

THE COLLEGE ESTATE ENDOWMENT CHARITY
ANNUAL REPORT AND ACCOUNTS 2023

Charity Registered No: 217485

THE COLLEGE ESTATE ENDOWMENT CHARITY
FINANCIAL STATEMENTS
for the year ended 31 December 2023

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THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2023

Overview

The College Estate Endowment Charity ("College Estate") is a charitable trust of which the Corporate Trustee is the Stratford-upon-Avon Town Trust ("Town Trust"). The Town Trust was established under a Memorandum of Association, which established the objects and powers of the charitable company, and it is governed under its Articles of Association. The Town Trust is the corporate Trustee of the Guild Estate Endowment and the College Estate Endowment Charities (referred to as "the Group").

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 the Town Trust's corporate property and is applied in accordance with the objects of the Town 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 Board of Trustees of the Town Trust ("the Board").

The 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 and its officers. The costs applicable to the management of the College Estate are passed on by way of a management charge.

Strategic Review

The College Estate follows the strategic plan, developed and approved in November 2020 by the Board, and a commentary on that is included in the Annual Report of the Town Trust.

Grants

Discretionary Grants

The College Estate paid £617,434 (2022: £535,097) 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 (2022: £7,000) was paid to the Vicar of the Holy Trinity Church in accordance with the 2001 Scheme.

Financial Review

In 2023 total income for the Town Trust was £1,020,079 (2022: £1,005,024), the majority of which was generated by the College Estate's investments. Investment management costs amounted to £332,977 (2022: £657,398). We are very aware that the costs of managing the investments must be monitored closely and spent carefully, but also it is important that the investments are well managed, ensuring security of income flows for future generations.

£629,726 (2022: £547,300) was spent on charitable expenditure, of which £624,434 (2022: £542,097) was given as grants, the majority of which was granted to the Town Trust, to be spent on enhancing the lives of the people of Stratford.

Income

The 2023 total income of £1,020,079 represented an increase of 1.5% on last year (2022: £1,005,024) the increase is driven by an improvement in income from equity investments and additional interest received as a result of higher interest rates, balanced with a small reduction in property income.

THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2023 (continued)

Balance Sheet

The College Estate has investments of £17.5m (2022: £17.5m) (note 8). The majority 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 increase in the investments was due to the inception of a short term deposit of £0.1m.

Reserves Policy

The Board reviews the reserves policy annually and consider it very important that the College Estate can pay all its committed costs and have free reserves to cover ongoing administration costs for six months.

The permanently endowed reserves in College Estate will always be fully investment and cash backed. To recognise the small operational risk an unrestricted reserve of at least £30k is held. The reserves policy was reviewed in June 2023. As at December 2023 the endowed reserves were £16.5m (2022: £16.4m) and the unrestricted reserves were £357k (2022: £344k) of which £300k was transferred from the endowed reserves following the reclassification of Rowley Fields land and Warwick Road lands from endowed investments to unrestricted investments in 2021.

INVESTMENT POLICY AND PERFORMANCE

The objective of the investment policy is to create sufficient income and capital growth to enable the College Estate to carry out its purposes consistently year on year. In the medium to long term the College Estate aims to generate an average annual income yield of 4.4% and for the capital value of the portfolio to grow at least in line with inflation (CPI).

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 preferred range was set for total property investments held by the College Estate to be between 50% and 70% of the total investment portfolio. The percentage currently held is 58.5 % (2022: 59.6%).

The Board reviewed and updated the investment policy in September 2023. 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 College Estate 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 objective, as measured over a 10-year rolling period, is to achieve a balanced return from the overall portfolio such that: for the combined portfolio there is an expectation of net income yield being not less than 4.4% pa and that the capital value grows at least in line with inflation (CPI). Net income is defined as gross income less all direct costs i.e., fees, repair costs, legal/advisor fees. **(4.4% is the weighted average of the yield of property investments (4.98%) plus the yield of the quoted investments (3.2%)).**
- **Long Term Objective**
The endowment investments are expected to exist in perpetuity and should be managed to meet the College Estate's investment objectives and ensure their sustainability.

The College Estate also has a responsible investment policy, which guides the Board in environmental, social and governance issues when making investment decisions.

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 College Estate has considered this point in relation to its endowed investments but decided it was an approach it would not adopt at this time.

The College Estate 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 equivalents. The non-endowed investments are held in property funds with the addition of the land at Warwick Road lands (local nature reserve) and Rowley Fields, reclassified from permanent endowment investments to non-endowed investments, following their creation as green space. 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 2023 (continued)

INVESTMENT POLICY AND PERFORMANCE (continued)

Investment	2023 £m	2022 £m	2023 Actual %	2022 Actual %	Future Target %
Endowed:					
Physical Property	8.2	8.2	47.1	47.3	70-80
Equity Funds	7.2	7.1	40.5	40.0	30-50
Property Funds	1.1	1.1	6.0	6.4	0-20
Cash equivalent	0.0	0.1	0.7	0.6	0
Total endowed investments	16.5	16.5	94.3	94.3	100
Non-Endowed:					
Physical Property**	0.3	0.3	1.7	1.7	-
Property funds*	0.7	0.7	4.0	4.0	-
Total non-endowed investments	1.0	1.0	5.7	5.7	-
Total investments	17.5	17.5	100.0	100.0	100

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

**On 23 June 2021 the Charity Commission ratified the Board's resolution under S282 of Charities Act 2011, that the permanent endowment restriction be released on Rowley Fields Grazing Land. On 26 October 2021 the Charity Commission also ratified the Board's resolution under S282 of Charities Act 2011, that the permanent endowment restrictions be released on Warwick Road lands owned by College Estate Endowment Charity.

The equity investments are held with either Sarasin & Partners or Cazenove Capital Management Limited. 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	4.2%	0.7%	4.9%	7.7%	5.8%

The benchmark for the College Estate is the weighted average of the benchmark for the property funds (-1.4%), which is based on AREF / MSCI All Balanced Funds Property Index and the benchmark for the Common Investments Funds (7.5%) (which is calculated based on: ICE BofA Sterling Corporate & Collateralized Index (7.5%), ICE BofA UK Gilts All Stocks (7.5%), MSCI AC World (Local Currency) (GBP) (10%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI All Countries World Daily (Net Total Return) (60%), 2% per annum above SONIA (alternative assets) (10%).

The actual performance was below both the target and the benchmark, in the main due to the high impact of inflation in the year (4.2%) which had a negative impact on the funds' values.

Physical Property

The property portfolio, valued at £8.5m (2022: £8.5m), within the College Estate has remained constant in value during the year, which represents an average capital return of 0% (2022: -0.6%). The rental yield for the property portfolio was 7.5% (2022: 7.2%), giving a total return of 7.5% (2022: 6.6%). In 2023 there were no disposals or acquisitions.

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

Public Benefit

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 2023 (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 2023 the Group applied £2.4m to charitable purposes of which £1.0m discretionary grants have been provided to 155 beneficiaries. Full details can be found in the Stratford-upon-Avon Town Trust Annual Report of the Trustees and Accounts. In 2023 the community hub continued to go from strength to strength. The cost for the year was £0.15m. There were 14 community groups who have taken permanent space as licensees and this benefit has been treated as a benefit 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 2023, when the Town Trust assessed its risk appetite to be low to moderate. The Town 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 and 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, and the Town Trust's policy states this is done via a Risk Register. The whole process is monitored by the Audit & Governance Committee.

The Board reviews the College Estate's risks on a regular basis throughout the year and consider that there are no major risks facing the College Estate at the year end.

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

THE COLLEGE ESTATE ENDOWMENT CHARITY
REPORT OF THE TRUSTEES OF THE COLLEGE ESTATE
for the year ended 31 December 2023 (continued)

Control Environment

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

Information Systems

The Town 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 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. During the year full year financial forecasts are prepared and reviewed by both the Finance, Investment and Property Committee and the 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, the quarterly and annual financial statements, and reviews of the major risks facing the Town Trust.

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

Volunteers

There are 26 volunteers who have signed up for ecology and habitat management activities which benefit the land owned by College Estate at Rowley Fields and Warwick Road lands. During the year 10 volunteers participated in habitat management sessions.

Statement as to disclosure of information to auditors

The Trustees of the Town Trust 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 Trustees has 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


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Tim Bailey
Chair of Board of Stratford-upon-Avon Town Trust
22 May 2024

THE COLLEGE ESTATE ENDOWMENT CHARITY
OFFICERS AND CONTACTS
for the year ended 31 December 2023

TRUSTEES OF CORPORATE TRUSTEE	Tim Bailey Gill Cleeve Liz Coles Marion Homer Tony Jackson Simon Littlejohns	Henry Lu Michael Rolfe Jonathan Smith Clive Snowden (to 31 January 2023) Josie Stevens Mark Tailby (appointed 1 February 2023)
CHIEF EXECUTIVE (of Corporate Trustee) SENIOR MANAGEMENT TEAM (of Corporate Trustee)	Sara Aspley Sara Aspley, Rebecca Hampson, James McHugh, Paul Fitzpatrick, Frances Nibbs, Lynn Perkins.	
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	Robert Lunn & Lowth LLP 2 Sheep Street Stratford-upon-Avon CV37 6EJ	Mills & Reeve LLP 78-84 Colmore Row Birmingham B3 2AB
AUDITORS	Saffery LLP St John's Court Easton Street High Wycombe HP11 1JX	
PROPERTY MANAGER	Colliers International Property Consultants Limited 19 th Floor 103 Colmore Row Birmingham B3 3AG	
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 2023

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 for the year ended 31 December 2023 which comprise which comprise a statement of financial activity, Balance Sheet, statement of cash flows 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 2023 and of its incoming resources and application of resources for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

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.

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

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 LLP

Saffery LLP

St Johns Court
Easton Street
High Wycombe
HP11 1JX

Chartered Accountants

Statutory Auditors

Date: 29/5/24

Saffery 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 2023

	Notes	Unrestricted funds 2023 £	Permanent endowment funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Permanent endowment funds 2022 £	Total funds 2022 £
Income from:							
Investment income	3	1,006,165	-	1,006,165	1,003,212	-	1,003,212
Other income	4	13,914	-	13,914	1,812	-	1,812
Total Income		1,020,079	-	1,020,079	1,005,024	-	1,005,024
Expenditure on:							
Raising funds	5	332,977	-	332,977	657,398	-	657,398
Charitable activities	6	629,726	-	629,726	547,300	-	547,300
Total expenditure		962,703	-	962,703	1,204,698	-	1,204,698
Net (losses) / gains on investments	11	(44,098)	63,703	19,605	(62,880)	(993,848)	(1,056,728)
Net movement in funds		13,278	63,703	76,981	(262,554)	(993,848)	(1,256,402)
Reconciliation of funds							
Total funds brought forward		343,750	16,384,140	16,727,890	606,304	17,377,988	17,984,292
Total funds carried forward	11	357,028	16,447,843	16,804,871	343,750	16,384,140	16,727,890

The notes on pages 15 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 2023

	Notes	2023	2022
		£	£
Fixed assets			
Investments	8	17,473,824	17,454,218
Current assets			
Debtors	9	622,505	125,305
Cash at bank and in hand		260,181	497,987
		882,686	623,292
Creditors: amounts			
falling due within one year	10	(1,551,639)	(1,349,620)
Net current liabilities		(668,953)	(726,328)
Net assets		16,804,871	16,727,890
Funds			
Capital funds			
Endowment funds	11	16,447,843	16,384,140
Unrestricted funds			
Other charitable funds	11	357,028	343,750
Total funds	11	16,804,871	16,727,890

The financial statements on pages 12 to 23 were approved by the Board and authorised for issue on 22 May 2024.
The notes on pages 15 to 23 form part of these financial statements.



Tim Bailey (Chair of Board of Stratford-upon-Avon Town Trust)



Simon Littlejohns (Chair of Finance, Investment & Property Committee of Stratford-upon-Avon Town Trust)

THE COLLEGE ESTATE ENDOWMENT CHARITY
STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	2023	2022
	Total funds	Total funds
	£	£
Cash flows from operating activities:		
<i>Net cash used in operating activities</i>	<u>(1,243,971)</u>	<u>(799,350)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,006,165	1,003,212
Proceeds from sale of investments	9,266	66,882
Purchase of investments	<u>(52,449)</u>	<u>-</u>
<i>Net cash provided by investing activities</i>	962,982	1,070,094
Change in cash and cash equivalents in the reporting period	(280,989)	270,744
Cash and cash equivalents at 31 December 2022	<u>568,416</u>	<u>297,672</u>
Cash and cash equivalents at 31 December 2023	<u>287,427</u>	<u>568,416</u>

	2023	2022
	Total funds	Total funds
	£	£
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
<i>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</i>	76,981	(1,256,402)
Adjustments for:		
(Gains) / losses on investments	(19,605)	1,056,728
Dividends, interest, and rent from investments	(1,006,165)	(1,003,212)
(Increase) / decrease in debtors	(497,200)	71,382
Increase in creditors	<u>202,018</u>	<u>332,154</u>
<i>Net cash used in operating activities</i>	<u>(1,243,971)</u>	<u>(799,350)</u>

	2023	2022
	Total funds	Total funds
	£	£
Analysis of cash and cash equivalents		
Cash in hand	260,181	497,987
Cash awaiting deposit*	<u>27,246</u>	<u>70,429</u>
Total cash and cash equivalents	<u>287,427</u>	<u>568,416</u>

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

Analysis of change in net debt

	At	Cashflow	At
	1 January 2023		31 December 2023
	£	£	£
Cash and equivalents			
Cash in hand	497,987	(237,806)	260,181
Cash awaiting deposit	70,429	(43,183)	27,246
Total	<u>568,416</u>	<u>(280,989)</u>	<u>287,427</u>

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2023

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 College Estate. Monetary amounts in these financial statements are rounded to the nearest £.

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

b) Charitable Activities

The Board considers that the College Estate 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 College Estate 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 College Estate 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 Board. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the Board has 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 2023 (continued)

1 Statement of accounting policies (continued)

f) Governance costs

Governance costs comprise all costs involving the public accountability of the College Estate and its compliance with regulation and good practice. These 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 College Estate 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 Board for particular purposes.
- iv Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of the College Estate.

j) Operating leases

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

k) Financial instruments

The College Estate 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 College Estate 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 2023 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 2023 (continued)

	2023	2022
	£	£
3 Investment income from:		
Investment Properties	636,011	685,125
Quoted Investments	370,154	318,087
	<u>1,006,165</u>	<u>1,003,212</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.

	2023	2022
	£	£
4 Other Income from:		
Interest receivable on cash at bank	13,914	1,812
	<u>13,914</u>	<u>1,812</u>

	2023	2022
	£	£
5 Expenditure on raising funds:		
Investment property management costs	213,401	539,183
Investment fund managers' fees	34,903	34,980
Support costs (note 7)	84,673	83,235
	<u>332,977</u>	<u>657,398</u>

	2023	2022
	£	£
6 Expenditure on charitable activities:		
Grant to Stratford-upon-Avon Town Trust	617,434	535,097
Payment to the Vicar of Holy Trinity	7,000	7,000
Support costs (note 7)	5,292	5,203
	<u>629,726</u>	<u>547,300</u>

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2023 (continued)

7 Allocation of support costs

	Basis of allocation	Charitable activities	Governance	Raising funds	Total funds
		2023	2023	2023	2023
		£	£	£	£
Staff costs	Time	3,220	9,661	51,526	64,407
Office costs	Time	1,138	3,414	18,206	22,758
External audit	Direct	-	2,800	-	2,800
Governance costs	Cost	934	(15,875)	14,941	-
		<u>5,292</u>	<u>-</u>	<u>84,673</u>	<u>89,965</u>
		(note 6)		(note 5)	

	Basis of allocation	Charitable activities	Governance	Raising funds	Total funds
		2022	2022	2022	2022
		£	£	£	£
Staff costs	Time	3,024	9,070	48,376	60,470
Office costs	Time	1,144	3,432	18,302	22,878
External audit	Direct	-	5,090	-	5,090
Governance costs	Cost	1,035	(17,592)	16,557	-
		<u>5,203</u>	<u>-</u>	<u>83,235</u>	<u>88,438</u>
		(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 2023 was £79,452 (2022: £76,768). This forms the main part of the support costs.

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2023 (continued)

	2023 £	2022 £
8 Fixed asset investments		
Investment properties	8,536,000	8,536,000
Quoted investments	8,910,578	8,847,790
Cash awaiting investment	27,246	70,429
	<u>17,473,824</u>	<u>17,454,218</u>
Investment properties:		
Valuation at 31 December 2022	8,536,000	8,586,000
Revaluation gains / (losses)	-	(50,000)
Valuation at 31 December 2023	<u>8,536,000</u>	<u>8,536,000</u>
Cost or donated value at 31 December 2023	<u>1,626,119</u>	<u>1,626,119</u>
Quoted investments:		
Market value at 31 December 2023	8,847,790	9,921,400
Additions at cost	52,449	-
Sale Proceeds	(9,266)	(66,882)
Investment gains / (losses)	19,605	(1,006,728)
Market value at 31 December 2023	<u>8,910,578</u>	<u>8,847,790</u>
Historical cost at 31 December 2023	<u>6,602,226</u>	<u>6,559,043</u>

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 2023 (continued)

	2023	2022
	£	£
9 Debtors: amounts falling due within one year		
Trade debtors	81,383	44,057
Prepayments and accrued income	535,956	77,160
Amount owed by Guild Estate	5,166	4,088
Amount owed by Stratford-upon-Avon Town Trust	-	-
	<u>622,505</u>	<u>125,305</u>
	2023	2022
	£	£
10 Creditors: amounts falling due within one year		
Trade creditors	33,828	15,983
Accruals and deferred income	1,275,728	1,114,139
Other creditors	191,687	191,687
Taxation and social security	24,833	24,111
Amount due to Stratford-upon-Avon Town Trust	25,563	3,700
	<u>1,551,639</u>	<u>1,349,620</u>

Deferred income £1,251,271 (2022: £790,573) represents lease premiums, rental income received in advance and grant funding that relate to after the period end; represented by deferred income under one year £172,698, deferred income relating to one to five years £59,400 and the value relating to over five years £1,019,240.

	2023	2022
	£	£
Reconciliation of deferred income:		
At 1 January 2023	790,573	817,873
Released during the year	(133,973)	(155,673)
Deferred in current year	594,671	128,373
	<u>1,251,271</u>	<u>790,573</u>
At 31 December 2023		

	2023	2022
	£	£
Included within accruals are the following fees payable to the auditor for:		
Statutory audit	5,000	5,200

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2023 (continued)

11 Analysis of net assets between funds	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Investments	891,796	16,582,028	17,473,824
Current assets	882,686	-	882,686
Current liabilities	(1,417,454)	(134,185)	(1,551,639)
	<u>357,028</u>	<u>16,447,843</u>	<u>16,804,871</u>
	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Investments	1,035,894	16,418,324	17,454,218
Current assets	623,292	-	623,292
Current liabilities	(1,315,436)	(34,184)	(1,349,620)
	<u>343,750</u>	<u>16,384,140</u>	<u>16,727,890</u>

Summary of Fund Movements

Fund Name	Fund Balances 31 December 2022 £	Income £	Expenditure £	Gains and losses £	Transfer between funds £	Fund Balances 31 December 2023 £
Unrestricted Funds	343,750	1,020,079	(962,703)	(44,098)	-	357,028
Permanent						
Endowment Funds	16,384,140	-	-	63,703	-	16,447,843
	<u>16,727,890</u>	<u>1,020,079</u>	<u>(962,703)</u>	<u>19,605</u>	<u>-</u>	<u>16,804,871</u>
	Fund Balances 31 December 2021 £	Income £	Expenditure £	Gains and losses £	Transfer between funds £	Fund Balances 31 December 2022 £
Unrestricted Funds	606,304	1,005,024	(1,204,698)	(62,880)	-	343,750
Permanent						
Endowment Funds	17,377,988	-	-	(993,848)	-	16,384,140
	<u>17,984,292</u>	<u>1,005,024</u>	<u>(1,204,698)</u>	<u>(1,056,728)</u>	<u>-</u>	<u>16,727,890</u>

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2023 (continued)

12 Commitments

In accordance with the governing document each year the College Estate 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	Stratford-upon- Avon Town Trust	Guild Estate	Guild Estate
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	£	£	£	£
Rental/Service Charge income	58,128	36,218	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditure				
Grant	617,434	535,097	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Management charge	79,452	76,768	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balances outstanding at 31 December 2023				
Debtors	-	-	5,166	4,088
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Creditors	25,563	3,700	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Trustee remuneration and benefits

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

15 Trustee Expenses

Trustee expenses during the year amounted to £nil (2022: £nil).

THE COLLEGE ESTATE ENDOWMENT CHARITY
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2023 (continued)

16 Grant Making

	Grants to Institutions 2023 £	Grants to Individuals 2023 £	Support Costs 2023 £	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Support Costs 2022 £
Discretionary Grants	617,434	-	4,892	535,097	-	4,827
Non-Discretionary Grants	-	7,000	400	-	7,000	375
	<u>617,434</u>	<u>7,000</u>	<u>5,292</u>	<u>535,097</u>	<u>7,000</u>	<u>5,202</u>

17 Lease Commitments

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

	2023 £	2022 £
Not later than 1 year	529,544	486,569
Later than 1 year but not later than 5 years	1,775,816	1,794,898
Later than 5 years	26,509,362	26,914,320