

THE COLLEGE ESTATE ENDOWMENT CHARITY
ANNUAL REPORT AND ACCOUNTS 2020

THE COLLEGE ESTATE ENDOWMENT CHARITY
FINANCIAL STATEMENTS
for the year ended 31 December 2020

CONTENTS

	Page
Trustees' Report	2 – 6
Officers & Contacts	7
Statement of Trustees' Responsibilities	8
Independent Auditors' Report	9 - 11
Financial Statements	12 - 13
Notes on Financial Statements	14 - 23

THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2020

Overview

The College Estate Endowment Charity ("College Estate") is a charitable trust of which the Trustee is the Stratford-upon-Avon Town Trust (Town Trust).

Under a Scheme of the Charity Commissioners dated 1 October 2001 all the income of the College Estate is, after defrayment of costs and expenses, transferred to the Town Trust where it becomes that Trust's corporate property and is applied in accordance with the terms of that Trust. The only exception to this is the specific provision to the Vicar of Holy Trinity Church who receives £7,000 each year before the transfer to the Town Trust is made.

The endowed assets of the College Estate are managed by the Town Trust within the obligations of charity law and in line with an investment policy for the College Estate determined by the trustees of the Town Trust.

College Estate generates virtually all its income from its permanent endowed funds, which are invested in quoted investments and physical property. If one of these investments is disposed of, the College Estate has a legal duty to reinvest the net proceeds in another form of investment. The sale proceeds can never be used to fund general activities and costs; such costs are covered by the income generated by the investments. The College Estate does not perform fundraising to generate income.

All decisions concerning the management of the College Estate are taken by the Board of trustees of the Town Trust and its officials. The costs applicable to the management of the College Estate are passed on by way of a management charge.

Strategic Review

The College Estate continued to follow the strategic plan developed and approved, in December 2017, by the Town Trust Board, and a commentary on that is included in the Annual Report of the Town Trust. In November 2020 the board of Stratford Town Trust approved the strategic plan for period 2021 to 2025, details of this are also included in the Annual Report of the Town Trust.

Grants

Discretionary Grants

The College Estate paid £567,962 (2019: £594,036) in grants to the Town Trust. The Town Trust, after defraying costs, used this grant to fund its discretionary grant making strategy.

Non-Discretionary Grants

£7,000 (2019: £7,000) was paid to the Vicar of the Holy Trinity Church in accordance with the 2001 Scheme.

Financial Review

In 2020 total income for the Trust was £910,492 (2019: £927,906), the majority of which was generated by the charity's investments. Investment management costs amounted to £324,121 (2019: £322,450), so 64.4% (2019: 65.2%) was available for charitable purposes, the majority of which was granted to Stratford Town Trust, to be spent on enhancing the lives of the people of Stratford. We are very aware that the costs of managing the investments have to be monitored closely and spent carefully, but also it is important that the investments are well managed, thus ensuring income flows for future generations. This has been a particularly challenging year due to the economic impact of the covid-19 pandemic.

£578,944 (2019: £605,456) was spent on charitable expenditure, of which £574,962 (2019: £601,036) was given as grants.

Income

The 2020 total income of £910,492 represented a decrease of 1.9% on last year (2019: £927,906) as a result of decreased investment property income and a small decrease in quoted investment income. Investment income remains the main source of income, being 99.9% of total income.

THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2020 (continued)

Balance Sheet

The charity has investments of £17.63m (2019: £17.67m), a decrease of £0.04m on last year, 95.9% of these investments are defined as endowed assets, which means that if any of these assets are ever sold, all the proceeds must always be reinvested in other investment assets.

The decrease in the investments was due to investment losses on quoted investments of £28k and property valuation decreases of £8.5k.

Reserves Policy

The Trustees review the reserves policy annually and consider it very important that the Trust can pay all its committed costs and have free reserves to cover ongoing administration costs for six months.

The permanently endowed reserve in College Estate will always be fully investment and cash backed. To recognise the small operational risk in College an unrestricted reserve of at least £30k is held. The reserves policy was reviewed in June 2020. As at December 2020 the endowed reserves are £16.9m (2019: £16.9m) and the unrestricted reserves are £30.9k (2019: £42.2k).

INVESTMENT POLICY AND PERFORMANCE

At the end of 2020 College held investments of £17.63m, a decrease of £0.04m on 2019, this decrease has been driven by a reduction in cash awaiting investment which was £23k at the end of 2020 a decrease of £40k on 2019 holding (note 8).

The objective of the investment policy is to create sufficient income and capital growth to enable the Trust to carry out its purposes consistently year on year. In the medium to long term the Trust aims to generate an average annual income yield of 4.5% and for the capital value of the portfolio to grow at least in line with inflation.

The broad thrust of our investment policy in recent years has been to increase diversification and reduce our exposure to property, in Stratford-upon-Avon. A target was set for reducing physical property investments held by the College Estate to between 70% and 80% of the total investment portfolio, the percentage currently held is 48.4 % (2019: 48.4%).

The Board reviewed and updated the investment policy in September 2020. The policy's main objectives continue to be:

- **Short Term (less than three years) Objective**
The short-term investment objective is to ensure that the Trust has sufficient liquidity to enable it to fund its planned charitable spending and meet its overhead costs as they fall due.
- **Medium to Long Term Objective**
The medium to long-term investment objectives, as measured over a 10-year rolling period, are to achieve a balanced return from the overall portfolio such that: for the combined portfolio of all the charities there is an expectation of net income yield being not less than 4.5% pa and that the capital value grows at least in line with inflation (RPI). Net income is defined as gross income less all direct costs i.e., fees, repair costs, legal/advisor fees.
- **Long Term Objective**
The endowment investments are expected to exist in perpetuity and should be managed to meet the Trusts' investment objectives and ensure their sustainability.

The Trusts Capital and Income Act 2013 proposed that endowed charities may adopt a total return approach, without having to seek Charity Commission approval. As such the Trust has considered this point in relation to its endowed investments but decided it was an approach it would not adopt at this time.

The Trust does not have any social investments; the majority of College Estate investments are endowed. The policy, at present, is to not have any programme related investments.

The endowed investments are split between physical property, equity investments, property fund investments and cash equivalent. The non-endowed investments are held in equity investments or property funds. All investments held in equity investments or cash are readily realisable if required.

THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2020 (continued)

INVESTMENT POLICY AND PERFORMANCE (continued)

Investment	2020 £M	2019 £M	2020 Actual %	2019 Actual %	Future Target %
Endowed:					
Physical Property	8.5	8.5	48.3	48.0	70-80
Equity Funds	7.2	7.2	40.9	40.7	30-50
Property Funds	1.1	1.2	6.2	6.8	0-20
Cash equivalent	0.1	0.1	0.6	0.5	0
Total endowed investments	16.9	17.0	96.0	96.0	100.0
Non Endowed:					
Property funds*	0.7	0.7	4.0	4.0	-
Total investments	17.6	17.7	100.0	100.0	100.0

*These funds were invested during 2016. They relate to a premium which was received in relation to Fordham House.

The equity investments are held with either Sarasin & Partners or Cazenove Capital Management Limited. During the year the passive investments held with Legal & General were disposed of and reinvested with Sarasin & Partners. The property funds are held with either Charities Property Fund or Schroder UK Property Fund. The investment returns during the year are reviewed and compared with their benchmarks, the investment policy, and the performance of comparable funds.

Independently Managed Funds Performance

The following table shows the income and capital returns achieved during the period to arrive at the total return for the period:

	Income	Capital	Total Return	Target	Benchmark
Managed Funds	3.3%	(0.3)%	3.0%	7.0%	5.0%

The benchmark for the College Estate is the weighted average of the benchmark for the property funds (-1.0%), which is based on AREF / MSCI All Balanced Funds Property Index, the benchmark for the passive funds which is 5% and the benchmark for the Common Investments Funds (6.8%) (which is calculated based on: ICE BofAML Sterling Corporate(7.5%), ICE BofAML UK Gilts All Stocks (7.5%), MSCI AC World ex UK (Local Currency) (gbp) (10%), MSCI AC World ex UK (Net Total Return) (40%), MSCI All Balanced Property Funds – One Quarter Lagged (5%), MSCI UK IMI (Net Return) GBP (20%), UK cash LIBOR 1 Month (Total Return) (10%).

The actual performance was below both the target and the benchmark, due to the poor performance of the passive investments prior to their disposal in August 2020, also the property funds under achieved against their target and benchmark. Covid-19 impacted negatively on the performance of the investments in the year.

Physical Property

The property portfolio, valued at £8.5m (2019: £8.5m), within the College Estate has decreased in value by £8.5k during the year, which represents an average capital return of -0.1% (2019: 1.0%). The rental yield for the property portfolio was 7.2% (2019: 7.1%), giving a total return of 7.1% (2019: 8.1%). In 2020 there were no disposals nor acquisitions.

A full property valuation was carried out by Colliers International in December 2020. The previous full property valuation was in December 2015. It is a regulatory requirement that a full valuation is performed every 5 years.

The Public Benefit of the College Estate is primarily achieved through its Corporate Trustee's (Town Trust) grant-making to benefit the "inhabitants of Stratford-upon-Avon" (as defined by the administrative boundary of the parish). The Corporate Trustee (Town Trust) has had regard to the Charity Commission's guidance on Public Benefit.

THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2020 (continued)

Public Benefit (continued)

All Town Trust's grant applicants are required to provide information on the numbers and types of persons intended to benefit and their place of residence. This information helps the Town Trust to assess how its programme of discretionary grant-making achieves a spread of benefit and impact across the community. The Town Trust sets target allocations to ensure that the net of benefit is cast as widely as possible. These allocations and priorities are influenced by on-going public consultation and information.

In the same way the Town Trust and College Estate ensure that access to all their directly managed facilities is available to all sectors of the community.

In 2020 the Stratford-upon-Avon Town Trust Group applied £1.7m to charitable purposes of which £0.7m discretionary grants have been provided to 103 beneficiaries. Full details can be found in the Stratford-Upon-Avon Town Trust Annual Report of the Trustees and Accounts. In 2020 the community hub - Foundation House continued to go from strength to strength, the cost for the year was £0.2m. There are 12 community groups who have taken permanent space as licensees, this benefit has been treated as a gift in kind. Also, many community groups utilised the various meeting spaces on a regular basis.

The Corporate Trustee in exercising its powers and duties, has complied with its duty in Section 17 of the Charity Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Risk management

The risk policy was reviewed in autumn 2020, when the Trust assessed its risk appetite to be low to moderate. The Trust continually reviews its risks, which are maintained on a risk register. Risk is a standing agenda item for all Board and Committee Meetings.

The risk policy explains the process for identifying risks, allocating ownership and classification. Once the risk has been identified and categorised, it is then assessed based on the impact of the risk and the likelihood of the risk occurring, then how the risk needs to be mitigated, if possible. The policy requires that the risks and their mitigations are monitored and assessed on a regular basis, the Trust's policy states this is done via a Risk Register. The whole process is monitored by the Audit & Governance Committee.

The trustees review the College Estate's risks on a regular basis throughout the year and consider that there is one major risks facing the College Estate at the year end.

- The coronavirus pandemic has significantly impacted global markets and the economy throughout 2020 and continues to do so in 2021. It is hoped that the vaccination programme in the UK will stem the infection rate and enable the easing of lockdown measures. However, we are aware that variants of the virus could have a detrimental impact on such easing, as such the Trust is closing monitoring the pandemic and its impact on the charity.

Internal Controls

The Board is responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the strategic and operational risks which the Trust has and could be exposed to. Processes in place regarding risk management and internal controls include:

- Risk Policy and process
- Review of internal controls and processes by Audit & Governance Committee and Compliance Advisor where appropriate
- All major programmes and projects are scrutinised by Senior Management and monitored through an appropriate Committee

THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2020 (continued)

Internal Controls (continued)

- The safeguarding of assets against unauthorised use or disposition
- The maintenance of proper accounting records
- The reliability of the financial information used within the Trust or for publication
- Good governance policies

Control Environment

The Trust has an organisational structure with defined lines of responsibility, job descriptions and delegated levels of authority as approved by the Board of Town Trust.

Information Systems

The Trust prepares quarterly management accounts which compare actual results with the budget and these are reviewed by both, the Finance, Investment and Property Committee and the main Board. Variances are followed up by management. Also, a three-year plan is produced annually and this is dovetailed into the Strategic Plan with scenario overlays, where necessary. An annual budget is produced, which is compared with the three year plan and the expected out-turn by the Finance, Investment and Property Committee and then approved by the Board. Cash forecasts are prepared monthly to aid investment decisions and cash management. Also, a three year plan is produced annually and this is dovetailed into the Strategic Plan with scenario overlays, where necessary. During the year full year financial forecasts are prepared and reviewed by both, the Finance, Investment and Property Committee and the main Board.

The Board has examined the effectiveness of these key procedures during the year. This is achieved primarily through the review of the reports from management, external audit, reviews of the quarterly and annual financial statements and reviews of the major risks facing the Trust.

The Board has reviewed the effectiveness of the Trust's system of internal financial controls that require disclosure in the financial statements.

Volunteers

There are no volunteers involved in the College Estate's activities.

Statement as to disclosure of information to auditors

The Town Trust trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Town Trust trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the Board of Trustees


Quentin Willson
Chair of Board
19 May 2021

THE COLLEGE ESTATE ENDOWMENT CHARITY
OFFICERS AND CONTACTS
for the year ended 31 December 2020

TRUSTEES OF CORPORATE TRUSTEE	Tim Bailey Charles Bates (to 31.5.20) Tessa Bates (to 31.5.20) Gill Cleeve (from 1.6.20) Liz Coles (from 1.6.20) Tony Jackson Lindsay MacDonald	Matthew Macdonald Stephen Parker Clive Snowdon Josie Stevens (from 2.11.20) David Taylor Quentin Willson
CHIEF EXECUTIVE (of corporate trustee) SENIOR MANAGEMENT TEAM (of corporate trustee)	Sara Aspley Sara Aspley, Rebecca Hampson, James McHugh, Fiona Tomlinson (appointed 6.7.20), Lynn Wilson	
ADDRESS	Stratford-upon-Avon Town Trust 14 Rother Street Stratford-upon-Avon CV37 6LU	
BANKERS	Barclays Bank plc Market Cross Stratford-Upon-Avon Warwickshire CV37 6AP	
SOLICITORS	Wiggin Osborne Fullerlove 95 The Promenade Cheltenham GL50 1HH	Messrs Robert Lunn & Lowth 2 Sheep Street Stratford-upon-Avon CV37 6EJ Mills & Reeve 78-84 Colmore Row Birmingham B3 2AB
AUDITORS	Saffery Champness LLP St John's Court Easton Street High Wycombe HP11 1JX	
PROPERTY MANAGER	Colliers International 12 th Floor, Eleven Brindley Place 2 Brunswick Square Brindley Place Birmingham B1 2LP	
INVESTMENT MANAGERS	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London WC4M 8BU Charities Property Fund Cordea Savills 33 Margaret Street London W1G 0JD	Cazenove Capital (part of Schroders & Co Limited) 1 London Wall Place London EC2Y 5AU Schroders & Co Limited 1 London Wall Place London EC2Y 5AU

THE COLLEGE ESTATE ENDOWMENT CHARITY
STATEMENT OF TRUSTEES' RESPONSIBILITIES
31 December 2020

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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, applicable accounting regulations. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE COLLEGE ESTATE ENDOWMENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of College Estate Endowment Charity for the year ended 31 December 2020 which comprise a statement of financial activity, balance sheet, statement of cashflows and notes to the financial statements, including 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

THE COLLEGE ESTATE ENDOWMENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

THE COLLEGE ESTATE ENDOWMENT CHARITY INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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 by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Saffery Champness LLP
Chartered Accountants

St John's Court
Easton Street
High Wycombe
HP11 1JX

Statutory Auditors

Date: 1 June 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE COLLEGE ESTATE ENDOWMENT CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2020

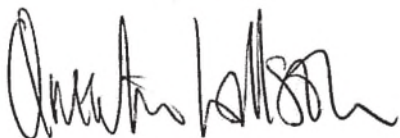
	Notes	Unrestricted funds 2020 £	Permanent endowment funds 2020 £	Total funds 2020 £	Unrestricted funds 2019 £	Permanent endowment funds 2019 £	Total funds 2019 £
Income from:							
Investment income	3	909,783	-	909,783	925,725	-	925,725
Other income	4	709	-	709	2,181	-	2,181
Total Income		910,492	-	910,492	927,906	-	927,906
Expenditure on:							
Raising funds	5	324,121	-	324,121	322,450	-	322,450
Charitable activities	6	578,944	-	578,944	605,456	-	605,456
Total expenditure		903,065	-	903,065	927,906	-	927,906
Net (losses) / gains on investments	11	(18,794)	(17,633)	(36,427)	(15,400)	1,026,675	1,011,275
Net movement in funds		(11,367)	(17,633)	(29,000)	(15,400)	1,026,675	1,011,275
Reconciliation of funds							
Total funds brought forward		42,235	16,894,485	16,936,720	57,635	15,867,810	15,925,445
Total funds carried forward		30,868	16,876,852	16,907,720	42,235	16,894,485	16,936,720

The notes on pages 14 to 23 form part of these financial statements.
All of the charity's activities are continuing.

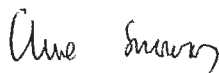
THE COLLEGE ESTATE ENDOWMENT CHARITY
BALANCE SHEET
as at 31 December 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Investments	8		17,634,377		17,670,871
Current assets					
Debtors	9	87,203		62,722	
Cash at bank and in hand		306,984		365,690	
		394,187		428,412	
Creditors: amounts					
falling due within one year	10	(1,120,844)		(1,162,563)	
Net current liabilities			(726,657)		(734,151)
Net assets			16,907,720		16,936,720
Funds					
Capital funds					
Endowment funds	11		16,876,852		16,894,485
Unrestricted funds					
Other charitable funds	11		30,868		42,235
Total funds	11		16,907,720		16,936,720

The financial statements on pages 12 to 23 were approved by the trustees and authorised for issue on 19 May 2021.
The notes on pages 14 to 23 form part of these financial statements.



Quentin Willson



Clive Snowdon

THE COLLEGE ESTATE ENDOWMENT CHARITY
STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	2020 Total funds £	2019 Total funds £
Cash flows from operating activities:		
<i>Net cash used in operating activities</i>	<u>(968,489)</u>	<u>(854,651)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	909,783	925,725
Proceeds from sale of investments	388,264	937,625
Purchase of investments	<u>(431,440)</u>	<u>(960,645)</u>
<i>Net cash provided by investing activities</i>	866,607	902,705
Change in cash and cash equivalents in the reporting period	(101,882)	48,054
Cash and cash equivalents at 31 December 2019	<u>432,029</u>	<u>383,975</u>
Cash and cash equivalents at 31 December 2020	<u>330,147</u>	<u>432,029</u>

	2020 Total funds £	2019 Total funds £
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
<i>Net (expenditure) / income for the reporting period (as per the statement of financial activities)</i>	(29,000)	1,011,275
Adjustments for:		
Losses / (gains) on investments	36,494	(996,875)
Dividends, interest, and rent from investments	(909,783)	(925,725)
(Increase) / decrease in debtors	(24,481)	4,042
(Decrease) / increase in creditors	<u>(41,719)</u>	<u>52,632</u>
<i>Net cash used in operating activities</i>	<u>(968,489)</u>	<u>(854,651)</u>

	2020 Total funds £	2019 Total funds £
Analysis of cash and cash equivalents		
Cash in hand	306,984	365,690
Cash awaiting deposit*	<u>23,163</u>	<u>66,339</u>
Total cash and cash equivalents	<u>330,147</u>	<u>432,029</u>

*Is unavailable for general expenditure as it is an endowed asset.

	At 1 January 2020 £	Cashflow £	At 31 December 2020 £
Cash and equivalents			
Cash	365,690	(58,706)	306,984
Cash awaiting deposit	66,339	(43,176)	23,163
Total	<u>432,029</u>	<u>(101,882)</u>	<u>330,147</u>

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020

1 Statement of accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

College Estate Endowment charity 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.

The financial statements are prepared in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

There are no material uncertainties about the charity's ability to continue as a going concern.

b) Charitable Activities

The trustees consider that the charity is a public benefit entity as it makes grants to the Town Trust. Grant making is its sole charitable activity.

c) Income

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and their amount can be measured with sufficient reliability. Property and investment income is recognised as it falls due.

d) Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis (inclusive of any VAT which cannot be recovered) and has been classified under headings that aggregate all costs related to the category.

Wherever possible costs have been charged directly to the service or activity to which they relate. A management charge from the Town Trust is levied each quarter to cover property administration, governance and grant support costs. Expenditure shared between two or more activities has been apportioned between them on a reasonable, justifiable, and consistent basis.

e) Grants payable

Grants payable are shown in the Statement of Financial Activities as they are paid or approved by the trustees. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable. The value of such grants unpaid at the year end is accrued.

On 1 October 2001 the responsibility for paying out grants was transferred to the controlling charity Stratford-upon-Avon Town Trust except for the payment to the Vicar of Holy Trinity Church.

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2020 (continued)

1 Statement of accounting policies (continued)

f) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

g) Investments

- i Investments are included in the financial statements at the market value at the balance sheet date.
- ii Gains and losses arising on disposal are charged to the relevant fund immediately on disposal. Gains and losses arising on revaluation are disclosed as unrealised.

h) Costs of Generating Funds

These costs consist of investment and property management costs.

i) Fund accounting

- i Permanent Endowment Funds relate to those assets which represent the permanent capital base of the charity and which may not be spent.
- ii Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the law.
- iii Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- iv Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

j) Operating leases

Operating leases are charged to the Statement of Financial Activities as incurred.

k) Financial instruments

The Charity has only financial assets and liabilities that would qualify as basic financial instruments.

Basic financial assets, which include cash and debtors, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities such as trade creditors, loans and finance leases are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at the market rate of interest. Financial liabilities classified as payable within one year are not amortised.

An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

2 Connected charities

The College Estate is connected to the Guild Estate Endowment Charity (Registered Charity Number 217484) due to there being common, parallel objectives and activities, common control and unity of administration. Both charities are controlled by Stratford-upon-Avon Town Trust (Registered Company Number 04222949 and Registered Charity Number 1088521) and their financial statements for the year ended 31 December 2020 have been consolidated. Copies of the consolidated financial statements are available from the Registrar of Companies.

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

	2020 £	2019 £
3 Investment income from:		
Investment Properties	613,005	626,847
Quoted Investments	296,778	298,878
	<u>909,783</u>	<u>925,725</u>

Income and expenditure relating to the Rother Street Car Park is split 86.09% to Guild and 13.91% to College in accordance with land ownership arrangements.

	2020 £	2019 £
4 Other Income from:		
Interest receivable on cash at bank	709	2,181
	<u>709</u>	<u>2,181</u>

	2020 £	2019 £
5 Expenditure on raising funds:		
Investment property management costs	225,217	220,284
Investment fund managers fees	35,197	31,453
Support costs (note 7)	63,707	70,713
	<u>324,121</u>	<u>322,450</u>

	2020 £	2019 £
6 Expenditure on charitable activities:		
Grant to Stratford-upon-Avon Town Trust	567,962	594,036
Payment to the vicar of Holy Trinity	7,000	7,000
Support costs (note 7)	3,982	4,420
	<u>578,944</u>	<u>605,456</u>

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

7 Allocation of support costs

	Basis of allocation	Charitable Activities	Governance	Raising Funds	Total funds 2020
		£	£	£	£
Staff costs	Time	2,520	7,559	40,314	50,393
Office costs	Time	635	1,904	10,153	12,692
External audit	Direct	-	4,604	-	4,604
Governance costs	Cost	827	(14,067)	13,240	-
Total		3,982	-	63,707	67,689
		(note 6)		(note 5)	

	Basis of allocation	Charitable Activities	Governance	Raising Funds	Total funds 2019
		£	£	£	£
Staff costs	Time	2,658	7,971	42,514	53,143
Office costs	Time	887	2,661	14,192	17,740
External audit	Direct	-	4,250	-	4,250
Governance costs	Cost	875	(14,882)	14,007	-
Total		4,420	-	70,713	75,133
		(note 6)		(note 5)	

The College Estate pays a management charge to the Town Trust to cover staff costs, office costs and property facility costs which for 2020 was £62,158 (2019: £69,608). This forms the main part of the support costs.

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

	2020 £	2019 £
8 Fixed asset investments		
Investment properties	8,536,000	8,544,500
Quoted investments	9,075,214	9,060,032
Cash awaiting investment	23,163	66,339
	<u>17,634,377</u>	<u>17,670,871</u>
Investment properties:		
Valuation at 31 December 2019	8,544,500	9,110,500
Net sale proceeds	-	(924,619)
Gain on disposal	-	273,619
Revaluation gains	(8,500)	85,000
	<u>8,536,000</u>	<u>8,544,500</u>
Valuation at 31 December 2020	8,536,000	8,544,500
	<u>1,626,119</u>	<u>1,626,119</u>
Quoted investments:		
Market value at 31 December 2019	9,060,032	7,474,137
Additions at cost	431,440	960,645
Sale Proceeds	(388,264)	(9,406)
Investment (losses)/gains	(27,994)	634,656
	<u>9,075,214</u>	<u>9,060,032</u>
Market value at 31 December 2020	9,075,214	9,060,032
	<u>6,606,309</u>	<u>6,667,054</u>
Historical cost at 31 December 2020	6,606,309	6,667,054

In accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015) the investment properties were valued at 31 December 2020 and are shown at market value. This valuation was carried out by Colliers International, Chartered Surveyors. The valuer was RICS qualified and is experienced in property in Stratford-upon-Avon and of these classes of property.

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

	2020 £	2019 £
9 Debtors: amounts falling due within one year		
Trade debtors	61,512	43,342
Prepayments and accrued income	24,013	15,715
Amount owed by Guild Estate	1,678	3,665
	<hr/>	<hr/>
	87,203	62,722
	<hr/>	<hr/>
	2020 £	2019 £
10 Creditors: amounts falling due within one year		
Trade creditors	9,428	2,902
Accruals and deferred income	862,953	839,437
Other creditors	97,500	37,500
Taxation and social security	39,716	30,773
Amount due to Stratford-upon-Avon Town Trust	111,247	251,951
	<hr/>	<hr/>
	1,120,844	1,162,563
	<hr/>	<hr/>

Deferred income £823,949 (2019: £811,861) represents lease premiums and rental income received in advance that relate to after the period end; represented by deferred income under one year £157,549, deferred income relating to one to five years £22,400 and the value relating to over five years £644,000.

	2020 £	2019 £
Reconciliation of deferred income:		
At 1 January 2020	811,861	818,452
Released during the year	(139,861)	(140,852)
Deferred in current year	151,949	134,261
	<hr/>	<hr/>
At 31 December 2020	823,949	811,861
	<hr/>	<hr/>

	2020 £	2019 £
Included within accruals are the following fees payable to the auditor for:		
Statutory audit	<u>4,304</u>	<u>4,150</u>

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

11 Analysis of net assets between funds	Unrestricted Funds 2020 £	Endowment funds 2020 £	Total 2020 £
Investments	723,342	16,911,035	17,634,377
Current assets	394,187	-	394,187
Current liabilities	(1,086,661)	(34,183)	(1,120,844)
	<u>30,868</u>	<u>16,876,852</u>	<u>16,907,720</u>
	Unrestricted Funds 2019 £	Endowment funds 2019 £	Total 2019 £
Investments	757,535	16,913,336	17,670,871
Current assets	-	428,412	428,412
Current liabilities	(715,300)	(447,263)	(1,162,563)
	<u>42,235</u>	<u>16,894,485</u>	<u>16,936,720</u>

Summary of Fund Movements

Fund Name	Fund Balances 31 December 2019 £	Income £	Expenditure £	Gains and Losses £	Fund Balances 31 December 2020 £
Unrestricted Funds	42,235	910,492	(903,065)	(18,794)	30,868
Permanent					
Endowment Funds	16,894,485	-	-	(17,633)	16,876,852
Total Funds	<u>16,936,720</u>	<u>910,492</u>	<u>(903,065)</u>	<u>(36,427)</u>	<u>16,907,720</u>
Fund Name	Fund Balances 31 December 2018 £	Income £	Expenditure £	Gains and Losses £	Fund Balances 31 December 2019 £
Unrestricted Funds	57,635	927,906	(927,906)	(15,400)	42,235
Permanent					
Endowment Funds	15,867,810	-	-	1,026,675	16,894,485
Total Funds	<u>15,925,445</u>	<u>927,906</u>	<u>(927,906)</u>	<u>1,011,275</u>	<u>16,936,720</u>

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

12 Commitments

In accordance with the governing document each year the charity is committed to pay an annual sum, which is currently £7,000 per annum, to the Vicar of Holy Trinity Church at Stratford-upon-Avon (pro-rated if there is no vicar for part of the year).

13 Related party transactions

Control: During the current year the College Estate Endowment charity and the Guild Estate Endowment charity were under the control of Stratford-upon-Avon Town Trust.

Transactions: During the year the following transactions were entered into on normal terms and conditions.

	Stratford-upon-Avon Town Trust 31 December 2020 £	Stratford-upon-Avon Town Trust 31 December 2019 £	Guild Estate 31 December 2020 £	Guild Estate 31 December 2019 £
Rental/Service Charge income	42,957	49,942	-	-
Expenditure				
Grant	567,962	594,036	-	-
Management charge	62,158	69,608	-	-
Balances outstanding at 31 December 20				
Debtors	-	-	1,678	3,665
Creditors	111,247	251,951	-	-

14 Trustee remuneration and benefits

College Estate only has a corporate trustee (Town Trust). As such it cannot receive remuneration or other benefits from employment. Town Trust has trustees. However, none of these trustees have been paid any remuneration or received any other benefits from employment with College Estate or Town Trust.

15 Trustee Expenses

No trustee expenses have been incurred (2019: £nil).

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

16 Grant Making

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Support Costs 2020 £	Grants to Institutions 2019 £	Grants to Individuals 2019 £	Support Costs 2019 £
Discretionary Grants	567,962	-	3,682	594,036	-	4,130
Non-Discretionary Grants	-	7,000	300	-	7,000	290
	<u>567,962</u>	<u>7,000</u>	<u>3,982</u>	<u>594,036</u>	<u>7,000</u>	<u>4,420</u>

17 Lease Commitments

The future minimum lease receipts under non-cancellable operating leases are:

	2020 £	2019 £
Not later than 1 year	497,467	533,512
Later than 1 year but not later than 5 years	1,759,361	1,800,131
Later than 5 years	26,722,884	27,134,692

19 Contingent Liabilities

Stratford on Avon District Council (SDC) has entered into an agreement with Coventry & Warwickshire Local Enterprise Partnership (CWLEP), in connection with the Getting Building Fund, which was signed in March 2021. This agreement will result in £1.5m of funding for the enhancement of the Riverside area in Stratford-upon-Avon. SDC owns the majority of the land in the Riverside area with a small area, known as Warwick Road lands, owned by the College Estate. This funding was predicated on the basis that SDC would commit funding of £0.3m and College Estate would commit a maximum of £0.2m. College Estate's financial commitment had not been approved as at 19 May 2021.