

STRATFORD-UPON-AVON TOWN TRUST

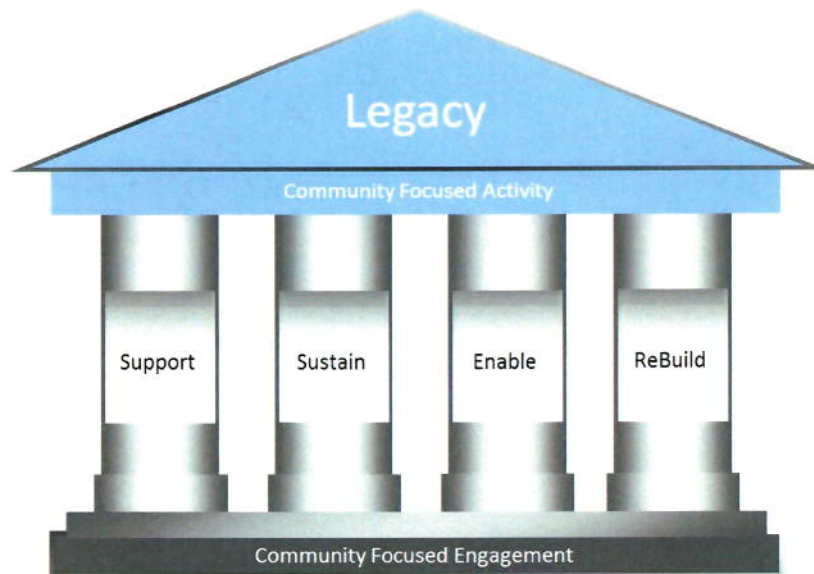
Annual Report and Accounts 2017



Registered Charity No. 1088521
Registered Company No. 04222949
(A Company Limited by Guarantee)

VISION STATEMENT

Investing in the community for the benefit of all.



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STRATFORD-UPON-AVON TOWN TRUST MESSAGE FROM OUR CHAIR OF THE BOARD

Welcome to the Town Trust's annual accounts. This is my first year as Chair of the Board, although I have been a trustee since the inception of Stratford-upon-Avon Town Trust in 2001. I felt very privileged to be elected Chair in November 2017; previously I have chaired the Grants Committee and I am a member of the Finance, Investment & Property Committee.

Having been born in Stratford-upon-Avon and lived in the town all my life, I am very proud to be part of such an active and vibrant community. I am very involved in St Andrew's Church Shuttery as PCC Secretary followed by 11 years as Church Warden and currently Treasurer. I also carried the Standard for the British Legion's Women's Section for 21 years, and I am still working for C.A. Rookes Wine Merchants, as I have done for the past 45 years.

The Board of Trustees comprises 11 trustees who volunteer their time to steer and guide the Trust through its activities and decision making. The trustees have a wealth of knowledge about the various Stratford-upon-Avon communities, the voluntary sector and business.

The terms of office of four of the current elected trustees will end at the AGM. Both I and Clarissa Roberts were unable to stand for re-election as we have served the maximum number of terms, and Alan Haigh and Richard Lane have chosen to not stand again. I should like to thank them all for their hard work and commitment to the Trust during their term as trustees.

In spring this year the trustee elections were held, when 5 trustees were elected. Quentin Willson stood for election for a second term and the results of the election will be announced in June.

Also at end of September 2017 Eden Lee resigned as a trustee due to relocation, and again I should like to thank him for all his hard work and support. In February 2018 Matthew Macdonald joined the Trust as a co-opted trustee; we welcome him to the Trust.

There were many great achievements in 2017, but two I would like to highlight were the opening of Foundation House and the Christmas Party. Foundation House was officially opened in November 2017 and is now a very vibrant and active community hub. There are at least twelve community organisations which now call Foundation House their home and it is brilliant to see all the various groups working together and supporting each other. There are also lots of other groups who have been using the various spaces for meetings and activities. I am sure Foundation House will continue to go from strength to strength in 2018; it is a great example of the Trust's community strategy.

The Christmas party was held on 2nd December at the ArtsHouse. The target guests were families who had had a tough year. The party had a really festive atmosphere with Christmas music, jugglers, face painting, photo booth, plate spinning, snow ball fights, elves and of course a visit from Father Christmas. The families all had a wonderful time and really enjoyed the day. It was heart-warming to see the expressions of joy on the faces of all the children - everyone had a fantastic time.

Throughout 2017, one of the most frequently discussed topics at our Board Meetings was the viability of the ArtsHouse Trust, the operator of the ArtsHouse venue. In last year's statutory accounts we highlighted two risks relating to the financial performance of the ArtsHouse operator and its medium to long term sustainability and viability.

In June 2017 the ArtsHouse operator and the Town Trust entered into a 12 month funding agreement which replaced the final year of the four year funding agreement to 31st March 2018. The revised funding agreement comprised three categories of funding:

- £100k to fund on going community hires
- £60k to fund operational activities
- £90k to fund strategic step change including appointment of a Business Development Manager and an Interim Executive Director
- The funding agreement also contained a condition that a viable 3 year plan had to be submitted within 90 days of the commencement of the new interim executive director.

At the beginning of October 2017, the ArtsHouse operator presented their 3 year plan for the ArtsHouse venue to the Town Trust Board. On the basis of the information provided, the Town Trust Board concluded that the 3 year plan did not justify further funding to the ArtsHouse operator. This meant that the ArtsHouse operator had failed to secure funding for the period post 31st March 2018.

STRATFORD-UPON-AVON TOWN TRUST MESSAGE FROM OUR CHAIR OF THE BOARD

During the following four months discussion took place between the two organisations in the hope of reaching a positive, community oriented, conclusion for the ArtsHouse venue, including the potential for the Town Trust to operate the venue itself. During this time, the Town Trust committed to underwrite the ArtsHouse operator, ensuring that it did not have any going concern issues.

In January 2018 the Town Trust Board met solely to discuss the future of the ArtsHouse venue, where all operational options were considered. At this meeting, following deliberation, the Town Trust Board concluded that it would be unable to underwrite the activities of the ArtsHouse operator beyond the current funding agreement, which terminated on 31 March 2018.

This decision was not well received by the ArtsHouse operator or the town. However, the Town Trust Trustees were very conscious that they had to ensure that their discretionary funding was utilised to maximise its impact on the town. The original funding agreement with the ArtsHouse operator allowed for the Town Trust to commit £680k of funding to the ArtsHouse operator. However, during the four year period, £980k was actually awarded. This level of grant has put pressure on the Town Trust's grant giving ability to other grant applicants. Additionally, rather than walking away, following the conclusion of the four year funding agreement, the Town Trust has provided a further £60k to the ArtsHouse operator to ensure that community provision was continued. Since February 2018 the Town Trust has asked the town to come forward with options for the ArtsHouse venue and also for alternative potential operators to submit their future plans and expressions of interest. Four potential operators submitted expressions of interest and in May 2018 the Town Trust Board reviewed these plans in great depth. The Board unanimously agreed to begin discussions with one of these potential operators with the hope of securing a contract for them to run the ArtsHouse venue for a period of three years. As yet this contract has not been secured so the Town Trust is unable to announce the new operator, but rest assured as soon as the contract is signed, an announcement will be made.

The ArtsHouse operator closed the ArtsHouse venue on 12th May 2018. During the last few weeks the events included the Stratford Literary Festival, Jasper Carrott, and Show of Hands. It is hoped that the venue will be able to reopen in the very near future and under new management it will become a thriving community venue, which is well supported by the town's residents.

We look forward to seeing you at the Annual General Meeting on Wednesday 4th July 2018.

Carole Taylor
Chair of the Board

STRATFORD-UPON-AVON TOWN TRUST CHIEF EXECUTIVE'S REPORT

The Stratford Town Trust, exists solely to improve the quality of life for the residents of Stratford-upon-Avon. The Town Trust undertakes to deliver this through the management of property and investments, with the proceeds forming the funds that are delivered through grants into the community. During the last year, £2.1 million has delivered, through a mix of grants (discretionary and non-discretionary) and other activities.

From an operating perspective, the development of a Community Strategy was a key task for 2017. Following a consultation programme that included community consultation, focus groups and interviews with individuals, a strategy was developed and approved by the Board. This strategy is based around the following words: Support, Enable, Sustain, ReBuild and Legacy. All future activities of the Town Trust, whether grant funding or new initiatives will have to demonstrate their linkage to the Community Strategy. A key pillar of this strategy is to invest into the community for the benefit of all. This does not mean funding projects or initiatives because they are popular but rather backing projects that have the potential to influence the improvement of the quality of life. The Community Strategy is underpinned by the Investment Strategy and the Community Investment Policy. These two subordinate strategies detail how the property and investment assets are managed and then how the proceeds are provided back into the community in the form of grants and initiatives.

During 2017, the Town Trust also launched three significant new initiatives into the community: Foundation House, Books for Children and ReBuild. Each of these initiatives was developed to tackle different issues within the community but each have one factor in common; that is they are proactive rather than the reactive approach of a traditional grant-giving organisation. Foundation House has seen the Town Trust over-run with demand not only for the office and storage space within the lease premises but also for the meeting rooms. Foundation House will become the epi-centre for community engagement activities being undertaken by the Town Trust. ReBuild and Books for Children are both aimed at improving quality of life either immediately or over the longer term. These initiatives are the start of a new model of community engagement for the Town Trust: listening, understanding need and community impact and then providing resources in a targeted manner. The more traditional grants will continue, but we are looking to increasingly work alongside the community to build a better Stratford-upon-Avon.

The Town Trust is managed by a small team of dedicated staff; without whom the organisation would not be able to function. I would like to thank the professional dedication each of them brings to the Town Trust. Their commitment consistently goes well beyond their role descriptions and they all bring energy and enthusiasm in supporting the Community.

Having spent a full calendar year now as the Town Trust's Chief Executive, I remain committed to being open to meet with any member of the community every Friday. To those that have come and met me, I would like to say thank you. To those that have a topic close to their heart I invite you to come and meet with me. The insight that I have gained from these conversations has enabled me to gain understanding of the role of the Town Trust and to learn more about the Stratford-upon-Avon community. For the coming year, I again welcome all members of the community to meet with me.

Justin Williams
Chief Executive
23 May 2018

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing documents, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2015.

Objects

The Town Trust's Objects are to be applied for the benefit of those living in the town of Stratford-upon-Avon; and are as set out in the Memorandum and Articles of Association (also those studying or working in the town may incidentally benefit):

- to relieve need, hardship and distress among beneficiaries
- to relieve sickness, disability, old age and infirmity among beneficiaries
- to provide or support the provision of facilities for education of beneficiaries, including the advancement of learning and knowledge
- to provide or support (with the object of improving the conditions of life for beneficiaries in the interests of social welfare) facilities for recreation and other leisure-time occupation.
- to advance the Christian religion for the benefit of beneficiaries
- to further any other charitable purposes for the general benefit of the beneficiaries

An Environment of Change

During 2017, the Town Trust transitioned from its previous three year strategy, focused on business objectives to the development of an integrated Community Strategy. The previous strategy served the Town Trust well and enabled projects such as the four year funding of the Stratford Arts House Trust (following the rejuvenation of the Civic Hall) and the £1m CommUnity Challenge Project.

Community Strategy: 2017-2020

The Board of Trustees approved a new 3 year Community Strategy, including objectives and delivery, in late 2017. Rather than the development of a 5 year Strategy, the view was to continue the change process and implement a new three year strategy. This will enable the Trust to embed the community at the heart of the strategy, before developing a longer term strategy in 2020.

STRATFORD-UPON-AVON TOWN TRUST

REPORT OF THE TRUSTEES

Principle Activities

The principle activity of Stratford-upon-Avon Town Trust (Town Trust) is the giving of grants, discretionary and non-discretionary, to beneficiaries that are based in Stratford-upon-Avon. This is facilitated by the careful management of the investment portfolios held by the Guild Estate Endowment Charity (Guild Estate) and College Estate Endowment Charity (College Estate). The Town Trust is the corporate trustee of the Guild Estate and the College Estate.

In order for the grant-making programme to continue to provide a reliable source of funds, the Town Trust endeavours to maximise the return on all classes of investments. However, there is also an element of present value versus long term strategic value in terms of asset management and value optimisation. The Town Trust, with a history dating back more than 500 years, takes a very long term view on income generation.

STT Plan and Future Direction

The Town Trust needs to become a more visible source of funding within Stratford-upon-Avon, not a funder of choice for a limited number of recipients but a funder whose aims and intentions are known across Stratford-upon-Avon.

There is a layered plan in place to achieve this, but at a high level the direction is as follows:

1. **Community Strategy**
A community-led strategy focused on investing in the community for the benefit of all. All activities and initiatives of the Town Trust must align to a framework-based approach using the key words: Support, Enable, Sustain, ReBuild and Legacy. All grants will be graded according to a multi-component matrix and community need and impact to the community are central to this matrix.
2. **Development of Community Facilities**
Following the development and implementation of Foundation House, it is obvious that there is high demand for facilities within Stratford-upon-Avon that the community can access and use as the focal point for their activity. The demand is present across all sectors from sporting groups to community support organisations. The Town Trust will look at ways of leveraging Foundation House's capacity and that of other community facilities to provide the capacity to fulfil this need.
3. **Proactive Funding strategy**
Providing sufficient funds to enable a community grant-making programme is the prime activity of the Town Trust. Historically, applications for funding have led to the development of a robust, yet reactive funding model. In order to respond to the rapidly changing community funding requirements there is a requirement to also develop a proactive funding model which will operate alongside the more traditional application based funding model.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

Grant awards during 2017 were based on our previous Grants Strategy which had five themes to guide the grant allocation process and achieve public benefit, these were;

- Anti-Poverty
- Children and Young People
- Strengthening the Community
- The Elderly
- Welfare and Wellbeing

Towards the end of the year, we undertook a strategic review of our approach to awarding and allocating grants. This resulted in the development of a new Community Investment Policy which detailed new priorities and decision-making criteria for grant awards. The following are areas we believe grant funding can make the biggest difference to communities:

- Improve Health and Wellbeing
- Create Positive Activities for Young People
- Reduce Loneliness and Social Isolation
- Protect and Support Vulnerable Communities
- Develop Community Capacity and Resilience
- Support During Times of Crisis

This new approach aims to ensure that any grants we award are based on identified community need and demonstrable impact towards improving quality of life in the town.

Programme Grants – grants awarded which cover up to a period of three years.

Safeline: £117,620 over two years

Year 1: £46,620. Project running 2018 - 2019

Safeline were awarded funding along with space at Foundation House which will enable the organisation to offer a dedicated range of services to people affected by rape and sexual assault in Stratford-upon-Avon. Safeline will be working with old and new partners at Foundation House to further support and raise awareness of these issues so that they can support more people in the town who would benefit from their services. Some of the outcomes the project will aim to achieve include:

- More people in Stratford-upon-Avon accessing Safeline's Counselling, ISVA (independent Sexual Violence Advisor) services and creative therapy services.
- People affected by rape and sexual assault will wait a shorter time for assessment.
- People using the services will report improved health, mental wellbeing and self-esteem.

Stratford upon Avon Hockey Club: £65,000 over 3 years

Year 2: £6,000. Project running 2016 - 2019

Stratford upon Avon Hockey Club continue to provide training, equipment and support to increase opportunities for the Stratford community to play hockey through:

- Schools Outreach activities
- A 'Back to Hockey' scheme to encourage adults who have stopped playing to get back into the sport
- A 'Hockey Tots' scheme for children aged 3-7 years.

The project aims to increase access and participation to physical activity and sport through structured Hockey Programmes for people in the town.

Parenting Project: £182,500 initially over 3 years 'Stratford Town Family Support Project'

Extended for a fourth year: £17,770. Project running 2014 – 2018

The Stratford Town Parenting Project offered a range of support to families with children aged 5-18 years old that were experiencing challenges. Due to the success of the project and a predicted increase in demand, we invested a further £17,770 to extend it until March 2018. The project has, amongst other things, provided intensive support to families which has helped to improve their wellbeing and children's participation in education.

Summary of Discretionary Grants awarded in 2017

Community gain	Awarded £	Examples of Beneficiaries
To relieve need, hardship, distress, sickness, disability, old age and infirmity among beneficiaries	448,246	<ul style="list-style-type: none"> • Springfield Mind: Dementia Wellbeing Cafes £23,326 • VASA: Community Transport Running Costs £10,000 • Warwickshire Association of Youth Clubs: Stratford Sharp Minds Project which supports young people with complex emotional needs £19,500 • Stratford Upon Avon Foodbank: Running costs £12,000 • Citizens Advice South Warwickshire: Core Funding and Money Advice Service £54,868 • Domestic Abuse Counselling Service: Support for individuals affected by domestic abuse in Stratford-upon-Avon £30,000 • Stratford Upon Avon Refuge: Running costs towards accommodation and support for individuals fleeing domestic violence and abuse £15,000 • Stratford Samaritans: Volunteer Recruitment and a 'Listening Town' campaign to raise awareness of mental health £15,000 • Heart of England Mencap: Activities for people with learning disabilities £10,000 • Escape Arts: Community Art in action to improve health and wellbeing £18,200.
To provide or support the provision of facilities for education for beneficiaries, including the advancement of learning and knowledge	225,153	<ul style="list-style-type: none"> • Grants to all town state schools and the college plus two out of town state schools with a large number of Stratford-upon-Avon resident pupils: £178,417 in total - 14 grants. • Entrust Care Partnership: Entrust Entrepreneurs to support young people with additional needs to transition from education to employment or training £7,700
To provide or support facilities for recreation and other leisure-time occupation	384,960	<ul style="list-style-type: none"> • Stratford ArtsHouse: Running Costs £254,183 • Stratford upon Avon High School: Athletics Track Upgrade and Refurbishment £40,000 • Stratford Thunderballs Girls Netball Club: £15,000 • SMC (2016) Ltd: Running Costs of Music Centre £15,000
To advance the Christian religion	5,535	<ul style="list-style-type: none"> • Stratford Upon Avon Baptist Church: Purchase of audio visual equipment £5,000
To support Civic Pride	47,547	<ul style="list-style-type: none"> • Stratford in Bloom: £15,000 • Stratford upon Avon Christmas Lights Co Ltd: £15,000 • Shakespeare Birthday Celebrations £10,000
To support citizenship and community	11,000	<ul style="list-style-type: none"> • Heart of England Community Foundation: Youth Social Action Fund £10,000 • Clopton Community Action Group: Family Fun Day £1,000
Other charitable purposes	22,898	<ul style="list-style-type: none"> • Accessible Stratford: 2017 Accessible Guide of Stratford-upon-Avon £835 • Welcombe Radio: Running costs for community radio station £8,495

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

Non-Discretionary Grants

The Grammar School of King Edward VI at Stratford-upon-Avon (charity number 528769) received £648k (2016: £639k) out of income from the Guild Estate in accordance with the Charity Commission Scheme dated 1 October 2001.

- £41k (2016: £39k) was paid towards the maintenance of the Almshouses, out of the income of the Guild Estate
- £7k (2016: £7k) was paid to the Vicar of Holy Trinity Church out of the income of the College Estate.

Guild Chapel

In 2017 the majority of the Heritage Lottery Fund Project was completed within the Guild Chapel. In May 2017, the wall painting conservation team gave a talk, in the Guild Chapel, explaining how they carried out the work and sharing an insight into their findings with the attendees. Their findings were particularly exciting in respect of paintings, which were revealed behind the wood panelling. Following the "Pounds for Panels" campaign an anonymous donation funds in excess of £5k have been raised which will contribute to the reveal and conservation of an additional panel in 2018.

The conservation activities that the Heritage Lottery Fund grant enabled have been significant. The revealing of the wall paintings has provided public and media attention, highlighting the rich history of the Guild Chapel and its role in Stratford-upon-Avon. These activities have created a desire to reveal further wall paintings within the Guild Chapel and created new relationships. During 2018 it is envisaged that further work will be undertaken and a strategy will be developed for the conservation of further wall paintings in the Guild Chapel over the coming years.

The volunteers of the Guild Chapel continue to provide the energy and enable the Guild Chapel to become a living attraction. During 2017, the number of volunteers has grown to nearly 40 and we would like to thank the volunteers for all their help and time which they have given to the Chapel so generously over the year.

The close relationships with the Clergy, Guild Hall and the Friends of the Guild Chapel have again proven to be important during 2017. The Friends of the Guild Chapel have funded additional activity and improvements, notably the new glass doors and pew lights, for which they should be recognised and commended. Lastly, it is important to recognise that the Guild Chapel is still a place of worship and throughout 2017 the Guild Chapel continued to hold its Wednesday services. Additionally, a number of special events, concerts and music recitals have been held in the Chapel.

**STRATFORD-UPON-AVON TOWN TRUST
REPORT OF THE TRUSTEES**

FINANCIAL REVIEW (incorporating strategic review)

OVERVIEW

In 2017 total income for the Trust was £3.3m (2016: £3.3m) the vast majority of this income (98.3%) was generated from the charities investments, the Trust is so very fortunate to have such a legacy and to not have to undertake fundraising on a regular basis. Investment (both property and equity) management costs amounted to £0.7m, so 79% of the total income was available for charitable purposes to be spent on enhancing the lives of the people of Stratford-upon-Avon (2016: 76%). 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 managed well thus ensuring income flows for future generations.

£2.35m was spent on charitable expenditure (2016: £2.3m), of which £1.95m was given as grants (2016: £1.8m), £1.25m were discretionary grants, for more detail see note 9 on page 33.

INCOME

The 2017 total income of £3.3m was very comparable to last year (2016: £3.3m). Investment income, £3.24m, remains our main source of income being 98.3% of total income.

The investments had a yield of 5.5% (2016: 5.6%). The slight decrease in yield was due to the positive increase in both equity and property values, during the year. Equity values increased due to stronger stock markets and property values increased due to the impact of stronger covenants on a number of leases.

EXPENDITURE

The majority, 75% (2016: 76%), of the expenditure of raising funds, relates to the direct costs of managing the investment portfolio and in the main these costs relate to managing the property portfolio. The cost of raising funds was £0.7m (2016: £0.8m). For more detail see note 8 on page 32.

Statement of financial activities – summary			
	2017	2016	Growth
	£k	£k	%
Investment income	3,243.3	3,199.5	
Donations & Legacies	43.4	90.5	
Charitable activities	11.6	1.3	
Other income	2.4	20.6	
Total income	3,300.7	3,312.0	(0.34)
Expenditure on raising funds	696.2	792.3	
Total net income	2,604.5	2,519.7	3.40
% of total income available for charitable purposes	78.9%	76.1%	
Discretionary grants	1,250.7	1,134.2	
Non discretionary grants	696.2	685.3	
Other charitable activities	399.4	454.6	
Total charitable activities	2,346.3	2,274.1	3.18
Net incoming resources	258.3	245.6	5.17

CHARITABLE EXPENDITURE

During 2017 our charitable expenditure was £2.35m, a slight increase from 2016, £2.27m. The change was primarily driven by costs relating to the setting up of Foundation House, the new community hub.

88.3% (2016: 88.2%) of the charitable expenditure was either grants or direct expenditure on community facilities.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

OVERHEADS

Considering the value of the Town Trust's assets and the range of its activities, our staffing levels are relatively small; we occupy premises owned by College Estate. We have the minimum necessary standards of technological and systems infrastructure.

Nonetheless the trustees remain acutely aware that our primary purpose is to deliver much needed financial and other support to the community, especially during this period of continued public funding cuts. To that end we keep our overhead costs under stringent review and whenever possible take advantage of opportunities to reduce them.

Our present overhead structure continues to be lean; and while we may lack the resources to embark on more proactive or ambitious initiatives at this time, it is sufficient to ensure that the management and administration of the Town Trust is conducted effectively. During the year the allocation of support costs was reapportioned, to reflect the workloads and activities undertaken in the year.

Members may rest assured that our commitment to keeping this area under continual review will not weaken.

BALANCE SHEET

The Town Trust had investments of £58.8m at the end of 2017; these are the investments which generate all the investment income. 96% of the investments are defined as endowed assets, which means that if any of these assets are ever sold all the proceeds from the sale must be reinvested and these assets are also defined as endowed assets. During the year the investments increased by 3.6% (2016: 5.7%).

In December 2017 a small unit of shops to the rear of Sheep Street was sold, for £175,000, as it was achieving a very poor return. The net proceeds were invested in equities in 2018, which will achieve a greater return on investment.

At the end of the year the Town Trust had £0.54m of committed grants to discretionary grant beneficiaries and non-discretionary grant beneficiaries, which will be paid within the next 12 months (2016: £0.71m). This amount is included in creditors.

The Town Trust has a liability of £0.23m (2016: £0.33m), which relates to the deficit of defined benefit pension scheme (see note 26).

The total reserves at the end of the year were £60.0m, of which £3.54m were unrestricted funds, which the Town Trust can use to fund future charitable activities.

RESERVES POLICY

The trustees review the reserves policy annually and consider it very important that the three Trusts can pay all their committed grants and have free reserves to cover on going administration costs for six months.

Stratford-upon-Avon Town Trust

Unrestricted reserves are held in the Trust to cover six months of administration costs (estimated at £264k), the balance being available to pay future grants. The level of this reserve is reviewed annually.

In 2015 a designated reserve was set up to match the net book value of the ArtsHouse building, which is a tangible fixed asset. The annual depreciation associated with this asset is charged to this designated reserve. In 2017 two further designated reserves were set up, one was for the fixed assets relating to Foundation House (£120k), the other (£150k) for future running costs of Foundation House.

Guild Estate and College Estate

The permanently endowed reserve in each of Guild Estate and College Estate will always be fully investment and cash backed. To recognise the small operational risk in both charities an unrestricted reserve of at least £30k will be held in College Estate and £100k in Guild Estate. The level of reserves is reviewed annually. For more detail of the individual charities' reserves see note 22.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

INVESTMENT POLICY AND PERFORMANCE

At the end of 2017 Town Trust held investments of £58.8m, an increase of £2.0m on 2016. Town Trust has two endowed investment portfolios, which are held by Guild Estate and College Estate, and other investments, which are held by Town Trust and College Estate.

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 portfolio diversification and reduce our exposure to property, in Stratford-upon-Avon. The targets set for reducing physical property investment, in the Guild and College Estates, to between 70% and 80% of the total investment portfolio value have been largely met.

The Board reviewed and updated the investment policy in September 2017. The policy's main objectives are:

- **Short Term (less than three years) Objective**
The short-term investment objective is to ensure that the Town Trust has sufficient liquidity to enable it to fund its planned spending on good causes 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). ***(4.5% is the weighted average of the yield of property (4.98%) plus the yield of the quoted investments 3.5%).***
- **Long Term Objective**
Endowment investments are expected to exist in perpetuity and should be managed to meet the charities' 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 Town Trust does not have any social investments; all Guild Estate and the majority of College Estate investments are endowed. The policy, at present, is to not have any programme related investments.

**STRATFORD-UPON-AVON TOWN TRUST
REPORT OF THE TRUSTEES**

INVESTMENT POLICY AND PERFORMANCE (cont'd)

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

Investment	2017 £m	2016 £m	2017 %	2016 %
Endowed:				
Physical Property	39.7	38.8	67.3%	68.3%
Equity Funds	14.3	13.0	24.6%	22.9%
Property Funds	2.4	2.2	4.1%	3.7%
Cash equivalent	0.1	0.6	0.1%	1.2%
Total endowed investments	56.5	54.6	96.1%	96.1%
Non Endowed:				
Equity Funds	1.6	1.5	2.7%	2.6%
Property funds	0.7	0.7	1.2%	1.3%
Total investments	58.8	56.8	100.0%	100%

Independently Managed Funds Performance

The equity investments are held with one of Sarasin & Partners, Cazenove Capital Management and Legal & General. The property funds are held with either the Charities Property Fund or Schroder UK Property Fund. The investment returns during the year are shown in the table below:

	Income	Capital	Total Return	Target	Benchmark
Trust	3.5%	6.3%	9.8%	7.0%	8.7%
Guild	3.7%	7.3%	11.0%	7.0%	11.1%
College	3.5%	6.0%	9.5%	7.0%	11.1%

The benchmark for the Guild Estate and College Estate is the weighted average of the benchmark for the property funds (10.2%), which is based on IPD All Balanced Funds Property Index, and the benchmark for the Common Investments Funds (11.3%) (which is calculated based on FTSE All-share 5% capped (Total Return) (UK) (21.6%), FTSE Gilts All Stocks (Total Return) (20.97%), IPD All Balanced Property Funds – one quarter lagged (2.32%), MSCI AC World ex UK (local currency – GBP) (8.7%), MSCI AC World ex UK (Net total return) (18.7%), S&P Developed Property Net TR (2.03%), UK cash LIBOR 1 month (Total Return) (5%).

The benchmark for the Town Trust is based on FTSE All-share 5% capped (Total Return) (UK) (21.6%), FTSE Gilts All Stocks (Total Return) (20.97%), ICE BofAML Sterling Corporate (20.68%), IPD All Balanced Property Funds – one quarter lagged (2.32%), MSCI AC World ex UK (local currency – GBP) (8.7%), MSCI AC World ex UK (Net total return) (18.7%), S&P Developed Property Net TR (2.03%), UK cash LIBOR 1 month (Total Return) (5%).

The actual total return performances were better than the targets due to the positive performance of the financial markets in relation to the capital values, this also resulted in the Trust returns being better than the benchmark however Guild and College's returns underperformed as the actual capital returns were lower than those of their benchmarks.

At the beginning of 2017 £0.5m was invested in Legal & General funds, these were the proceeds of a property disposal which occurred in autumn 2016.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

Property Investment Performance

The combined property portfolio is valued at £39.7m (2016: £38.8m). The property agents, Colliers International, performed a full valuation of properties as at 31 December 2015, so at the end of this year there was only a need to value properties which had had a change of tenancy or change in lease agreement.

The performance during the year continued to be robust, despite the impact of the BREXIT decision in summer 2016. Property valuations improved by £1.0m as a result of the impact of new tenancies, rent reviews and renewals.

	Income	Capital	Total Return	Target	Benchmark
Guild	6.5%	2.4%	8.9%	8.5%	10.2%
College	7.5%	2.7%	10.2%	8.5%	10.2%

The benchmark for the Guild Estate and College Estate is the AREF/MSCI All Balanced Funds Property Index.

In September 2016 the Town Trust was very pleased to announce that the Hotel du Vin Group had taken a lease on 7&8 Rother Street and they are currently in the process of converting the building into a hotel, this work is still ongoing and the hotel will be opened in May 2018.

Guild Estate sold one property during the year; a small unit of shops to the rear of Sheep Street the net proceeds were £166k, and as these proceeds represent endowed funds they were reinvested into equity funds in April 2018.

After adjusting for disposals, the Group property portfolio had an average capital return of 2.6% (2016: 2.9%). The rental yield for the combined portfolio was 6.8% (2016: 6.9%), giving a total return of 9.4% (2016: 9.8%).

The health of our commercial property portfolio in Stratford-upon-Avon continues to hold up remarkably well. During the year we have had minimal voids and a level of rent arrears that are no worse than would normally be expected with a portfolio of its magnitude and mix.

The underlying annual property income has remained consistent with the previous year. At the year-end there were two void offices in a multi-let property and one void retail unit, which was let in March 2018.

Investment criteria

The trustees have considered carefully the requirements of the SORP and the Charity Commission's revised guidance note CC14 (issued in October 2011) and continue to conclude that they do not believe there is any listed investment adverse to the purpose of the charity.

Public Benefit

The Public Benefit of the Town Trust is primarily achieved through its grant-making to benefit the "inhabitants of Stratford-upon-Avon" (as defined by the administrative boundary of the parish).

All 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 across the community. The Town Trust ensures that the net of benefit is cast as widely as possible. These allocations are influenced by on-going public consultation and information.

In the same way the Town Trust ensures that access to all its directly managed facilities is available to all sectors of the community. In 2017 this saw the launch of Foundation House which will greatly benefit the community. There are 12 community groups who have taken permanent space as licensees, this benefit is being treated as a gift in kind. Also many community groups have started utilising the various meeting spaces on a regular basis.

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

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

Governance

The Stratford-upon-Avon Town Trust (Town Trust) is the corporate Trustee of the Guild Estate Endowment Charity (Guild Estate) and the College Estate Endowment Charity (College Estate) (referred to as "the Group").

CHARITY REGISTRATION NUMBER 1088521
COMPANY REGISTRATION NUMBER 04222949, registered in England & Wales

The Town Trust is a charitable company limited by guarantee, incorporated on the 24 May 2011, and registered as a charity on the 1 October 2011. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and it governed under its Articles of Association. The Trust is the corporate Trustee of the Guild Estate Endowment and the College Estate Endowment Charities (referred to as "the Group"). Although the Guild and College Estates are not companies under company law, the Charity Commission recognises that the three entities operate as a group and as such allow the statutory accounts to be prepared on a consolidation basis.

The Trust has a maximum of eleven trustees. Five are elected by the Trust's members, three are nominated by the Stratford-upon-Avon Town Council (but do not need to be Town Councillors) and three are co-opted, chosen by the other trustees via an open recruitment process. The trustees serve an initial term of four years, after which they may put themselves forward for re-selection or re-election for another four year term.

Within the Town Trust, all trustees (elected, nominated and co-opted) form the Board, as equal members. There are now three committees within the Town Trust, since, during 2017, the Audit Committee was combined with the Governance Committee as it was believed that there was close correlation between the two committees, also the Grants Committee was renamed the Engagement Committee and then combined with the Communications Committee, since communication is a fundamental part of the community strategy. Terms of reference for all committees are reviewed and updated as required, on an annual basis.

The committees are as follows: Audit & Governance Committee; Engagement Committee; and Finance, Investment and Property Committee (FIP).

The key responsibilities of the committees are shown in the table below.

Committee	Responsibilities
Audit & Governance	<ul style="list-style-type: none"> Ensuring risk management, governance and internal control systems are functioning effectively and report when attention is required to improve Interface with external auditors Review and oversight of constitution, regulations and non-operational decision making Review, adoption and implementation of policies relating to corporate and Charity Commission regulations and laws
Engagement	<ul style="list-style-type: none"> Review and recommend a Community Investment Policy in relation to grant funding Recommend and oversee delivery of Communication and Engagement Plan Approve and review grant awards
Finance, Investment and Property	<ul style="list-style-type: none"> Review of quarterly management accounts, annual budgets, 3 year rolling plans and the annual report and financial statement Review and updating of investment and reserve policies Review and oversight of all property & investment related matters

During the year there were eight Board Meetings, at these meetings the trustees agreed the broad strategy of the Trust and discussed the key areas of activity of the Trust, including grant giving, investment, reserves and risk management. The various committee minutes are reported at the subsequent Board meetings.

In 2017 one trustee (co-opted) stepped down due to relocation – Eden Lee; and his replacement, Matthew Macdonald, was appointed in February 2018.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

Governance (continued)

A comprehensive induction process is provided to each trustee on joining the Town Trust. All conflicts of interests are registered when a trustee joins the Town Trust and updates are requested at every committee and Board meeting. In meetings where a conflict of interest arises the trustee withdraws from that section of the meeting.

All trustees are volunteers and no trustee received any remuneration during the year. Details of trustee expenses are disclosed in note 23 and trustee related party transactions are disclosed in note 30.

The Town Trust also employs a number of staff, details of staff costs and numbers are disclosed in note 11. All new staff are inducted and trained when they join the Town Trust, so that they can perform their responsibilities efficiently and effectively, within the guidelines set out by the Town Trust's policies, processes and procedures. There is a staff appraisal process and staff training requirements are reviewed annually. The staff who have delegated powers set by the Board, undertake the administration for all three entities and as such a management charge is passed on to Guild Estate and College Estate to reflect this.

Risk management (incorporating strategic review)

The Town Trust's risk policy was reviewed in autumn 2017, 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 of the risk and the likelihood of the risk occurring. Then the risk needs to be mitigated, if possible. The policy requires that the risks are monitored and assessed on a regular basis, the Town Trust's policy states that this is done by reviewing and discussing the Risk Register. The whole process is monitored by the Audit & Governance Committee.

The trustees consider that the major risks facing the Group at the end of the year were:

Description of Risk	Mitigation of Risk
The ArtsHouse charity fail to keep their funding needs within the level agreed in the grants agreement signed June 2017	The Town Trust has regular update meetings with the ArtsHouse management and trustees to understand its performance. It also receives the monthly management accounts, forecasts and annual budget.
Future of ArtsHouse charity and venue to be firmed up	The Town Trust has decided that it can't justify the renewal of the 4 year funding arrangement to the ArtsHouse charity when it expires on 31 March 2018. However a future viable strategy for the ArtsHouse venue needs to be agreed upon which matches cost with impact and benefit. The current arrangement is too costly for the impact achieved.

Throughout 2017, one of the most frequently discussed topics at our Board Meetings was the viability of the ArtsHouse Trust, the operator of the ArtsHouse venue. In last year's statutory accounts we highlighted two risks relating to the financial performance of the ArtsHouse operator and its medium to long term sustainability and viability.

In June 2017 the ArtsHouse operator and the Town Trust entered into a 12 month funding agreement which replaced the final year of the four year funding agreement to 31st March 2018. The revised funding agreement comprised three categories of funding:

- £100k to fund on going community hires
- £60k to fund operational activities
- £90k to fund strategic step change including appointment of a Business Development Manager and an Interim Executive Director
- The funding agreement also contained a condition that a viable 3 year plan had to be submitted within 90 days of the commencement of the new interim executive director.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

At the beginning of October 2017, the ArtsHouse operator presented their 3 year plan for the ArtsHouse venue to the Town Trust Board. On the basis of the information provided, the Town Trust Board concluded that the 3 year plan did not justify further funding to the ArtsHouse operator. This meant that the ArtsHouse operator had failed to secure funding for the period post 31st March 2018.

During the following four months discussion took place between the two organisations in the hope of reaching a positive, community oriented, conclusion for the ArtsHouse venue, including the potential for the Town Trust to operate the venue itself. During this time, the Town Trust committed to underwrite the ArtsHouse operator, ensuring that it did not have any going concern issues.

In January 2018 the Town Trust Board met solely to discuss the future of the ArtsHouse venue, where all operational options were considered. At this meeting, following deliberation, the Town Trust Board concluded that it would be unable to underwrite the activities of the ArtsHouse operator beyond the current funding agreement, which terminated on 31 March 2018.

This decision was not well received by the ArtsHouse operator or the town. However, the Town Trust Trustees were very conscious that they had to ensure that their discretionary funding was utilised to maximise its impact on the town. The original funding agreement with the ArtsHouse operator allowed for the Town Trust to commit £680k of funding to the ArtsHouse operator. However, during the four year period, £980k was actually awarded. This level of grant has put pressure on the Town Trust's grant giving ability to other grant applicants. Additionally, rather than walking away, following the conclusion of the four year funding agreement, the Town Trust has provided a further £60k to the ArtsHouse operator to ensure that community provision was continued.

Since February 2018 the Town Trust has asked the town to come forward with options for the ArtsHouse venue and also for alternative potential operators to submit their future plans and expressions of interest. Four potential operators submitted expressions of interest and in May 2018 the Town Trust Board reviewed these plans in great depth. The Board unanimously agreed to begin discussions with one of these potential operators with the hope of securing a contract for them to run the ArtsHouse venue for a period of three years. As yet this contract has not been secured so the Town Trust is unable to announce the new operator, but rest assured as soon as the contract is signed, an announcement will be made.

The ArtsHouse operator closed the ArtsHouse venue on 12th May 2018. During the last few weeks the events included the Stratford Literary Festival, Jasper Carrott, and Show of Hands. It is hoped that the venue will be able to reopen in the very near future and under new management it will become a thriving community venue, which is well supported by the town's residents.

Future sustainability

For the Town Trust to stay sustainable in the future, we need to strike a balance between our economic choices and their impact on the communities, environment and individuals. We need to achieve all of this while maintaining our operational effectiveness. Our vision is a sustainable Town Trust that creates more community value than we take. We will achieve this by integrating sustainability considerations into all our planning and decision-making processes. Our current focus is on the following two key areas:

- Social and Community
- Economic

Health and safety

In 2017 the Town Trust continued its programme of H&S site audits which is driven by keeping our people, the community, properties and environment safe. The programme is run by external Health and Safety experts who focus on properties that could give rise to issues. A regular inspection programme is also in place.

Inclusion and diversity

Our goal is to be inclusive, benefit from diversity and appreciate everyone for their individual contribution. Work on inclusion and diversity in the Town Trust continues to focus on creating awareness and putting the building blocks in place that will make an impact in the future.

Contacting our members and the community

The Town Trust prides itself on a high standard of professional conduct especially when it comes to the use of membership information. The Town Trust continually reviews how we contact the public to ask for support and then tightly controls not only the data that is provided but also any identifying information. In 2017 the Town Trust's communication practices continued to be on an opt-in basis. While we do work with specialist people and organisations to advise and support our activities, we do not fundraise or canvas our members for fundraising on our behalf of any other organisation.

Openness, transparency and accountability

The Town Trust works hard to minimise overheads and maximise the funds flowing into the grant-making programme. The CEO is available every Friday to meet Trust members or community members to discuss any issue.

Grant making policy

Details of how to apply for grants are available on the Town Trust's website: www.stratfordtowntrust.co.uk. Applications are made to the Town Trust, using the application form. The Town Trust operated three main grants rounds in 2017. The Town Trust also offers a Fast Track grant scheme whereby organisations can apply for up to £2,000 and receive a decision in ten working days. We continue to offer small value grants to individuals experiencing financial hardship; this scheme is administered on our behalf by Citizens Advice South Warwickshire.

The organisations in receipt of multi-year grants continue to report during the year. Once the first year's grant is awarded, the subsequent years of the project are awarded in principle only; these grants are dependent upon the organisation meeting agreed targets and the trustees approving the report and a budget for the coming year.

Each grant is allocated to one of our charitable objects, but many awards meet two or more of the Town Trust's objects.

Monitoring of all grants takes place through visits, grant utilisation reports and grant audits.

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 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 Trust or for publication

Control Environment

The Trust has an organisational structure with defined lines of responsibility and job descriptions.

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. 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.

Information Systems (continued)

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 and 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 and believes them to be adequate.

Our Staff and Volunteers

None of the Trust's work would be possible without the commitment and hard work of our volunteers, supporters and staff.

At December 2017 the Trust had 11 paid staff, the majority being part-time. Their wealth of experience, skills and commitment has enabled the Trust to deliver another amazing year of grants and investment management. It is important that the Trust is able to attract, recruit and retain talented individuals. The Board of Trustees are responsible for the annual remuneration review.

The Town Trust's volunteers are fundamental to the success of the Town Trust and those related with the Guild Chapel are assisting with the unlocking of this hidden gem. The Town Trust is most grateful to all of them.

The Town Trust's employment policies follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, religion, age, employment status or disability.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

OFFICERS, CONTACTS AND ADVISORS

TRUSTEE BOARD

Mr C Bates
Mrs T Bates
Mr A Haigh (Chair of Board to 1.11.17)
Mr A Jackson (Vice Chair of Board from 01.11.2017 Chair of Engagement Committee from 01.11.2017)
Mr R Lane
Mr E Lee (resigned 29.9.17)
Mrs J Lucas
Mr M Macdonald (appointed 21.2.18)
Mrs C Roberts MBE
Mr C Snowdon (Chair, Finance Investment & Property Committee)
Mrs C Taylor (Vice-Chair of Board to 1.11.17, Chair of Grants Committee to 31.10.17, Chair of Board from 1.11.17)
Mr Q Willson

NON EXECUTIVE AUDIT & GOVERNANCE COMMITTEE MEMBERS

Mrs S Jassi Deputy Chair from 1 January 2017 to 31 December 2017
Mr A Flor Chair from 1 January 2017 to 31 December 2017

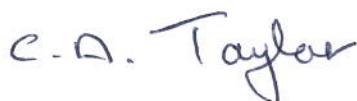
CHIEF EXECUTIVE	Justin Williams	SENIOR MANAGEMENT TEAM	Justin Williams, Claire Bowry (to 31.7.17), Rebecca Hampson, Rachel Jones (from 11.9.17), Lynn Wilson
AUDITORS	Saffery Champness LLP St John's Court Easton Street High Wycombe HP11 1JX		
BANKERS	Barclays Bank plc Barclays House PO Box 1500 Dominus Way Meridian Business Park Leicester LE19 1RP	PROPERTY MANAGER	Colliers International 12 th Floor Eleven Brindley Place 2 Brunswick Square Brindley Place Birmingham B1 2LP
INVESTMENT MANAGERS	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU	INVESTMENT MANAGERS	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA
	Charities Property Fund Cordea Savills 33 Margaret Street London W19 0JD		Schroders 31 Gresham Street London EC2V 7QA
	Legal & General Investments Corporate Accounts Team PO Box 6080, Wolverhampton WV1 9RB		
SOLICITORS	Messrs Robert Lunn & Lowth 2 Sheep Street Stratford-upon-Avon CV37 6EJ	SOLICITORS	Wiggin Osborne Fullerlove 95 The Promenade Cheltenham GL50 1HH

Stratford-Upon-Avon Town Trust is a private company limited by guarantee (company number 04222949) incorporated in England and Wales. It is also a registered charity (charity number 1088521). The registered office is at 14 Rother Street, Stratford-upon-Avon, CV37 6LU.

**STRATFORD-UPON-AVON TOWN TRUST
REPORT OF THE TRUSTEES**

Statement as to disclosure of information to auditors

The 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 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. The Trustee Report (including the Strategic Report) was approved by the Board of trustees on 23 May 2018 and signed on their behalf by Carole Taylor.



Carole Taylor
Chair of Board
23 May 2018

STRATFORD-UPON-AVON TRUST STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Stratford-upon-Avon Town Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 (FRS 102);
- 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

there is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

STRATFORD-UPON-AVON TOWN TRUST INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Stratford-upon-Avon Town Trust for the year ended 31 December 2017 which comprise a statement of financial activities, balance sheet and statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2017 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

This report is made solely to the charitable company's members and the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

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

**STRATFORD-UPON-AVON TOWN TRUST
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the 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 group's and parent charitable company'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 group or the parent charitable company or 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 auditors under the Companies Act 2006 and report in accordance with 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



.....
Karen Bartlett (senior statutory auditor)
For and on behalf of

Saffery Champness LLP St John's Court
Chartered Accountants Easton Street
 High Wycombe
 HP14 1JX

Statutory Auditors

Date: 23.03.18

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

STRATFORD-UPON-AVON TOWN TRUST
CONSOLIDATED GROUP STATEMENT OF FINANCIAL ACTIVITIES, incorporating an income and expenditure account for the year ended 31 December 2017

	Note	Unrestricted funds 2017 £	Permanent endowment funds 2017 £	Total funds 2017 £	Unrestricted funds 2016 £	Permanent endowment funds 2016 £	Total funds 2016 £
Income from:							
Donations and legacies*	4	43,357	-	43,357	90,540	-	90,540
Investment income	5	3,243,329	-	3,243,329	3,199,487	-	3,199,487
Charitable Activities	6	2,447	-	2,447	1,311	-	1,311
Other income	7	11,592	-	11,592	20,641	-	20,641
Total Income		3,300,725	-	3,300,725	3,311,979	-	3,311,979
Expenditure on:							
Raising funds	8	696,204	-	696,204	792,328	-	792,328
Charitable activities**	9	2,346,227	-	2,346,227	2,274,025	-	2,274,025
Total expenditure		3,042,431	-	3,042,431	3,066,353	-	3,066,353
Net gains / (losses) on investments	20	125,971	2,104,872	2,230,843	100,263	2,299,175	2,399,438
Net income and expenditure		384,265	2,104,872	2,489,137	345,889	2,299,175	2,645,064
Other recognised gains and losses							
Actuarial gains / (losses) on defined benefit pension schemes	26	75,000	-	75,000	(118,000)	-	(118,000)
Net movement in funds		459,265	2,104,872	2,564,137	227,889	2,299,175	2,527,064
Reconciliation of funds							
Total funds brought forward		3,083,443	54,357,562	57,441,005	2,855,554	52,058,387	54,913,941
Total funds carried forward	20	3,542,708	56,462,434	60,005,142	3,083,443	54,357,562	57,441,005

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 29 to 47 form part of these financial statements.

*Includes restricted funds income of £29,396

**Includes restricted funds cost of 29,396

STRATFORD-UPON-AVON TOWN TRUST
TRUST STATEMENT OF FINANCIAL ACTIVITIES, incorporating an income and expenditure account
for the year ended 31 December 2017

	Notes	Total Funds 2017 £	Total Funds 2016 £
Income from:			
Donations and legacies	4	1,843,272	1,701,278
Investment income	5	72,778	71,365
Charitable activities	6	293	464
Other	7	168,009	169,191
		<hr/>	<hr/>
Total income		2,084,352	1,942,298
		<hr/>	<hr/>
Expenditure on:			
Raising funds	8	238,240	275,707
Charitable activities:	9	1,552,962	1,439,175
		<hr/>	<hr/>
Total expenditure		1,791,202	1,714,882
		<hr/>	<hr/>
Gains / (losses) on investment assets	15	87,765	101,467
		<hr/>	<hr/>
Net income and expenditure		380,915	328,883
Other recognised gains and losses			
Actuarial gains / (losses) on defined benefit pension schemes	26	75,000	(118,000)
		<hr/>	<hr/>
Net movement in funds		455,915	210,883
Reconciliation of funds			
Total funds brought forward		2,946,412	2,735,529
		<hr/>	<hr/>
Total funds carried forward	22	3,402,327	2,946,412
		<hr/>	<hr/>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. All funds are unrestricted. The notes on pages 29 to 47 form part of these financial statements.

STRATFORD-UPON-AVON TOWN TRUST
BALANCE SHEETS
As at 31 December 2017

	Notes	Group		Trust	
		2017 £	2016 £	2017 £	2016 £
Fixed assets					
Tangible fixed assets	14	1,928,398	1,853,923	1,928,398	1,853,923
Investments	15	58,787,718	56,767,524	1,638,956	1,551,191
		<u>60,716,116</u>	<u>58,621,447</u>	<u>3,567,354</u>	<u>3,405,114</u>
Current assets					
Debtors	16	294,967	253,108	30,362	203,402
Cash at bank and in hand		1,687,068	1,325,425	982,269	427,424
		<u>1,982,035</u>	<u>1,578,533</u>	<u>1,012,632</u>	<u>630,826</u>
Current liabilities					
Creditors: amounts falling due within one year	17	(2,460,009)	(2,370,835)	(944,639)	(701,388)
Net current liabilities		<u>(477,974)</u>	<u>(792,302)</u>	<u>67,973</u>	<u>(70,562)</u>
Total assets less current liabilities					
		60,238,142	57,829,145	3,635,327	3,334,552
Provision for liabilities	18	-	(62,140)	-	(62,140)
Defined benefit pension scheme liability	26	(233,000)	(326,000)	(233,000)	(326,000)
		<u>60,005,142</u>	<u>57,441,005</u>	<u>3,402,327</u>	<u>2,946,412</u>
Net assets including pension liability					
Funds					
Capital funds					
Endowment Funds*	20	56,462,434	54,357,562	-	-
Income funds					
Unrestricted funds					
General fund	22	1,910,565	1,832,548	1,910,565	1,832,548
Designated fund		1,724,762	1,439,864	1,724,762	1,439,864
Other charitable funds (College & Guild)		140,381	137,031	-	-
Pension reserve	26	(233,000)	(326,000)	(233,000)	(326,000)
		<u>60,005,142</u>	<u>57,441,005</u>	<u>3,402,327</u>	<u>2,946,412</u>
Total funds	22	60,005,142	57,441,005	3,402,327	2,946,412

*Includes revaluation reserves £40,947,556 (2016: £38,842,687)

The financial statements on pages 24 to 47 were approved by the trustees and authorised for issue on 23 May 2018.
The notes on pages 29 to 47 form part of these financial statements.

Carole Taylor, Chair

C.A. Taylor

Clive Snowdon, Chair of Finance, Investment & Property Committee

Clive Snowdon

Registered company number 04222949

STRATFORD-UPON-AVON TOWN TRUST
CONSOLIDATED GROUP STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017 Total funds £	2016 Total funds £
Cash flows from operating activities:		
Net cash used in operating activities	<u>(2,951,920)</u>	<u>(2,467,110)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	3,254,921	3,220,128
Purchase of property, plant and equipment	(151,996)	(6,904)
Proceeds from sale of investments	234,979	950,729
Purchase of investments	<u>(537,037)</u>	<u>(1,222,016)</u>
Net cash provided by investing activities	2,800,867	2,941,937
Change in cash and cash equivalents in the reporting period	(151,061)	474,827
Cash and cash equivalents at 31 December 2016	<u>1,955,317</u>	<u>1,480,490</u>
Cash and cash equivalents at 31 December 2017	<u>1,804,256</u>	<u>1,955,317</u>

	2017 Total funds £	2016 Total funds £
Reconciliation of net income to net cash flow from operating activities		
<i>Net income for the reporting period (as per the statement of financial activities)</i>	2,564,137	2,527,064
Adjustments for:		
Depreciation	76,887	49,139
Gains on investments	(2,230,840)	(2,399,438)
Dividends, interest, and rent from investments	(3,254,921)	(3,220,128)
Loss on sale of fixed assets	634	184
(Increase) / decrease in debtors	(41,859)	15,886
(Decrease) / increase in provision for liabilities	(61,786)	62,140
(Decrease) / increase in creditors	<u>(4,180)</u>	<u>498,043</u>
Net cash used in operating activities	<u>2,951,920</u>	<u>(2,467,110)</u>

	2017 Total funds £	2016 Total funds £
Analysis of cash and cash equivalents		
Cash in hand	1,687,068	1,325,425
Cash awaiting investment *	<u>117,188</u>	<u>629,892</u>
Total cash and cash equivalents	<u>1,804,256</u>	<u>1,955,317</u>

* £109,654 (2016: £625,577) of cash awaiting investment is unavailable for general expenditure as it is an endowed asset.

STRATFORD-UPON-AVON TOWN TRUST
TRUST STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017 Total funds £	2016 Total funds £
Cash flows from operating activities:		
<i>Net cash provided by / (used in) operating activities</i>	<u>466,054</u>	<u>(151,984)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	240,787	240,556
Purchase of property, plant and equipment	(151,996)	(6,904)
Proceeds from sale of investments	3,219	203,383
Purchase of investments	<u>-</u>	<u>-</u>
<i>Net cash provided by investing activities</i>	<u>92,010</u>	<u>437,035</u>
Change in cash and cash equivalents in the reporting period	558,064	285,051
Cash and cash equivalents at 31 December 2016	<u>431,739</u>	<u>146,688</u>
Cash and cash equivalents at 31 December 2017	<u>989,803</u>	<u>431,739</u>

	2017 Total funds £	2016 Total funds £
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
<i>Net income for the reporting period (as per the statement of financial activities)</i>	455,915	210,883
Adjustments for:		
Depreciation	76,887	49,139
Gains on investments	(87,765)	(101,467)
Dividends, interest, and rent from investments	(240,787)	(240,556)
(Profit) / loss on sale of fixed assets	(495)	184
Decrease / (increase) in debtors	173,040	(68,718)
(Decrease) / increase in provision for liabilities	(62,140)	62,140
Increase / (decrease) in creditors	<u>151,399</u>	<u>(63,589)</u>
<i>Net cash provided by / (used in) operating activities</i>	<u>466,054</u>	<u>(151,984)</u>

	2017 Total funds £	2016 Total funds £
Analysis of cash and cash equivalents		
Cash in hand	982,269	427,424
Cash awaiting investment	<u>7,534</u>	<u>4,315</u>
Total cash and cash equivalents	<u>989,803</u>	<u>431,739</u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2017

1 Statement of accounting policies

Stratford-Upon-Avon Town Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is at 14 Rother Street, Stratford-upon-Avon, CV37 6LU.

a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK (FRS102) – (Charities SORP (FRS 102)) and the Companies Act 2006. Stratford-upon-Avon Town Trust 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. 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.

On 4 July 2003 the Charity Commissioners issued a direction under Section 96(5) of the Charities Act 1993 that the following charities shall be treated as forming part of the charity called the Stratford-Upon-Avon Town Trust for the purposes of Part VII of the Charities Act 1993:

The Guild Estate Endowment - registered number 217484.

The College Estate Endowment - registered number 217485

As a consequence of the direction, group financial statements have been prepared. The group financial statements consolidate those of Stratford-upon-Avon Town Trust and its related charities, The College Estate Endowment and The Guild Estate Endowment under the merger accounting rules. Intra-group transactions are eliminated on consolidation.

b) Charitable Activities

The trustees consider that the charity is a public benefit entity as it makes grants to beneficiaries within the town of Stratford-upon-Avon. Costs of charitable activities include grants made and an apportionment of overhead and support costs as shown in note 10.

c) Income

All incoming resources are recognised once the charitable company 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 and has been classified under headings that aggregate all costs related to the category.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis e.g. estimated usage.

e) Grants payable

Grants payable are grants payable to third parties in furtherance of the charitable objectives of the Trust. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant or 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.

f) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

g) Costs of generating funds

These costs consist of investment and property management costs.

h) 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.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2017 (continued)

1 Statement of accounting policies (continued)

i) Investments

- (i) Investments are included in the accounts 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.

j) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	- over 3 years
Office equipment	- over 2 to 4 years
Civic Hall plant and equipment	- over 5 years
Civic Hall refurbishment	- over 3 to 50 years
Civic Hall building	- over 50 years
Bandstand	- over 50 years
800 th Anniversary Commemorative Fountain	- over 50 years
Long leasehold property	- over life of lease or break option

Heritage Asset

Heritage assets are defined as tangible or intangible assets with historic, artistic, scientific, technological, geophysical or environmental qualities, which are held principally for its contribution to knowledge and culture. The Guild Chapel is recognised as a heritage asset by the Guild Estate as it is a very unique historic asset and is maintained by the Guild Estate for its cultural benefit. In the opinion of the trustees, the cost of professionally valuing this asset to show a value in the financial statements outweighs the benefits to the users of the financial statements, as such no value is assigned to the Chapel in the balance sheet. The charity was assigned the Guild Chapel in 1553, it is not expected that any other heritage assets will be acquired. Also the charity intends to remain the custodian of the Guild Chapel in perpetuity.

m) 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 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.

n) Operating leases

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

o) Retirement benefits

Contributions are charged to the Statement of Financial Activities so as to spread the cost of pensions over the employees' working lives with the company. The regular cost is attributed to the individual years using the projected unit method. Variations in cost which are identified as a result of actuarial valuations are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs.

Defined benefit schemes are funded with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by the reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

The defined benefit scheme was closed to new members as from May 2010. The Trust operates a defined contribution personal pension scheme for employees, who joined after May 2010.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2017 (continued)

1 Statement of accounting policies (continued)

p) 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 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Connected charities

Stratford-upon-Avon Town Trust controls The Guild Estate Endowment (charity number: 217484) and The College Estate Endowment (charity number: 217485) Charities. All three charities have common, parallel objects and activities and unity of administration. Set out below are the results of the Guild Estate and College Estate:

	Guild Estate 2017 £	College Estate 2017 £
Total Assets	41,125,356	17,297,559
Total Liabilities	<u>(769,590)</u>	<u>(1,050,511)</u>
Total Funds	<u>40,355,766</u>	<u>16,247,048</u>
	2017 £	2016 £
Guild Estate Endowment		
Total incoming resources	2,357,820	2,406,789
Net incoming resources	<u>1,375,071</u>	<u>1,749,471</u>
College Estate Endowment		
Total incoming resources	<u>934,425</u>	<u>895,514</u>
Net incoming resources	<u>733,150</u>	<u>566,710</u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2017 (continued)

4	Donations and legacies	Group		Trust	
		Total funds	Total funds	Total funds	Total funds
		2017	2016	2017	2016
		£	£	£	£
	Annual gift from Guild Estate	-	-	1,111,054	1,094,606
	Annual gift from College Estate	-	-	732,218	606,672
	Donations to Guild Chapel*	39,857	90,540	-	-
	Legacy to Guild Chapel	3,500	-	-	-
		<u>43,357</u>	<u>90,540</u>	<u>1,843,272</u>	<u>1,701,278</u>

*This source of income includes £15,000 from the Heritage Lottery Fund and £14,396 from the Friends of the Guild Chapel, both items are classified as restricted funds.

5	Investment income	Group		Trust	
		Total funds	Total funds	Total funds	Total funds
		2017	2016	2017	2016
		£	£	£	£
	Property income	2,590,921	2,573,849	17,368	17,359
	Interest on short term deposits	211	4,121	-	-
	Dividends receivable	652,197	621,517	55,410	54,006
		<u>3,243,329</u>	<u>3,199,487</u>	<u>72,778</u>	<u>71,365</u>

6	Income from Charitable Activities	Group		Trust	
		Total funds	Total funds	Total funds	Total funds
		2017	2016	2017	2016
		£	£	£	£
	Guild Chapel	2,154	847	-	-
	Bandstand	293	464	293	464
		<u>2,447</u>	<u>1,311</u>	<u>293</u>	<u>464</u>

7	Other Income	Group		Trust	
		Total funds	Total funds	Total funds	Total funds
		2017	2016	2017	2016
		£	£	£	£
	Interest receivable on cash & bank	1,092	4,792	349	1,027
	Services to Guild Estate	-	-	97,439	91,389
	Services to College Estate	-	-	59,721	60,926
	Services to ArtsHouse	10,500	15,849	10,500	15,849
		<u>11,592</u>	<u>20,641</u>	<u>168,009</u>	<u>169,191</u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2017 (continued)

8 Expenditure on raising funds	Group		Trust	
	Total funds	Total funds	Total funds	Total funds
	2017	2016	2017	2016
	£	£	£	£
Investment Fund Managers' Fees	35,452	46,623	3,321	20,201
Property expenses	487,059	557,776	1,327	17,769
Support costs (note 10)	150,863	151,110	-	-
Services to Guild Estate (note 10)	-	-	125,516	124,993
Services to College Estate (note 10)	-	-	76,927	75,925
Services to Stratford ArtsHouse (note 10)	22,830	36,819	31,149	36,819
	<u>696,204</u>	<u>792,328</u>	<u>238,240</u>	<u>275,707</u>
9 Expenditure on charitable activities	Group		Trust	
	Total funds	Total funds	Total funds	Total funds
	2017	2016	2017	2016
	£	£	£	£
Grant Making				
Discretionary Grants	1,145,339	1,134,159	1,145,339	1,134,159
Foundation House	105,320	-	105,320	-
Non-Discretionary Grants				
King Edward VI School	648,380	638,986	-	-
Almshouses Maintenance	40,835	39,262	-	-
Holy Trinity Church	7,000	7,000	-	-
Grant Making Support Costs (note 10)	257,388	232,709	251,080	221,504
	<u>2,204,262</u>	<u>2,052,116</u>	<u>1,501,739</u>	<u>1,355,663</u>
ArtsHouse				
Direct venue costs	28,651	42,555	28,651	42,555
Support costs (note 10)	2,721	12,964	3,276	15,669
	<u>31,372</u>	<u>55,519</u>	<u>31,927</u>	<u>58,224</u>
Other activities				
Bandstand	4,104	3,832	4,104	3,832
800 th Anniversary Fountain	8,480	9,982	8,480	9,982
Guild Chapel	80,742	130,202	-	-
Support Costs (note 10)	17,267	22,374	6,712	11,474
	<u>110,593</u>	<u>166,390</u>	<u>19,296</u>	<u>25,288</u>
Total	<u>2,346,227</u>	<u>2,274,025</u>	<u>1,552,962</u>	<u>1,439,175</u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2017 (continued)

9 Expenditure on charitable activities (Cont'd)

Analysis of expenditure on charitable activities

	Activities undertaken directly	Grant funding of activities	Support Costs	Total
	£	£	£	£
Discretionary grants	-	1,145,339	159,201	1,304,540
Foundation House	-	105,320	61,722	167,042
Grant to King Edward VI School	-	648,380	35,745	685,381
Grant to Almshouses Maintenance	-	40,835	360	41,194
Grant to Vicar of Holy Trinity Church	-	7,000	360	7,360
ArtsHouse – venue	28,651	-	2,721	31,372
Guild Chapel	80,742	-	11,735	92,477
Bandstand & 800 th Anniversary Fountain	12,584	-	5,532	18,116
	<u>121,977</u>	<u>1,946,874</u>	<u>277,376</u>	<u>2,346,227</u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2017 (continued)

10	Allocation of support costs - Group	Basis of allocation	ArtsHouse facility		ArtsHouse shared services		*Grant Making		Governance		Charitable Activities		Property Support		Total 2017		Total 2016	
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
	Staff costs	Time	1,712	14,664	148,277	90,404	10,739	70,204	336,000	332,974								
	Office costs	Time	176	980	26,677	30,255	3,248	7,504	68,840	62,182								
	Membership administration	Cost	-	-	-	4,842	-	-	4,842	3,403								
	AGM and annual report	Cost	-	-	-	1,442	-	-	1,442	1,321								
	Trustee meetings and training	Direct	-	-	-	4,651	-	-	4,651	2,771								
	Auditor's remuneration	Direct	-	-	-	17,618	-	-	17,618	17,055								
	Professional fees	Direct	-	-	15,080	2,596	-	-	17,676	36,270								
	Governance costs	Cost	833	7,186	67,354	(151,808)	3,280	73,155	-	-								
			2,721	22,830	257,388	-	17,267	150,863	451,069	455,976								
			(note 9)	(note 8)	(note 9)		(note 9)	(note 8)										
	Allocation of support costs - Trust	Basis of allocation	ArtsHouse facility		ArtsHouse shared services		Support for Related Charities		*Grant Making		Governance		Charitable Activities		Total 2017		Total 2016	
	Staff costs	Time	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
	Office costs	Time	1,712	14,664	107,767	127,578	71,887	3,519	327,127	328,064								
	Auditor's Remuneration	Direct	731	9,299	43,157	60,928	28,993	1,491	144,599	137,381								
	Professional Fees	Direct	-	-	-	-	9,403	-	9,403	8,750								
	Membership Administration	Direct	-	-	-	-	1,442	-	1,442	1,321								
	AGM and Annual Report	Cost	-	-	-	-	4,651	-	4,651	2,771								
	Trustee Meetings and Training	Cost	-	-	-	-	4,842	-	4,842	3,403								
	Governance costs	Direct	-	-	-	-	2,596	-	2,596	4,724								
		Cost	833	7,186	51,519	62,574	(123,814)	1,702	-	-								
			3,276	31,149	202,443	251,080	-	6,712	494,300	486,414								
			(note 9)	(note 8)	(note 8)	(note 9)	(note 9)	(note 8)										

*Includes Foundation House

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

	ArtsHouse Building	Waterside Theatre	Foundation House Leasehold Improvements	Bandstand and Fountain	Computer Equipment	Office Equipment	Total
	£	£	£	£	£	£	£
14 Tangible fixed assets							
Group and Trust							
Cost							
1 January 2017	1,861,877	356,444	-	121,077	61,316	32,456	2,433,170
Additions	-	-	134,898	-	5,311	11,787	151,996
Disposals	-	-	-	-	(7,368)	(1,750)	(9,118)
31 December 2017	1,861,877	356,444	134,898	121,077	59,259	42,493	2,576,048
Depreciation							
1 January 2017	422,013	34,100	-	45,400	49,624	28,110	579,247
Charge for the period	37,236	4,400	23,436	2,424	6,286	3,105	76,887
Disposals	-	-	-	-	(7,368)	(1,116)	(8,484)
31 December 2017	459,249	38,500	23,436	47,824	48,542	30,099	647,650
Net book values							
31 December 2017	1,402,628	317,944	111,462	73,253	10,717	12,394	1,928,398
31 December 2016	1,439,864	322,344	-	75,677	11,692	4,346	1,853,923

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

	Group		Trust	
	2017 £	2016 £	2017 £	2016 £
15 Fixed asset investments				
Investment properties	39,650,600	38,790,600	-	-
Quoted investments	19,019,930	17,347,032	1,631,422	1,546,876
Permanent endowment short term deposits	-	501,565	-	-
Cash awaiting investment	117,188	128,327	7,534	4,315
	<u>58,787,718</u>	<u>56,767,524</u>	<u>1,638,956</u>	<u>1,551,191</u>
Investment properties:				
Market value at 1 January 2017	38,790,600	38,025,600	-	-
Net sale proceeds	(209,083)	(497,396)	-	-
Gain on disposal	54,083	147,396	-	-
Revaluation gains	1,015,000	1,115,000	-	-
	<u>39,650,600</u>	<u>38,790,600</u>	<u>-</u>	<u>-</u>
Market value at 31 December 2017	39,650,600	38,790,600	-	-
Cost or donated value at 31 December 2017	7,205,486	7,217,653	-	-
	<u>7,205,486</u>	<u>7,217,653</u>	<u>-</u>	<u>-</u>
Quoted investments:				
Market value at 1 January 2017	17,347,032	15,441,357	1,546,876	1,648,792
Additions at cost	537,037	1,222,016	-	-
Sale proceeds	(25,896)	(453,383)	(3,219)	(203,383)
Investment gains	1,161,757	1,137,042	87,765	101,467
	<u>19,019,930</u>	<u>17,347,032</u>	<u>1,631,422</u>	<u>1,546,876</u>
Market value at 31 December 2017	19,019,930	17,347,032	1,631,422	1,546,876
Historical cost at 31 December 2017	13,945,755	13,431,392	1,333,129	1,335,129
	<u>13,945,755</u>	<u>13,431,392</u>	<u>1,333,129</u>	<u>1,335,129</u>

In accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015) the investment properties were revalued at 31 December 2017 and shown at market value. This valuation was carried out by Colliers International, Chartered Surveyors, who are qualified independent valuers, holding a recognised and relevant professional qualification, with recent experience in Stratford-upon-Avon.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

15	Fixed asset investments (continued)	Group		Trust	
		2017 £	2016 £	2017 £	2016 £
	Gains on unrestricted funds				
	Quoted investments	125,971	100,263	87,765	101,467
		<u>125,971</u>	<u>100,263</u>	<u>87,765</u>	<u>101,467</u>
		<u>125,971</u>	<u>100,263</u>	<u>87,765</u>	<u>101,467</u>
16	Debtors: amounts falling due within one year	Group		Trust	
		2017 £	2016 £	2017 £	2016 £
	Amounts falling due within one year:				
	Rents	195,917	137,037	-	-
	Prepayments and accrued income	84,896	113,446	30,278	19,139
	Other debtors	14,154	2,625	84	-
	Amount due from Guild Estate	-	-	-	108,334
	Amount due from College Estate	-	-	-	75,749
		<u>294,967</u>	<u>253,108</u>	<u>30,362</u>	<u>203,402</u>
		<u>294,967</u>	<u>253,108</u>	<u>30,362</u>	<u>203,402</u>
17	Creditors: amounts falling due within one year	Group		Trust	
		2017 £	2016 £	2017 £	2016 £
	Deferred income	1,219,431	1,143,666	-	-
	Trade creditors	129,366	78,588	78,854	37,671
	Grants payable (note 25)	540,976	714,310	467,682	628,061
	Accruals	158,354	64,887	69,930	19,243
	Other creditors	226,510	116,980	925	925
	Other taxation and social security	172,015	166,778	13,813	13,365
	Pension	13,380	2,123	13,318	2,123
	Amount owed to Guild Estate	-	-	165,599	-
	Amount owed to College Estate	-	-	134,518	-
		<u>2,460,009</u>	<u>2,370,835</u>	<u>944,639</u>	<u>701,388</u>
		<u>2,460,009</u>	<u>2,370,835</u>	<u>944,639</u>	<u>701,388</u>
		Group			
		2017 £	2016 £		
	Included within accruals are the following fees payable to the auditor for:				
	Statutory audit	<u>17,000</u>	<u>16,876</u>		

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

17 Creditors: amounts falling due within one year (continued)

Deferred income (£1,219,408) represents lease premiums and rental income received in advance that relate to after the period end; represented by deferred income under one year £513,763, deferred income relating to one to five years £23,432 and the value relating to over five years £682,213.

Deferred income reconciliation	Group		Trust	
	2017 £	2016 £	2017 £	2016 £
At 1 January 2017	1,143,666	561,692	-	-
Released during the year	(430,746)	(622,233)	-	-
Deferred in the current year	506,488	1,204,207	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017	1,219,408	1,143,666	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Provision for liabilities

	Group		Trust	
	2017 £	2016 £	2017 £	2016 £
1 January 2017	62,140	-	62,140	-
Change in year	(62,140)	62,140	(62,140)	62,140
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2017	-	62,140	-	62,140
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

This provision relates to funds received from insurers in relation to the replacement of the ArtsHouse floor.

19 Basic financial instruments

The carrying amount of financial assets which are debt instruments at amortised cost is £195,917. The carrying amount of financial liabilities which is measured at amortised cost is £607,105. The impairment loss for rents is £10,583.

20 Summary of Fund Movements

Fund Name	Fund Balances 31 December 2016 £	Income £	Expenditure £	Gains and Losses £	Fund Balances 31 December 2017 £
Unrestricted Funds	3,083,443	3,300,725	(3,042,431)	200,971	3,542,708
Restricted Funds	-	-	-	-	-
Permanent Endowment Funds	54,357,562	-	-	2,104,872	56,462,434
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Funds	57,441,005	3,300,725	(3,042,431)	2,305,143	60,005,142
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Restricted funds relate to income received solely for expenditure on the Guild Chapel.
Permanent endowment funds relate to those assets which represent the permanent capital base of the group and which may not be spent.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

21	Analysis of group net assets between funds	Unrestricted funds £	Endowment funds £	Total £
	Fixed assets	1,928,398	-	1,928,398
	Fixed asset investments	2,375,959	56,411,759	58,787,718
	Current assets	1,894,492	87,543	1,982,035
	Current liabilities	(2,423,141)	(36,868)	(2,460,009)
	Defined benefit pension scheme liability	(233,000)	-	(233,000)
		<u>3,542,708</u>	<u>56,462,434</u>	<u>60,005,142</u>
		<u>3,542,708</u>	<u>56,462,434</u>	<u>60,005,142</u>

22	Analysis of group funds between charities	Guild Endowment £	College Endowment £	Trust £	Total £
	Capital funds				
	Endowment funds	40,252,486	16,209,948	-	56,462,434
	Unrestricted funds				
	General funds	-	-	1,910,565	1,910,565
	Designated Funds*	-	-	1,724,762	1,724,762
	Other charitable funds	103,280	37,101	-	140,381
	Pension reserve	-	-	(233,000)	(233,000)
		<u>40,355,766</u>	<u>16,247,049</u>	<u>3,402,327</u>	<u>60,005,142</u>
		<u>40,355,766</u>	<u>16,247,049</u>	<u>3,402,327</u>	<u>60,005,142</u>

*Designated funds relate to the ArtsHouse building (fixed asset), Foundation House leasehold improvements (fixed asset) and a reserve for running costs of Foundation house.

23 Trustee expenses (Group and Trust)

Expenditure reimbursed to trustees during the period amounted to £nil (2016: £nil).

24 Commitments

In accordance with the College Estate's constitution each year the charity is committed to pay an annual sum, which is currently £7k per annum, to the Vicar of Holy Trinity Church at Stratford-upon-Avon.

In accordance with the Guild Estate's constitution and High Court Order each year the Guild Estate is committed to paying 36% of its clear annual income to King Edward VI School at Stratford-upon-Avon. The Guild Estate must also seek to apply 10% of its income in furtherance of other educational purposes within the town of Stratford-upon-Avon. As a result of the scheme dated 1 October 2001 its residual income is now transferred to the Stratford Town Trust for distribution in line with the objectives of that Trust.

In accordance with the Guild Estate's constitution each year the charity has an on-going commitment to contribute to the Church Street Almshouses' (Municipal Charities) running costs in relation to general rates, water rates and sewerage charges, also funds for the respective yearly amounts (recommended by the National Association of Almshouses, with the approval of the Charities Commissioners for Almshouses of similar age and situation) to cover routine maintenance, payments to an extraordinary repair fund and a cyclical maintenance fund.

Stratford Town Trust has committed to provide funding to the Stratford ArtsHouse to 11 May 2018, to a minimum of £32,500.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

25 Grant making

A total of 132 (2016: 169) discretionary grants were awarded to beneficiaries during the year, of which 31 (2016: 38) were hardship grants, to individuals, which amounted to £9,853 (2016: £12,885).

Total Discretionary Grants	Group & Trust	
	2017	2016
	£	£
To relieve need, hardship, distress, sickness, disability, old age and infirmity among beneficiaries	448,246	496,457
To provide or support the provision of facilities for education for beneficiaries, including the advancement of learning and knowledge	225,153	171,765
To provide or support facilities for recreation and other leisure-time occupation	384,960	375,060
To advance the Christian religion	5,535	11,880
To support Civic Pride	47,547	43,376
To support citizenship and community	11,000	22,500
Other charitable purposes	22,898	13,121
	1,145,339	1,134,159
	1,145,339	1,134,159

Although, for accounting purposes, grants have each been allocated to one object, many awards do meet two or even three objects.

Discretionary Grants greater than £20,000	Group & Trust	2017
Beneficiary	Purpose of grant	£
Stratford ArtsHouse *	Running costs	254,183
Citizens Advice Bureau	Core funding & money advice	54,868
Shakespeare Hospice	Running costs & pilot scheme	50,000
Stratford-upon-Avon School	Jubilee Athletics track upgrade & refurbishment	40,000
Stratford-upon-Avon School	Extra-curricular activities	34,041
Domestic Abuse Counselling Service*	Counselling service	30,000
Springfield Mind Limited	Domestic wellbeing cafes	23,236
Bridgetown Primary School	Outdoor play equipment	20,000
Lifespace Trust	Core funding	20,000
Stratford-on-Avon District Council	Music & movement in Stratford-upon-Avon	20,000
		546,328
		546,328

*These beneficiaries were in receipt of grants awarded to support multi-year programme grants.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

25 Grant making (continued)

Reconciliation of grants payable

	Group 2017 £	Group 2016 £
Commitments 31 December 2016	714,310	849,300
Commitments made in the period and payable	1,946,874	1,819,407
Grants paid during the period	(2,120,208)	(1,954,397)
	<hr/>	<hr/>
Commitments 31 December 2017	540,976	714,310
	<hr/>	<hr/>

It is anticipated that all the committed grants will be payable during 2018.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

26 Pensions and similar obligations

As at 31 December 2017, 3 (2016: 3) of the Trust's employees were members of the Warwickshire County Council Pension Fund.

The pensions cost is assessed every three years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2016
Actuarial method	Projected Unit credit method
Investment returns per annum	1.6% over a portfolio of Government Bonds
Pension increases per annum	2.1%
Salary scale increases per annum	2.8%
Market value of assets at date of last valuation	£1,665,000

The following information is based upon a full actuarial valuation of the Warwickshire County Council Pension Fund at 31 March 2016 updated to 31 December 2017 by a qualified actuary.

On 1st April 2014 Stratford-upon-Avon Town Trust transferred four employees, who were members of the Warwickshire County Council Pension Scheme (Pension Scheme), to the employment of the ArtsHouse. The Pension Scheme recognised the ArtsHouse as the new employer and admitted it as a fully funded member of the Scheme as from 1st April 2014. Any deficit that existed as at 1st April 2014, which was attributable to the four employees, was assumed to remain with the Town Trust. As at 31st March 2016 all four employees who transferred to the employment of the ArtsHouse, were no longer in the employment of the ArtsHouse. From a pension scheme perspective they are defined as deferred pensioners. Stratford-upon-Avon Town Trust, with the agreement of the Warwickshire County Council Pension Scheme, has taken over the full ongoing deficit relating to these ArtsHouse previous employees. From an FRS17 perspective this deficit was £67,000 as at March 2016.

Financial assumptions

	2017	2016	2015
Rate of CPI	2.4%	2.5%	2.5%
Rate of increase in salaries	3.0%	3.1%	4.3%
Rate of increase in pensions	2.4%	2.5%	2.4%
Discount rate for liabilities	2.5%	2.7%	3.9%

The Trust's share of assets in the scheme and the expected rates of return were:

	Rate of Return	2017 £'000	Rate of Return	2016 £'000
Equities	2.5%	900	2.7%	1,017
Bonds	2.5%	300	2.7%	299
Property	2.5%	157	2.7%	164
Cash/liquidity	2.5%	72	2.7%	15
		<hr/>		<hr/>
Total		1,429		1,495
		<hr/> <hr/>		<hr/> <hr/>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

27 Going Concern

The Trust has prepared its accounts on the basis of it being a going concern. There are no significant doubts about the charity's ability to continue as a going concern.

28 Lease Commitments

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

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	1,814,663	2,228,483	3,750	15,000
Later than 1 year but not later than 5 years	6,169,952	6,733,527	-	60,000
Later than 5 years	54,722,656	56,048,744	-	18,750

No contingent rent was recognised as income (2016: £nil). The Trust leases its property portfolio under lease agreements to tenants (lessees). No contingent rent is recognised as an asset.

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

	Group & Trust	
	2017	2016
	£	£
No later than 1 year	74,791	-
Later than 1 year but not later than 5 years	294,272	-
Later than 5 years	321,835	-

29 Post balance sheet events

College Estate:

In December 2016 it was announced, that following consultation with the members of the Trust, 7 Benson Road would be sold on the open market in the Spring of 2017. This decision followed the unsuccessful planning application for the site plus land to the rear of the property in Summer 2016. The property was sold by auction on 16 May for £1.14m. However this sale did not complete. The Trust has been in discussion with potential buyers of the property since the auction and it is anticipated that the property will be sold in 2018.

Stratford Town Trust:

Throughout 2017, one of the most frequently discussed topics at our Board Meetings was the viability of the ArtsHouse Trust, the operator of the ArtsHouse venue. In last year's statutory accounts we highlighted two risks relating to the financial performance of the ArtsHouse operator and its medium to long term sustainability and viability.

In June 2017 the ArtsHouse operator and the Town Trust entered into a 12 month funding agreement which replaced the final year of the four year funding agreement to 31st March 2018. The revised funding agreement comprised three categories of funding:

- £100k to fund on going community hires
- £60k to fund operational activities
- £90k to fund strategic step change including appointment of a Business Development Manager and an Interim Executive Director
- The funding agreement also contained a condition that a viable 3 year plan had to be submitted within 90 days of the commencement of the new interim executive director.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2017 (continued)

At the beginning of October 2017, the ArtsHouse operator presented their 3 year plan for the ArtsHouse venue to the Town Trust Board. On the basis of the information provided, the Town Trust Board concluded that the 3 year plan did not justify further funding to the ArtsHouse operator. This meant that the ArtsHouse operator had failed to secure funding for the period post 31st March 2018.

During the following four months discussion took place between the two organisations in the hope of reaching a positive, community oriented, conclusion for the ArtsHouse venue, including the potential for the Town Trust to operate the venue itself. During this time, the Town Trust committed to underwrite the ArtsHouse operator, ensuring that it did not have any going concern issues.

In January 2018 the Town Trust Board met solely to discuss the future of the ArtsHouse venue, where all operational options were considered. At this meeting, following deliberation, the Town Trust Board concluded that it would be unable to underwrite the activities of the ArtsHouse operator beyond the current funding agreement, which terminated on 31 March 2018.

This decision was not well received by the ArtsHouse operator or the town. However, the Town Trust Trustees were very conscious that they had to ensure that their discretionary funding was utilised to maximise its impact on the town. The original funding agreement with the ArtsHouse operator allowed for the Town Trust to commit £680k of funding to the ArtsHouse operator. However, during the four year period, £980k was actually awarded. This level of grant has put pressure on the Town Trust's grant giving ability to other grant applicants. Additionally, rather than walking away, following the conclusion of the four year funding agreement, the Town Trust has provided a further £60k to the ArtsHouse operator to ensure that community provision was continued.

Since February 2018 the Town Trust has asked the town to come forward with options for the ArtsHouse venue and also for alternative potential operators to submit their future plans and expressions of interest. Four potential operators submitted expressions of interest and in May 2018 the Town Trust Board reviewed these plans in great depth. The Board unanimously agreed to begin discussions with one of these potential operators with the hope of securing a contract for them to run the ArtsHouse venue for a period of three years. As yet this contract has not been secured so the Town Trust is unable to announce the new operator, but rest assured as soon as the contract is signed, an announcement will be made.

The ArtsHouse operator closed the ArtsHouse venue on 12th May 2018. During the last few weeks the events included the Stratford Literary Festival, Jasper Carrott, and Show of Hands. It is hoped that the venue will be able to reopen in the very near future and under new management it will become a thriving community venue, which is well supported by the town's residents.

30 Related Party Transactions

The trustees were not involved in any related party transactions in 2017 (2016: none).



Stratford
Town Trust

at the heart of our community

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A company limited by guarantee, registered in England and Wales (number 04222949)
Stratford-upon-Avon Town Trust is Trustee of the Guild Estate Charity (Registered Charity Number 217484)
and The College Estate Charity (Registered Charity Number 217485)