	8,793

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,566	14,218
Other creditors	-	77
Accruals and deferred income	24,636	17,580
	27,202	31,875

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Notes to the Financial Statements (Continued)

8. Obligations under operating leases

The total of future minimum lease payments receivable is as follows:

	2020	2019
	£	£
Not later than one year	22,000	40,000
Later than one year and not later than five years	-	22,000
	22,000	62,000

9. Movement in Funds

Unrestricted Funds

	Balance at 01/01/20	Incoming resources	Outgoing resources	Balance at 31/12/20
	£	£	£	£
General fund	1,493,562	62,805	(49,006)	1,507,361

Previous year

	Balance at 01/01/19	Incoming resources	Outgoing resources	Balance at 31/12/19
	£	£	£	£
General fund	1,493,797	99,585	(99,820)	1,493,562

Purpose of unrestricted funds

General fund

The provision of facilities for the promotion of further education for the inhabitants of Totnes, and subject thereto for meeting, lectures, classes, physical exercise and other forms of recreation and other leisure time occupation in the interests of social welfare with the object of improving the conditions of life for the inhabitants.

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Notes to the Financial Statements (Continued)

9. Movement in Funds (continued)

Restricted funds

	Balance at 01/01/20	Incoming resources	Outgoing resources	Balance at 31/12/20
	£	£	£	£
Architectural Heritage Fund	-	36,076	(36,076)	-

Previous year

	Balance at 01/01/19	Incoming resources	Outgoing resources	Balance at 31/12/19
	£	£	£	£
Architectural Heritage Fund	-	16,323	(16,323)	-

Purpose of restricted funds

Architectural Heritage Fund

Grant provided to undertake architectural assessments of The Mansion

10. Analysis of net assets between funds

	Tangible fixed assets	Net current assets /liabilities	Net Assets
	£	£	£

Unrestricted funds

General	1,500,000	7,361	1,507,361
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Previous year

	Tangible fixed assets	Net current assets /liabilities	Net Assets
	£	£	£

Unrestricted funds

General	1,500,000	(6,438)	1,493,562
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The King Edward VI College Site Foundation

Year Ended 31 December 2020

Notes to the Financial Statements (Continued)

11. Parent undertaking and related party transactions

The parent entity of the charity is Totnes Community Development Society a co-operative and community benefit society registered in the United Kingdom with registered number IP031671. Details of the society's objects and activities are set out in the trustees report. The society prepares consolidated accounts which may be obtained from the Financial Conduct Authority.

During the year the charity received £8,200 (2019 - £nil) of recharged grant income from its parent and was charged service charges and recharged expenses totalling £14,875 (2019 - £69). As at 31 December 2020 £676 (2019 - £1,614) was due from the charity's parent.

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Detailed Statement of Financial Activities

	2020	2019
INCOME	£	£
Donations	11	125
Grants receivable	56,076	16,323
Other trading income - Mansion Room Rental and Hire	34,594	99,460
Other income	8,200	-
Total incoming resources	98,881	115,908
 Expenditure		
Mansion Room Rental and Hire	(85,082)	(116,143)
 Net Income	13,799	(235)

The King Edward VI College Site Foundation

Year Ended 31 December 2020

Appendix - Expenditure Analysis

Expenditure	2020	2019
	£	£
Accountancy fees	1,980	2,953
Advertising and marketing	-	-
Audit fee	3,705	3,900
Bad debts	307	2,057
Building servicing and preventative maintenance	16,763	18,765
Caretaker/Facilities Management	-	21,143
Cleaning	583	-
Consulting	34,473	15,173
Electricity	5,132	10,559
Gas	876	3,512
General expenses	270	70
Insurance	9,515	11,311
Computer costs	1,691	2,276
Rates	1,141	4,841
Security systems	1,381	6,463
Staff training	504	-
Telephone	621	508
Waste disposal and recycling	2,150	5,812
Water	3,990	6,800
Total expenditure	85,082	116,143