

Charity Registration No. 286838

THE ELIZABETH CREAK CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE ELIZABETH CREAK CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J P May Mr J M Hulse Mr N Q Abell
Charity number	286838
Principal address	27 Widney Road Knowle Solihull West Midlands B93 9DX
Auditor	Burgis & Bullock 23-25 Waterloo Place Warwick Street Leamington Spa Warwickshire CV32 5LA
Bankers	Handelsbanken Kings House Elm Court Arden Street Stratford Upon Avon CV37 6PA
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Investment advisors	EFG Harris Allday 33 Great Charles Street Birmingham B3 3JN

THE ELIZABETH CREAK CHARITABLE TRUST

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

THE ELIZABETH CREAK CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable trust's deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charitable Trust has general charitable objects to apply its funds to such charities or for such charitable purposes and in such proportions and in such manner and subject to such terms and conditions as the trustees may at their uncontrolled discretion determine having regard to any directions given or wishes expressed by the settlor to the trustees.

The principal aim of the Trust is to provide support and encourage new blood in farming through education and other means and finance projects to help agriculture succeed and ultimately thrive in a challenging modern environment. The Trust continues to support life science education, agricultural and other projects by funding new research.

Strategies for achieving these aims include to approach educational establishment with good records of agricultural research or training and the continued support of scholarship programmes.

The charity does not engage in fundraising activities directly with the general public or through third party professional fundraisers and therefore has received no fundraising complaints during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable trust should undertake.

The Trust concentrated on the following areas to achieve its purposes -

The Charity continues to support a number of UK universities student scholarships at an annual approximate cost of £200,000.

In addition 4 University Chairs are being supported at an annual cost of £440,000 for a period of 5 years.

The Charity has been instrumental in providing funds of £782,384 over five years to help create a new centre that puts farmer priorities at the heart of innovation research. The centre is supported by five of the most prestigious agricultural universities in the UK.

Grant making policy

In line with the wishes of the settlor grants made in the year are for the study into agriculture, horticulture, food processing with approximately 2% going to local, non-agricultural charities.

THE ELIZABETH CREAK CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

The trustees aim to spend the majority of income each year that is not set aside for capital projects and consider that they have met their objectives for the year by approving grants totalling £1,252,883 and making payments totalling £1,356,900.

A full list of grants paid during the year is shown in note 6 to the accounts.

The grants paid during the year were allocated between the various categories as follows:-

Life sciences education	£904,400	66.7%
Agricultural national support	£408,000	30.0%
Other local projects	£44,500	3.3%

Public Benefit

The trustees consider that they have complied with their duty to have due regard to the guidance on public benefit, as published by the Charity Commission, in exercising their powers and duties. The range of institutions to which the Charity provides grant funding allows a wide reach of the general public to access benefits, mainly educational in nature, that they may otherwise not have been able to obtain.

Financial review

During the year the Charitable Trust received income of £1,118,547 (2020 - £1,187,984) and made committed payments of £1,356,900 (2020 - £1,146,175). Gains on investments amounted to £6,310,435 (2020 - loss £2,180,900) resulting in an overall net surplus of £6,123,730 (2020 - net deficit £1,299,412) for the year.

Unrestricted funds

These funds are expendable at the discretion of the trustees for any purpose in furtherance of the charitable objectives.

The balance held as unrestricted funds as at 31 March 2021 was £32,018,202 (2020 - 25,894,472).

The trustees consider the investments and cash originally transferred to the Charitable Trust from Miss Creak's estate to be unrestricted resources. The trustees consider that it is appropriate to hold a level of income reserves to cover foreseeable running costs of the Trust as well as sufficient levels of capital investment funds which should generate levels of income and future capital growth which will enable the Trustees to continue to make additional grant funding in pursuance of the Trust's charitable objectives.

Investment policy

The trustees have ultimate investment power, but have continued to instruct EFG Harris Allday as investment managers and EHB Commercial as property managers in accordance with the expression of wishes in the will of the late Elizabeth Creak.

The Charitable Trust's investment strategy is to maintain a balance between income generation and capital growth. The trustees accept a moderate level of risk in pursuing this objective and this level of risk is defined in the agreement with the Charitable Trust's investment managers.

The trustees have reviewed the major risks to which the Charitable Trust is exposed, in particular those relating to operations and finances, and are satisfied that systems are in place to mitigate exposure to those risks.

THE ELIZABETH CREAK CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Future Plans

In 2021/2022 the Trust will continue to support the projects currently in progress as well as inviting potential future grants to apply for funding.

The financial consequence of COVID 19 will affect the investment return in 2021/22 which is anticipated at a reduction of 5%-10%. Whilst the income in 2021/22 will be less than in previous year it will not impact on the funding of committed expenditure due to income reserves brought forward from earlier years.

Structure, governance and management

The Elizabeth Creak Charitable Trust is governed by a Trust Deed dated 9 November 1982 and was registered with the Charity Commission on 30 March 1983.

On the death of Elizabeth Creak on 18 October 2013 her will (the "Will") transferred assets to the Trust to be used in furtherance of its objects.

The trustees who have served during the year and since the year end are:

Mr J P May
Mr J M Hulse
Mr N Q Abell

The trustees have the power of appointing new trustees but should always include one of Elizabeth Creak's relations. The trustees' policy when recruiting a new trustee is to seek out skills which would augment the attributes of those serving and to replace those lost after the retirement or death of a trustee. The trustees are aware of their obligation to keep up to date with guidance and publications available from the Charity Commission. Any newly appointed trustees receive an induction on responsibilities as well as the objectives, priorities and procedures of the Trust.

The trustees of the charity act as legal custodians of the investment properties.

The trustees meet approximately every two months to consider applications for grants and other business of the Charitable Trust. The day to day management of the Charitable Trust is carried out by Mr J Hulse, by whom all applications for grants are co-ordinated and presented to the trustees. Mr J Hulse also deals with the day to day financial management of the Charitable Trust and provides the trustees with up to date financial information at trustee meetings.

The trustees consider that the Board of Trustees comprise the key management personnel of the Charity, who are in charge of controlling and directing the charity. Only one trustee was remunerated in the year in accordance with the instructions of the Late Elizabeth Creak.

THE ELIZABETH CREAK CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees' report was approved by the Board of Trustees.


.....
Mr J P May

Trustee

Dated: 19/1/22

THE ELIZABETH CREAK CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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 and 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 charitable trust and of the incoming resources and application of resources of the charitable trust for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charitable trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charitable trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ELIZABETH CREAK CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ELIZABETH CREAK CHARITABLE TRUST

Opinion

We have audited the financial statements of The Elizabeth Creak Charitable Trust (the 'charitable trust') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 charitable trust 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 charitable trust'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.

THE ELIZABETH CREAK CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ELIZABETH CREAK CHARITABLE TRUST

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 charitable trust'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

THE ELIZABETH CREAK CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ELIZABETH CREAK CHARITABLE TRUST

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Based on our understanding of the charity and the sectors it operates in we identified that the principal risks of non-compliance with laws and regulations related to breaches of Charities Act 2011, UK Tax Legislation; Safeguarding and GDPR regulations; and the terms of the charity's governing documents.

We evaluated management incentive and opportunities for fraudulent manipulations of the financial statements and determined the principal risks are related to fraudulent transactions to meet funders requirements or to gain personal benefit for the Trustees or members of management.

Audit procedures performed included:

- Making enquiries of management as to any instances of non-compliance with laws and regulations
- Reviewing returns made to HMRC
- Identifying and assessing the design effectiveness of controls in management have in place to prevent and detect fraud.
- Challenging assumptions and judgments made by management in their significant accounting estimates and assessing if these indicate evidence of management bias;
- Reviewing the accounting records for large and unusual journal entries and testing any identified and in particular the rationale for any transactions outside the Trust's normal course of activity
- Reviewing the accounting records for large and unusual bank payments and testing any identified and in particular the rationale for any transactions outside the Trust's normal course of activity

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE ELIZABETH CREAK CHARITABLE TRUST
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE ELIZABETH CREAK CHARITABLE TRUST

Wende Hubbard FCCA (Senior Statutory Auditor)
for and on behalf of Burgis & Bullock

W A Hubbard
.....

19th January 2022

Chartered Accountants
Statutory Auditor

23-25 Waterloo Place
Warwick Street
Leamington Spa
Warwickshire
CV32 5LA

Burgis & Bullock is eligible for appointment as auditor of the charitable trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE ELIZABETH CREAK CHARITABLE TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	10	3,787,000		3,022,000	
Investments	11	29,695,446		24,340,319	
		<u>33,482,446</u>		<u>27,362,319</u>	
Current assets					
Debtors	13	105,326		35,657	
Cash at bank and in hand		921,427		1,057,134	
		<u>1,026,753</u>		<u>1,092,791</u>	
Creditors: amounts falling due within one year	14	<u>(1,003,456)</u>		<u>(974,455)</u>	
Net current assets			23,297		118,336
Total assets less current liabilities			<u>33,505,743</u>		<u>27,480,655</u>
Creditors: amounts falling due after more than one year	15		<u>(1,487,541)</u>		<u>(1,586,184)</u>
Net assets			<u><u>32,018,202</u></u>		<u><u>25,894,471</u></u>
Income funds					
Unrestricted funds			32,018,202		25,894,471
			<u><u>32,018,202</u></u>		<u><u>25,894,471</u></u>

The financial statements were approved by the Trustees on 19 June 2022

Mr J P May
Trustee

Mr J M Hulse
Trustee

THE ELIZABETH CREAK CHARITABLE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	17	(1,444,562)		(1,200,288)	
Investing activities					
Purchase of investment property		(200,368)		-	
Purchase of other investments		(5,080,662)		(4,814,638)	
Proceeds on disposal of other investments		5,471,338		4,814,637	
Investment income received		1,118,547		1,187,984	
Net cash generated from investing activities		1,308,855		1,187,983	
Net cash used in financing activities		-		-	
Net decrease in cash and cash equivalents		(135,707)		(12,305)	
Cash and cash equivalents at beginning of year		1,057,134		1,069,439	
Cash and cash equivalents at end of year		921,427		1,057,134	

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Elizabeth Creak Charitable Trust is a UK registered charity governed by its Trust Deed.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable trust's deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable trust is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable trust has adequate resources to continue for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have considered the impact of the current Covid-19 pandemic and do not consider there to be any significant issues which would affect the going concern status of the charitable trust in the next 12 months. Whilst there continues to be uncertainty in the UK economy due to the ongoing pandemic this may impact on the value of the charity's investment assets however, the charity has sufficient liquid resources for the foreseeable future.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charitable trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charitable trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes expenses incurred in management of investment portfolios
- Expenditure on charitable activities includes grants made
- Other expenditure represents those items not falling into the categories above

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the trust.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/expenditure.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The charitable trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable trust's balance sheet when the charitable trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable trust's contractual obligations expire or are discharged or cancelled.

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charitable trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Investment properties

In preparing the year end accounts the trustees made judgements in valuing the fair value of the investment properties. The trustees do not seek professional valuations every year but rely on previous valuations, their own knowledge of the property market and ongoing lease arrangements in forming this judgement. The trustees have considered the fair value of the investment properties in light of the current Covid 19 situation and consider the value included in the financial statements to be correct.

3 Investment income

	2021 £	2020 £
Rental income	255,718	264,872
Dividends and interest from listed investments	862,559	922,549
Interest receivable	270	563
	<u>1,118,547</u>	<u>1,187,984</u>

4 Cost of raising funds

	2021 £	2020 £
Investment management	22,851	21,075
	<u>22,851</u>	<u>21,075</u>

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	Other costs	Grants payable	Total 2021	Total 2020
	£	£	£	£
Grant funding of activities (see note 6)	-	1,252,883	1,252,883	257,649
Governance costs	29,518	-	29,518	27,772
	<u>29,518</u>	<u>1,252,883</u>	<u>1,282,401</u>	<u>285,421</u>

Governance costs include payments of an audit fee of £7,600 (2020 - £7,245) and £4,995 (2020 - £5,023) for accountancy fees, subscription fees £nil (2020 - £748), trustees remuneration of £3,570 (2020 - £3,818), legal fees of £5,155 (2020 - £359), trustees reimbursed expenses of £420 (2020 - £934) and insurance costs reimbursed of £5,410 (2020 - £4,842).

6 Grants payable

	2021	2020
	£	£
Grants to:		
Newcastle University	25,000	25,000
C.E.I.F	715,023	-
University of Reading	25,000	-
Harper Adams	25,000	25,000
Studley College	30,000	30,000
Hartpury College	250,000	-
Nuffield Farming Scholarship	30,000	-
Other Grants < £25,000	161,685	177,649
	<u>1,252,883</u>	<u>257,649</u>

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6	Grants payable	(Continued)
		2021 £
	Grants committed as at 01 April 2020	2,507,079
	Grants paid in year	(1,356,900)
	New grants committed	1,252,883
	Grant commitment as at 31 March 2021	2,403,062

7 Trustees remuneration and related party transactions

One trustee Mr J M Hulse received remuneration in accordance with the trust deed during the year for his trustee services amounting to £3,570 (2020 - £3,400). No other Trustees received remuneration during the year. Nominal expenses incurred in the furtherance of charitable objectives were reimbursed to two trustees and amounted to £783 (2020 - £1,350).

During the year £5,155 (2020 - £359) was paid to Wright Hassall LLP for legal services, for whom one trustee, Mr N Abell sits as Chairman.

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

9 Net gains/(losses) on investments

	2021 £	2020 £
Revaluation of investments	5,213,707	(2,204,758)
Gain/(loss) on sale of investments	532,096	23,858
Revaluation of investment properties	564,632	-
	6,310,435	(2,180,900)

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Investment property

	2021 £
Fair value	
At 1 April 2020	3,022,000
Additions through external acquisition	200,368
Net gains or losses through fair value adjustments	564,632
	<hr/>
At 31 March 2021	3,787,000
	<hr/>

Investment properties comprise of Land and buildings. The fair value of the properties was established by a valuation carried out as at 4 June 2021 by ehB Reeves, a RICS accredited chartered surveyor and commercial property consultants located at Somerset House, Clarendon Place, Leamington Spa, CV32 5QN. ehB Reeves also manage the properties on behalf of the Trust. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

11 Fixed asset investments

	Listed investments £	Unlisted investments £	Cash in portfolio	Total £
Cost or valuation				
At 1 April 2020	23,749,884	4,500	585,935	24,340,319
Additions	5,080,662	-	-	5,080,662
Valuation changes	5,213,707	-	-	5,213,707
Cash movement	-	-	(478,217)	(478,217)
Disposals	(4,461,025)	-	-	(4,461,025)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	29,583,228	4,500	107,718	29,695,446
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 March 2021	29,583,228	4,500	107,718	29,695,446
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	23,749,884	4,500	585,935	24,340,319
	<hr/>	<hr/>	<hr/>	<hr/>

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments

(Continued)

Fixed asset investments revalued

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, units, trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

The historical cost of the listed investments was £23,219,225 at the year end (2020 - £23,731,018).

12 Financial instruments

2021

2020

£

£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

29,583,228

23,754,384

Carrying amount of financial liabilities

Measured at fair value through profit or loss

- Other financial liabilities

2,403,061

2,517,078

13 Debtors

2021

2020

£

£

Amounts falling due within one year:

Other debtors

50,326

8,324

Prepayments and accrued income

40,000

7,333

90,326

15,657

2021

2020

£

£

Amounts falling due after more than one year:

Prepayments and accrued income

15,000

20,000

Total debtors

105,326

35,657

Included in prepayments are lease incentive payments which are spread over the term of the lease period.

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation		8,223	10,467
Deferred income	16	52,028	22,490
Trade creditors		15,170	360
Other creditors		915,521	920,895
Accruals		12,514	20,243
		<u>1,003,456</u>	<u>974,455</u>

15 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>1,487,541</u>	<u>1,586,184</u>

Other creditors relate to unconditional grant commitments.

16 Deferred income

	2021 £	2020 £
Arising from rental income invoiced in advance	<u>52,028</u>	<u>22,490</u>

Deferred income relates to rental income received in advance for periods in the following year. A reconciliation of the deferred income balance as follows: Brought Forward £22,490, Rentals due for the year (£255,718), Invoiced £285,256, Balance Carried Forward £52,028.

THE ELIZABETH CREAK CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Cash generated from operations	2021	2020
	£	£
Surplus/(deficit) for the year	6,123,730	(1,299,412)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,118,547)	(1,187,984)
Gain on disposal of investments	(532,096)	(23,858)
Fair value gains and losses on investment properties	(564,632)	-
Fair value gains and losses on investments	(5,213,707)	2,204,758
Movements in working capital:		
(Increase)/decrease in debtors	(69,669)	39,387
(Decrease) in creditors	(99,179)	(888,504)
Increase/(decrease) in deferred income	29,538	(44,675)
Cash absorbed by operations	(1,444,562)	(1,200,288)
18 Analysis of changes in net funds		
The charitable trust had no debt during the year.		

