

STRATFORD-UPON-AVON TOWN TRUST

Annual Report and Accounts 2016



Stratford
Town Trust

at the heart of our community

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

Mission:

**“To provide financial or other support for activities
which enhance the quality of life of the people of
Stratford-upon-Avon.”**

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STRATFORD-UPON-AVON TOWN TRUST
MESSAGE FROM OUR CHAIRMAN

This was my second full year as Chairman and the grant giving activities of the Trust continue to give me great pride in all the amazing work that groups and organisations in Stratford are able to achieve thanks to grants from the Trust. I am very proud to be a small part in enabling this great work and would like to thank all the voluntary organisations that work so hard for the benefit of all the Town's different communities.

The Board of Trustees is made up of 11 volunteers who give their time and advice to guide and challenge the charity. Between the Trustees there is a wealth of knowledge about the community of Stratford, the voluntary sector and business insight. This breadth of experience has enabled the Board of Trustees to ensure that the investment portfolio is managed efficiently and effectively which in turn enables the discretionary grant giving to be directed to maximise the impact it has on the Towns' communities.

The Trust awarded 169 discretionary grants in 2016. Of these, two were very special ones as far as I am concerned. As part of the Shakespeare Birthday Weekend celebrations, over 220 Town residents enjoyed an afternoon tea in the ArtsHouse with entertainment provided by Stratford College and it was a wonderful, joyous community event. We also provided small grants that helped 34 groups and communities in Town to celebrate the Queen's 90th birthday in June. Events like this are fantastic at bringing the people of the Town together.

Education continues to be one of the major beneficiary groups, with £639k allocated to King Edward VI School; the remaining Stratford state schools received grants totalling £166k. It is always excellent to see funding to assist with the education of the future generations of Stratford.

The three outgoing Town Council nominated trustees' (Ian Fradgley, Joan McFarlane and Juliet Short) terms of office came to an end in May 2016 and on behalf of the trustees and members I should like to thank them for all their hard work and dedication to the Trust over the years.

In June 2016 the Trust welcomed three new, Town Council nominated, trustees - Charles Bates, Tessa Bates and Tony Jackson - on to the Board.

In August 2016 Justin Williams joined the Trust, as Chief Executive, since when he has been busy meeting members of the community and developing plans for the Trust to become more embedded in the Town's community. This will culminate in the launch of the Trust's new strategy in early summer 2017, which will be an exciting new chapter for the Trust.

We look forward to seeing you at the Annual General Meeting on Wednesday 28 June 2017, at 7pm at Stratford ArtsHouse.

Alan Haigh
Chairman

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

The Stratford Town Trust, your community trust, was built on the historic foresight of early Stratfordians, with the view to improving the lives of future Stratford residents. Having worked in other not-for-profit organisations, the wealth and richness of history, the close connection to the community and a passionate community are the key factors that drew me to this role.

The Town Trust, through the management of its property and investment portfolio, provided £1.8 million into the local community, through a mix of grants (discretionary and non-discretionary) and activities, in 2016. When you consider the area that the Town Trust serves, the level of grants given is considerable. Coming to the Town Trust in August, I was struck by the diversity of the funding applications from organisations and individuals seeking assistance.

I have been fortunate to see the benefits which funding has brought to Stratford, through the sporting facilities, schools, community groups and support bodies, also through the hardship funding that is provided into your community. The role of the Town Trust in supporting community life in its broadest context is important.

But the Town Trust is your community trust. In order to better understand and serve the needs of Stratford, the Town Trust is developing a Community Strategy. While the Town Trust does not possess all the resources to solve all issues, it can be that entity which draws the community together. In developing a Community Strategy, your Town Trust has sought input from all aspects of the community not only on projects or initiatives but also on the community's wellbeing and future aspirations.

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 frequently goes well beyond their role descriptions and they all bring energy and enthusiasm in supporting the Stratford Community.

Having started as the Town Trust's Chief Executive in August, I committed to being open to meet with any member of the Stratford community every Friday. To those that have come and met me, I would like to say thank you. 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 community. For the coming year, I again welcome members of the community to meet with me.

Lastly, thank you for welcoming me, I feel that I am privileged to serve the community of Stratford-upon-Avon and look forward to meeting as many of you as possible over the next year.

Justin Williams
Chief Executive
17 May 2017

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 2016. 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; those studying or working in the town may incidentally benefit, and are as set out in the Memorandum and Articles of Association:

- 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

Strategic Review (incorporating Strategic Report)

The Board of Trustees adopted a three year Strategic Plan in December 2013, for the period 2014 to 2016. During the preparation of this Strategic Plan, the Town Trust's Strategic Objectives were revised. As a result the objectives for 2016 continued to be those illustrated below. These objectives are split into two categories – core and enabling.

CORE OBJECTIVES:

- Distribute discretionary grants and other financial support (*for achievements see grants section page 5*)
- Effective asset and investment management (*for achievements and results see financial review and investment performance sections page 8*)
- Raising Town Trust profile
- Successful £1 Million Community Challenge (*completed in 2015, with exception of Samaritans Project which opened in May 2016 and is a real benefit to the town*)
- Civic Hall / ArtsHouse Rejuvenation (*rejuvenation project completed in March 2014, currently providing financial support to ArtsHouse as per the grants agreement, which runs to March 2018*)

ENABLING OBJECTIVES:

- Financial and Resource Management
- Optimise Returns on all land and property
- Recruitment, Training and development of Trustees

The Board of Trustees performed an annual review of the Strategic Plan objectives and their delivery in September 2016. Progress on the Strategic Plan is also monitored by the Board. The Town Trust is developing its strategy for the next five years, 2017-2022, the community survey which was held in March 2017 will assist the Town Trust in shaping its new community strategy, including the direction of grant giving.

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, both property and equity, 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 history dating back more than 500 years, takes a long term view on the generation of income.

STT Plan and Future Direction

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

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

1. Community Strategy

In order to understand community requirement, the Town Trust will be developing and implementing a Community Strategy. This strategy will be informed through consultation with the community, refined via focus groups and key opinion leaders. The Community Strategy will be released in the summer of 2017 and cover the period 2017-2022.

It is envisaged that this strategy will contain key funding themes and potential projects/initiatives identified during the consultation process. Additionally, themes or initiatives may be prioritised in order to maximise effort in improving the community of Stratford.

2. Development of a Community Hub

There is an increasing need within the community for a community hub facility, a location where community groups can be based in order to develop their offerings while providing needed support to the local community. The Town Trust has identified this need as something it could provide for the community. It is adopting a cautious approach and investigating possible locations for such a hub in the town. This will be a Town Trust run initiative, and as such will be a flagship programme to support the community.

3. Proactive Funding strategy

Providing sufficient funds to enable a community grant-making programme is the prime activity of the Stratford 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 may be a requirement to develop a proactive funding model to operate alongside the existing funding model.

Grants

The Town Trust awarded £1,800k of grants in 2016. The Town Trust awarded a total of £1,134k of discretionary grants (£1,131k in 2015) and £685k (2015: £660k) of non-discretionary grants. The Town Trust achieves its objects through the awarding of grants to beneficiaries that are based in the town or benefit the residents of Stratford-upon-Avon.

Discretionary Grants

169 discretionary grants were awarded, out of a total of 215 applications, giving a success rate of 79% (2015: 88%), 68% (2015: 62%) of the total monetary value requested was awarded in grants; even for those applicants that were successful, an average of 83% (2015: 77%) of the total request was awarded.

The grants strategy, which was adopted by the Board in 2013 and the strategy followed in 2016, to achieve the Town Trust's public benefit, has five funding priorities:

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

Programme Grants – *grants awarded which cover a three year period*

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

Year 1: £25,000. Project running 2016 - 2019

The project will provide training, equipment and administration funding to increase the opportunities for the Stratford community to play hockey through:

- schools' outreach programme
- a 'Back to Hockey' scheme to encourage adults who have stopped playing to get back into the sport
- new 'Hockey Tots' scheme for children aged 3-7 years

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

Year 3: £67,995. Project running 2014 - 2017

This project provides a range of support to families with children aged 5-18 years old that are experiencing challenges caused by poverty, disability, ill-health or violence. Qualified and experienced family support workers work with town families in order to improve parenting techniques and family relationships to deliver positive outcomes. The project received 60 referrals during the year and delivered 469 contact sessions, which was well in excess of the agreed target.

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

Summary of Discretionary Grants awarded in 2016

Community gain	Awarded £	Examples of Beneficiaries
To relieve need, hardship, distress, sickness, disability, old age and infirmity among beneficiaries	496,457	<ul style="list-style-type: none"> • Stratford on Avon District Council: UBus £12,000 • Stratford upon Avon Literary Festival: Books with Friends £8,342 • Central England Lip Reading Support Trust: Lip Reading Lessons £4,215 • Integrated Disability Service: Time for Hope £9,545 • Citizens Advice Bureau: Core Funding and Money Advice: £40,000 • Domestic Abuse Counselling Service: Counselling Services £27,205 • Lifespace Trust: One to One mentoring for young people £15,000 • Safeline: Specialised therapy for survivors of sexual abuse £23,320 • South Warwickshire NHS Foundation Trust Charitable Fund: Stratford Hospital Cancer and Eye Appeal £100,000 • Shakespeare Hospice: Hospice at Home Twilight Service £26,000 • Myton Hospices: Running Costs £20,000
To provide or support the provision of facilities for education for beneficiaries, including the advancement of learning and knowledge	171,765	<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 resident pupils: £166,000 in total - 14 grants. • Young Enterprise S Warkwickshire Area: Enterprise Education Delivery £3,900
To provide or support facilities for recreation and other leisure-time occupation	375,060	<ul style="list-style-type: none"> • Stratford upon Avon Hockey Club: Community Outreach £25,000 • Support Sport: Stratford Street Sports £19,565 • Stratford Artshouse: Running Costs £199,680 • SMC (2016) Ltd: Music Centre £15,659 • The Bear Pit: Theatre Transformation Project £26,000
To advance the Christian religion	11,880	<ul style="list-style-type: none"> • Parish of Alveston St James with St Peter's Mission: minibus hire, children's area and restoration of monuments £10,545
To support Civic Pride	43,376	<ul style="list-style-type: none"> • Queen's 90th Birthday Community Party Scheme: £10,680 (34 grants). • Stratford in Bloom: £13,296 • Stratford upon Avon Christmas Lights Co Ltd: £20,000
To support citizenship and community	22,500	<ul style="list-style-type: none"> • VASA: Support for community groups and individuals £20,000
Other charitable purposes	13,121	<ul style="list-style-type: none"> • Push Projects; LGBTQ Youth Drop In £2,000 • Stratford upon Avon Town Council: Shakespeare Birthday Celebrations 2017 £6,000 • Stratford upon Avon Society: Marie Corelli Monument £4,121

Non-Discretionary Grants

- The Grammar School of King Edward VI at Stratford-upon-Avon (charity number 528769) received £639k (2015: £614k) out of income from the Guild Estate in accordance with the Charity Commission Scheme dated 1 October 2001.
- £39k (2015: £39k) was paid towards the maintenance of the Almshouses, out of the income of the Guild Estate
- £7k (2015: £7k) was paid to the Vicar of Holy Trinity Church out of the income of the College Estate.

Guild Chapel

At the end of February 2016 the Guild Estate secured £100,000 grant from the Heritage Lottery Fund to begin conserving and showcasing the wall paintings which adorn the Guild Chapel. After planning permission and listed building consent was received, the conservation work commenced in autumn 2016. The first painting to be conserved was the "Death Poem", which is now on permanent display to visitors. The grant also supported an educational programme, to attract more visitors to the Chapel to see the wall paintings and step into a 'hidden' chapter in Stratford's history.

During the schools' Shakespeare Week in March 2017 a number of events were organised for primary school children, which were a great success. Also 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. It is hoped, in the not too distant future, that these paintings could also be restored and revealed on a permanent basis.

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.

In May 2016 the first Guild Chapel volunteers were recruited, their efforts in bringing the history of the Guild Chapel alive to visitors has proven to be an asset, and further support will be provided to build on this. 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.

Lastly, the close relationship with the Friends of the Guild Chapel where they have funded additional activity and improvements should be recognised and commended.

During 2016 the Guild Chapel continued to hold its Wednesday services, additionally there were a number of weddings and baptisms. Also various organisations held concerts and music recitals in the Chapel.

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

FINANCIAL REVIEW *(incorporating strategic review)*

OVERVIEW

In 2016 total income for the Trust was £3,300k (2015: £3,200k) the vast majority of this income (97%) 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 £792k, so 76% of the total income was available for charitable purposes to be spent on enhancing the lives of the people of Stratford (2015: 70%). 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.

£2,300k was spent on charitable expenditure (2015: £2,200k), of which £1,800k was given as grants (2015: £1,800k), £1,134k were discretionary grants, for more detail see note 9 on page 32.

INCOME

The 2016 total income of £3,300k represented an increase of 3% on last year (2015: £3,200k), in the main due to the grant income received from the Heritage Lottery Fund for the restoration of the paintings in the Guild Chapel. Investment income, £3,200k, remains our main source of income being 97% of total income.

The investment income had a yield of 5.6% (2015: 5.9%). The slight decrease in yield was due to the positive increase in both equity and property values. Equity values increased due to stronger stock markets in the year and property values increased due to stronger covenants on a number of leases.

EXPENDITURE

The majority, 76% (2015: 84%), 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 £792k (2015: £999k). For more detail see note 8 on page 31.

Statement of financial activities – summary			
	2016	2015	Growth
	£k	£k	%
Investment income	3,199.5	3,168.7	1.0
Donations & Legacies	90.5	2.9	3020.7
Charitable activities	1.3	0.8	62.5
Other income	20.6	39.2	(47.4)
Total income	3,312.0	3,211.7	3.1
Expenditure on raising funds	792.3	999.3	(20.7)
Total net income	2,519.7	2,212.4	13.9
% of total income available for charitable purposes	76.1%	68.9%	
Discretionary grants	1,134.2	1,130.8	(17.3)
Non discretionary grants	685.3	659.7	0.7
Other charitable activities	454.6	452.2	138.4
Total charitable activities	2,274.1	2,242.7	1.4
Net incoming / (outgoing) resources	245.6	(30.3)	

CHARITABLE EXPENDITURE

During 2016 our charitable expenditure was £2,274k, a slight increase from 2015, £2,243k. The change was primarily driven by costs relating to the wall painting restoration at the Guild Chapel. These costs are directly

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

CHARITABLE EXPENDITURE (continued)

linked to the grant received from the Heritage Lottery Fund for this project. 88.2% (2015: 86.3%) of the charitable expenditure was either grants or direct expenditure on community facilities.

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 £56.8m at the end of 2016; 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 always have to be reinvested in other investment assets. During the year the investments increased by 5.7% (2015: 1.0%).

In May 2016 Masons Court was sold, by Guild Estate, for net proceeds of £497k, which generated profit on disposal of £147k. The proceeds were reinvested into a short term cash deposit initially and in 2017 were invested into Legal & General tracker funds. The decision to sell the property was made as the investment was generating a negative yield and it was estimated that the repair cost of the building would be in excess of £1m. To incur these repair costs would have had a detrimental impact upon both the grants to the Grammar School of King Edward VI at Stratford-upon-Avon (charity number 528769) and Stratford Town Trust.

At the end of the year the Town Trust had £714k of committed grants to discretionary grant beneficiaries and non-discretionary grant beneficiaries, which will be paid within the next 12 months (2015: £849k). This amount is included in creditors.

The Town Trust has a liability of £326k (2015: £221k), which relates to the defined benefit pension scheme (see note 26).

The total reserves at the end of the year were £57.4m, of which £3.08m 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 £278k), 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 has been charged to this designated reserve.

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 2016 Town Trust held investments of £56.8m, an increase of £3m on 2015. 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 2016. 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 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.

In Autumn 2015 the Town Trust trustees engaged Thomas Miller Investments to review the investment policy and to provide professional and independent advice to inform the Town Trust's strategic review and decisions. The key findings of this review were:

- The Town Trust's investment policy was well written and robust and in fact more detailed than many.
- In terms of the strategy for dealing with the proceeds of property sales, it was recommended that the Trust adopts the following policy:

"A sale will proceed so long as: it doesn't impact the Trust's wider obligations to improve the lives of the people of the town and: the properties in question are either yielding below the target benchmark of 4.98% and / or; there are other sound investment reasons for the property being sold (eg land for redevelopment)."
- In terms of investing proceeds from sales, it was recommended that the sales from physical property should be reinvested into managed equity funds, probably passive funds.
- It was recommended that the Town Trust should not actively divest itself of property. It should only divest as and when an opportunity arises and it is beneficial to the Town Trust.
- It was agreed that ongoing the Town Trust would commission an investment policy and fund manager review every 5 years.

**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	2016 £M	2015 £M	2016 %	2015 %
Endowed:				
Physical Property	38.8	38.0	68.3%	70.8%
Equity Funds	13.0	12.1	22.9%	22.5%
Property Funds	2.2	1.7	3.7%	3.2%
Cash equivalent	0.6	0.3	1.2%	0.5%
Total endowed investments	54.6	52.1	96.1%	97%
Non Endowed:				
Equity Funds	1.5	1.6	2.6%	3.0%
Property funds	0.7	-	1.3%	-
Total investments	56.8	53.7	100.0%	100%

Independently Managed Funds Performance

The equity investments are held with either Sarasin & Partners or Cazenove Capital Management. 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	3.4%	6.8%	10.2%	7.0%	15.1%
Guild	3.9%	7.3%	11.2%	7.0%	13.7%
College	3.8%	7.5%	11.3%	7.0%	13.3%

The benchmark for the Guild Estate and College Estate is the weighted average of the benchmark for the property funds (2.8%), which is based on IPD All Balanced Funds Property Index, and the benchmark for the Common Investments Funds (16.6%) (which is calculated based on BofA Merrill Lynch Sterling Corporate (8.5%), FTSE All-share 5% capped (Total Return) (UK) (30.0%), FTSE Gilts All Stocks (Total Return) (9.0%), IPD All Balanced Property Funds – one quarter lagged (4%), MSCI AC World ex UK (local currency – GBP) (15.0%), MSCI AC World ex UK (Net total return) (25.0%), S&P Developed Property Net TR (3.5%), UK cash LIBOR 1 month (Total Return) (5%).

The benchmark for the Town Trust is based on BofA Merrill Lynch Sterling Corporate (20.68%), 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 actual total return performance was above the target due to the positive performance of the financial markets in relation to the capital values, but was lower than the benchmark due to the income return of the actual funds being lower than the benchmark.

During the year the bonds held by Guild and College were realised, as they matured. Additionally £1.1m of funds were invested in property funds.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

Property Investment Performance

The combined property portfolio is valued at £38.8m (2015: £38.0m). 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 the summer. Property valuations improved by £1.1m as a result of the impact of new tenancies, rent reviews and renewals.

	Income	Capital	Total Return	Target	Benchmark
Guild	6.7%	3.7%	10.4%	8.5%	2.8%
College	7.3%	0.5%	7.8%	8.5%	2.8%

The benchmark for the Guild Estate and College Estate is the IPD 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.

Also the Town Trust issued a new lease to Orbit for the development of Fordham House (formally known as Warwick House).

Guild Estate sold one property during the year; Masons Court, a group of cottages and garages. The net proceeds from this sale were £497k, and as these proceeds represent endowed funds they have been reinvested into equity funds in January 2017. Initially the proceeds were invested into a cash deposit as there was concern about the impact of the EU referendum vote.

After adjusting for disposals, the Group property portfolio had an average capital return of 2.9% (2015: 1.6%). The rental yield for the combined portfolio was 6.9% (2015: 7.0%), giving a total return of 9.8% (2015: 8.6%).

The health of our commercial property portfolio in Stratford 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. The Trust had very few void properties during the year. At the year-end there was one void office in a multi-let property.

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.

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. There are five committees within the Town Trust. Terms of reference for all committees are reviewed and updated as required, on an annual basis.

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

During 2016, the Communications Group became formally constituted as a Committee.

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

Committee	Responsibilities
Audit	<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
Communications	<ul style="list-style-type: none"> Development of communications strategy, building awareness and management of website
Governance	<ul style="list-style-type: none"> 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
Grants	<ul style="list-style-type: none"> Detailed review of grant applications and subsequent 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 2016 three trustees stepped down as their terms came to an end – Ian Fradgley, Joan McFarlane and Juliet Short; and there were three new trustees – Charles Bates, Tessa Bates and Tony Jackson, who were all nominated by the Town Council.

**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 2016, 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 this is done by reviewing and discussing the Risk Register. The whole process is monitored by the Audit Committee.

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

Description of Risk	Mitigation of Risk
The ArtsHouse's financial performance is such that its financial dependence on the Town Trust continues into the medium/long term and could be substantial	The Town Trust has regular update meetings with the ArtsHouse management to understand its performance. It also receives the monthly management accounts, forecasts and annual budget. Additionally the KPIs within the Grants Agreement are monitored.
The ArtsHouse model is not sustainable or viable in the medium to long term and as such this could have a strategic impact on the Town Trust	Quarterly reports are received from the ArtsHouse trustees, explaining ArtsHouse strategic progress and delivery of KPI's within the grants agreement. The ArtsHouse performance is a standing agenda item for the FIP committee. The Town Trust is committed to provide a grant until March 2018 under the grants agreement.
The Group's PR image could be influenced by the public's misperception of the Town Trust's strategy and activities also a poor relationship with local press	The Trust ensures that there are PR announcements to accompany all major events, whether it be a grants round or a property matter. The website is maintained on a real time basis. Beneficiaries are encouraged to advertise that they have received a grant from the Trust.
Non-Discretionary grant calculations are questioned by beneficiary	All calculations follow those stipulated in the relevant legal agreement and are applied consistently each year. Also they are audited by the Trust's Auditors.

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 environment, communities 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 2016 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 truly 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 2016 the Town Trust reviewed its communication practices and made the decision to move to opt-in communications. 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. Following criticism of its actions in the past, the Town Trust will also endeavour to consult on issues of particular public importance. The CEO is available every Friday to meet members or community members to discuss any issue. Also during 2016 and quarter one of 2017, the Trustees operated a monthly members' surgery, these initially were well attended. However since November 2016 very few members have attended, so on-going it is planned to hold trustee surgeries twice a year rather than monthly.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

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 via the Town Trust's online application form. The Town Trust operated three main grants rounds in 2016. The Town Trust also offers a Fast Track grant scheme whereby organisations can apply for up to £1,000 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.

The organisations in receipt of Programme (multi-year grants) continued 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.

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, internal 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.

STRATFORD-UPON-AVON TOWN TRUST REPORT OF THE TRUSTEES

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 2016 the Trust had 9 paid staff, the majority being part-time. Their wealth of experience, skills and commitment has enabled the Trust to deliver an 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 (appointed 1.6.16)
 Mrs T Bates (appointed 1.6.16)
 Mr I Fradgley (term expired 31.5.16)
 Mr A Haigh (Chairman of Board)
 Mr A Jackson (appointed 1.6.16)
 Mr R Lane (Chairman of Governance Committee)
 Mr E Lee
 Mrs J Lucas
 Mrs J McFarlane (term expired 31.5.16)
 Mrs C Roberts MBE
 Mrs J Short (term expired 31.5.16)
 Mr C Snowdon (Chairman, Finance Investment & Property Committee)
 Mrs C Taylor (Vice-Chairman of Board & Chairman of Grants Committee)
 Mr Q Willson

NON EXECUTIVE AUDIT COMMITTEE MEMBERS

Mrs S Jassi Chairman from 1 January 2016 to 31 December 2016
 Mr A Flor Deputy Chairman from 1 January 2016 to 31 December 2016

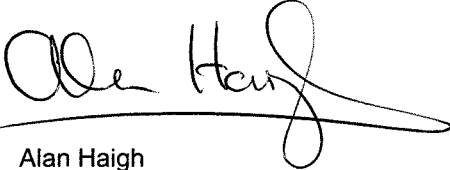
CHIEF EXECUTIVE	Helen Munro (up to 31.8.16) Justin Williams (from 8.8.16)	SENIOR MANAGEMENT TEAM	Helen Munro, Justin Williams, Claire Bowry, Rebecca Hampson, Lynn Wilson
AUDITORS	Saffery Champness LLP St John's Court Easton Street High Wycombe HP11 1JX		
BANKERS	Barclays Bank plc Barclays House PO Box 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
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 17 May 2017 and signed on their behalf by Alan Haigh.

A handwritten signature in black ink, appearing to read 'Alan Haigh', with a long horizontal flourish extending to the right.

Alan Haigh
Chairman
17 May 2017

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

We have audited the financial statements of Stratford-upon-Avon Town Trust for the year ended 31 December 2016 set out on pages 22 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the 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 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 company, the company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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. We have been appointed as auditors under the Charities Act 2011 and the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

give a true and fair view of the state of the group's and the parent charity's affairs as at 31st December 2016 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 and the Charities Act 2011.

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 Report of the Trustees and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Report of the Trustees and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion: the parent charity 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 charity 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.



Karen Bartlett
For and on behalf of

Saffery Champness LLP
Chartered Accountants

St John's Court
Easton Street
High Wycombe
HP14 1JX

Statutory Auditor

Date: 18 May 2017

STRATFORD-UPON-AVON TOWN TRUST
CONSOLIDATED GROUP STATEMENT OF FINANCIAL ACTIVITIES, incorporating an income and expenditure account for the year ending 31 December 2016

	Note	Unrestricted funds 2016 £	Permanent endowment funds 2016 £	Total funds 2016 £	Unrestricted funds 2015 £	Permanent endowment funds 2015 £	Total funds 2015 £
Income from:							
Donations and legacies*	4	90,540	-	90,540	2,911	-	2,911
Investment income	5	3,199,487	-	3,199,487	3,168,737	-	3,168,737
Charitable Activities	6	1,311	-	1,311	846	-	846
Other income	7	20,641	-	20,641	39,219	-	39,219
Total Income		3,311,979	-	3,311,979	3,211,713	-	3,211,713
Expenditure on:							
Raising funds	8	792,328	-	792,328	999,255	-	999,255
Charitable activities**	9	2,274,025	-	2,274,025	2,242,705	-	2,242,705
Total expenditure		3,066,353	-	3,066,353	3,241,960	-	3,241,960
Net gains / (losses) on investments	15	100,263	2,299,175	2,399,438	(67,966)	986,401	918,435
Net income and expenditure		345,889	2,299,175	2,645,064	(98,213)	986,401	888,188
Other recognised gains and losses							
Actuarial (losses) / gains on defined benefit pension schemes	26	(118,000)	-	(118,000)	101,000	-	101,000
Net movement in funds		227,889	2,299,175	2,527,064	2,787	986,401	989,188
Reconciliation of funds							
Total funds brought forward		2,855,554	52,058,387	54,913,941	2,852,767	51,071,986	53,924,753
Total funds carried forward	20	3,083,443	54,357,562	57,441,005	2,855,554	52,058,387	54,913,941

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 27 to 44 form part of these financial statements.

*Includes restricted funds income of £87,118.

**Includes restricted funds cost of £87,118.

STRATFORD-UPON-AVON TOWN TRUST

**TRUST STATEMENT OF FINANCIAL ACTIVITIES, incorporating an income and expenditure account
for the year ending 31 December 2016**

	Notes	Total Funds 2016 £	Total Funds 2015 £
Income from:			
Donations	4	1,701,278	1,559,727
Investment income	5	71,365	77,734
Charitable activities	6	464	446
Other	7	169,191	180,407
		<hr/>	<hr/>
Total income		1,942,298	1,818,314
		<hr/>	<hr/>
Expenditure on:			
Raising funds	8	275,707	268,085
Charitable activities:	9	1,439,175	1,487,124
		<hr/>	<hr/>
Total expenditure		1,714,882	1,755,209
		<hr/>	<hr/>
Gains / (losses) on investment assets	15	101,467	(67,966)
		<hr/>	<hr/>
Net income and expenditure		328,883	(4,861)
Other recognised gains and losses			
Actuarial (losses) / gains on defined benefit pension schemes	26	(118,000)	101,000
		<hr/>	<hr/>
Net movement in funds		210,883	96,139
Reconciliation of funds			
Total funds brought forward		2,735,529	2,639,390
		<hr/>	<hr/>
Total funds carried forward	22	2,946,412	2,735,529
		<hr/> <hr/>	<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 27 to 44 form part of these financial statements.

STRATFORD-UPON-AVON TOWN TRUST
BALANCE SHEETS
as at 31 December 2016

	Notes	Group		Trust	
		2016 £	2015 £	2016 £	2015 £
Fixed assets					
Tangible fixed assets	14	1,853,923	1,896,342	1,853,923	1,896,342
Investments	15	56,767,524	53,714,573	1,551,191	1,649,724
		<u>58,621,447</u>	<u>55,610,915</u>	<u>3,405,114</u>	<u>3,546,066</u>
Current assets					
Debtors	16	253,108	268,994	203,402	134,684
Cash at bank and in hand		1,325,425	1,232,874	427,424	145,756
		<u>1,578,533</u>	<u>1,501,868</u>	<u>630,826</u>	<u>280,440</u>
Creditors: amounts falling due within one year	17	(2,370,835)	(1,977,842)	(701,388)	(869,977)
Net current liabilities		<u>(792,302)</u>	<u>(475,974)</u>	<u>(70,562)</u>	<u>(589,537)</u>
Total assets less current liabilities		<u>57,829,145</u>	<u>55,134,941</u>	<u>3,334,552</u>	<u>2,956,529</u>
Provision for liabilities	18	(62,140)	-	(62,140)	-
Defined benefit pension scheme liability	26	(326,000)	(221,000)	(326,000)	(221,000)
Net assets including pension liability		<u>57,441,005</u>	<u>54,913,941</u>	<u>2,946,412</u>	<u>2,735,529</u>
Funds					
Capital funds					
Endowment Funds*	20	54,357,562	52,058,387	-	-
Income funds					
Unrestricted funds	21				
General fund		1,832,548	1,479,429	1,832,548	1,479,429
Designated fund		1,439,864	1,477,100	1,439,864	1,477,100
Other charitable funds (College & Guild)		137,031	120,025	-	-
Pension reserve	26	(326,000)	(221,000)	(326,000)	(221,000)
Total funds	21	<u>57,441,005</u>	<u>54,913,941</u>	<u>2,946,412</u>	<u>2,735,529</u>

*Includes revaluation reserves £38,842,687 (2015: £37,104,104)

The financial statements on pages 22 to 44 were approved by the trustees and authorised for issue on 17 May 2017.

The notes on pages 27 to 44 form part of these financial statements.

Alan Haigh, Chairman 

Clive Snowdon, Chairman of Finance, Investment & Property Committee 

Registered company number 04222949

STRATFORD-UPON-AVON TOWN TRUST
CONSOLIDATED GROUP STATEMENT OF CASH FLOWS
for the year ending 31 December 2016

	2016 Total funds £	2015 Total funds £
Cash flows from operating activities:		
Net cash used in operating activities	<u>(2,467,110)</u>	<u>(3,688,987)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	3,220,128	3,207,956
Purchase of property, plant and equipment	(6,904)	(24,518)
Proceeds from sale of investments	950,729	1,028,750
Purchase of investments	<u>(1,222,016)</u>	<u>(422,669)</u>
Net cash provided by investing activities	2,941,937	3,789,519
Change in cash and cash equivalents in the reporting period	474,827	100,532
Cash and cash equivalents at 31 December 2015	<u>1,480,490</u>	<u>1,379,958</u>
Cash and cash equivalents at 31 December 2016	<u>1,955,317</u>	<u>1,480,490</u>

	2016 Total funds £	2015 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>	2,527,064	989,188
Adjustments for:		
Depreciation	49,139	48,755
Gains on investments	(2,399,438)	(918,435)
Dividends, interest, and rent from investments	(3,220,128)	(3,207,956)
Loss on sale of fixed assets	184	-
Decrease in debtors	15,886	74,003
Increase in provision for liabilities	62,140	-
(Decrease) / increase in creditors	<u>498,043</u>	<u>(674,542)</u>
Net cash used in operating activities	<u>(2,467,110)</u>	<u>(3,688,987)</u>

	2016 Total funds £	2015 Total funds £
Analysis of cash and cash equivalents		
Cash in hand	1,325,425	1,232,874
Cash awaiting investment *	<u>629,892</u>	<u>247,616</u>
Total cash and cash equivalents	<u>1,955,317</u>	<u>1,480,490</u>

*£625,577 (2015: £246,684) 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 ending 31 December 2016

	2016	2015
	Total funds	Total funds
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities	<u>(151,984)</u>	<u>(758,099)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	240,556	258,142
Purchase of property, plant and equipment	(6,904)	(24,518)
Proceeds from sale of investments	203,383	200,000
Purchase of investments	<u>-</u>	<u>(4,133)</u>
Net cash provided by investing activities	437,035	429,491
Change in cash and cash equivalents in the reporting period	285,051	(328,608)
Cash and cash equivalents at 31 December 2015	<u>146,688</u>	<u>475,296</u>
Cash and cash equivalents at 31 December 2016	<u>431,739</u>	<u>146,688</u>

	2016	2015
	Total funds	Total funds
	£	£
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	210,883	96,139
Adjustments for:		
Depreciation	49,139	48,755
Gains / (losses) on investments	(101,467)	67,966
Dividends, interest, and rent from investments	(240,556)	(258,142)
Loss on sale of fixed assets	184	-
(Increase) / decrease in debtors	(68,718)	53,816
Increase in provision for liabilities	62,140	-
Decrease in creditors	<u>(63,589)</u>	<u>(766,633)</u>
Net cash provided by / (used in) operating activities	<u>(151,984)</u>	<u>(758,099)</u>

	2016	2015
	Total funds	Total funds
	£	£
Analysis of cash and cash equivalents		
Cash in hand	427,424	145,756
Cash awaiting investment	<u>4,315</u>	<u>932</u>
Total cash and cash equivalents	<u>431,739</u>	<u>146,688</u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ending 31 December 2016

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) (effective 1 January 2015) – (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.

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 9.

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.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ending 31 December 2016 (continued)

1 Statement of accounting policies (continued)

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.

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

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.

k) Debtors

Debtors are measured at their recoverable amounts.

l) Creditors and Provision for Liabilities

Creditors are measured at their settlement amount and recognised when there is certainty that a liability will be incurred.

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.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ending 31 December 2016 (continued)

1 Statement of accounting policies (continued)

Retirement benefits (continued)

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.

p) Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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 2016 £	College Estate 2016 £
Total Assets	39,824,444	16,524,915
Total Liabilities	<u>(843,749)</u>	<u>(1,011,017)</u>
Total Funds	<u>38,980,695</u>	<u>15,513,898</u>
	2016 £	2015 £
Guild Estate Endowment		
Total incoming resources	2,406,789	2,327,319
Net incoming resources	<u>1,749,471</u>	<u>977,891</u>
College Estate Endowment		
Total incoming resources	<u>895,514</u>	<u>862,007</u>
Net incoming / (outgoing) resources	<u>566,710</u>	<u>(84,842)</u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ending 31 December 2016 (continued)

4	Donations and legacies	Group		Trust	
		Total funds 2016 £	Total funds 2015 £	Total funds 2016 £	Total funds 2015 £
	Annual gift from Guild Estate	-	-	1,094,606	1,102,365
	Annual gift from College Estate	-	-	606,672	457,362
	Donations to Guild Chapel*	90,540	2,911	-	-
		<u>90,540</u>	<u>2,911</u>	<u>1,701,278</u>	<u>1,559,727</u>

*This source of income includes £75,000 from the Heritage Lottery Fund and £12,118 from the Friends of the Guild Chapel, both items are classified as restricted funds.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ending 31 December 2016 (continued)

5	Investment income	Group		Trust	
		Total funds 2016 £	Total funds 2015 £	Total funds 2016 £	Total funds 2015 £
	Property income	2,573,849	2,581,490	17,359	3,850
	Interest on short term deposits	4,121	3,271	-	-
	Dividends receivable	621,517	583,976	54,006	73,884
		<u>3,199,487</u>	<u>3,168,737</u>	<u>71,365</u>	<u>77,734</u>
		<u><u>3,199,487</u></u>	<u><u>3,168,737</u></u>	<u><u>71,365</u></u>	<u><u>77,734</u></u>
6	Charitable Income	Group		Trust	
		Total funds 2016 £	Total funds 2015 £	Total funds 2016 £	Total funds 2015 £
	Guild Chapel	847	400	-	-
	Bandstand	464	446	464	446
		<u>1,311</u>	<u>846</u>	<u>464</u>	<u>446</u>
		<u><u>1,311</u></u>	<u><u>846</u></u>	<u><u>464</u></u>	<u><u>446</u></u>
7	Other Income	Group		Trust	
		Total funds 2016 £	Total funds 2015 £	Total funds 2016 £	Total funds 2015 £
	Interest receivable on cash & bank	4,792	3,808	1,027	879
	Services to Guild Estate	-	-	91,389	86,470
	Services to College Estate	-	-	60,926	57,647
	Services to ArtsHouse	15,849	35,411	15,849	35,411
		<u>20,641</u>	<u>39,219</u>	<u>169,191</u>	<u>180,407</u>
		<u><u>20,641</u></u>	<u><u>39,219</u></u>	<u><u>169,191</u></u>	<u><u>180,407</u></u>
8	Expenditure on raising funds	Group		Trust	
		Total funds 2016 £	Total funds 2015 £	Total funds 2016 £	Total funds 2015 £
	Investment Fund Managers' Fees	46,623	30,549	20,201	3,868
	Property expenses	557,776	809,605	17,769	20,968
	Support costs (note 10)	151,110	111,117	-	-
	Services to Guild Estate	-	-	124,993	118,189
	Services to College Estate	-	-	75,925	77,076
	Services to Stratford ArtsHouse (note 10)	36,819	47,984	36,819	47,984
		<u>792,328</u>	<u>999,255</u>	<u>275,707</u>	<u>268,085</u>
		<u><u>792,328</u></u>	<u><u>999,255</u></u>	<u><u>275,707</u></u>	<u><u>268,085</u></u>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ending 31 December 2016 (continued)

	Group		Trust	
	Total funds 2016 £	Total funds 2015 £	Total funds 2016 £	Total funds 2015 £
9 Expenditure on charitable activities				
Grant Making				
Discretionary Grants	1,134,159	1,130,763	1,134,159	1,130,763
Non-Discretionary Grants				
King Edward VI School	638,986	614,152	-	-
Almshouses Maintenance	39,262	38,572	-	-
Holy Trinity Church	7,000	7,000	-	-
Grant Making Support Costs (note 10)	232,709	261,290	221,504	239,159
	<u>2,052,116</u>	<u>2,051,777</u>	<u>1,355,663</u>	<u>1,369,922</u>
ArtsHouse				
Direct facility costs	42,555	48,807	42,555	48,807
Support costs (note 10)	12,964	9,169	15,669	9,169
	<u>55,519</u>	<u>57,976</u>	<u>58,224</u>	<u>57,976</u>
Other activities				
Bandstand	3,832	5,841	3,832	5,841
800 th Anniversary Fountain	9,982	10,333	9,982	10,333
Guild Chapel	130,202	78,577	-	-
Support Costs (note 10)	22,374	38,201	11,474	43,052
	<u>166,390</u>	<u>132,952</u>	<u>25,288</u>	<u>59,226</u>
Total	<u>2,274,025</u>	<u>2,242,705</u>	<u>1,439,175</u>	<u>1,487,124</u>

Analysis of expenditure on charitable activities

	Activities undertaken directly £	Grant funding of activities £	Support Costs £	Total £
Discretionary grants	-	1,134,159	188,872	1,323,031
Grant to King Edward VI School	-	638,986	43,133	682,119
Grant to Almshouses Maintenance	-	39,262	352	39,614
Grant to Vicar of Holy Trinity Church	-	7,000	352	7,352
ArtsHouse - facility	42,555	-	12,964	55,519
Guild Chapel Property Management	130,202	-	10,900	141,102
Bandstand & 800 th Anniversary Fountain	13,814	-	11,474	25,288
	<u>186,571</u>	<u>1,819,407</u>	<u>268,047</u>	<u>2,274,025</u>

STRATFORD-JPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

10	Allocation of support costs - Group	Basis of allocation	ArtsHouse facility		ArtsHouse shared services		Grant Making		Governance		Charitable Activities		Property Support		Total 2016		Total 2015	
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
	Staff costs	Time	8,158	17,436	131,253	93,310	12,874	69,943	332,974	325,520								
	Office costs	Time	564	9,709	8,174	34,317	4,590	4,828	62,182	70,601								
	Membership administration	Cost	-	-	-	3,403	-	-	3,403	11,442								
	AGM and annual report	Cost	-	-	-	1,321	-	-	1,321	834								
	Trustee meetings and training	Direct	-	-	-	2,771	-	-	2,771	3,630								
	Auditor's remuneration	Direct	-	-	-	17,055	-	-	17,055	14,326								
	Legal & professional fees	Direct	-	-	28,946	5,124	1,800	400	36,270	41,408								
	Governance costs	Cost	4,242	9,674	64,336	(157,301)	3,110	75,939	-	-								
			<u>12,964</u>	<u>36,819</u>	<u>232,709</u>	<u>-</u>	<u>22,374</u>	<u>151,110</u>	<u>455,976</u>	<u>467,761</u>								
			(note 9)	(note 8)	(note 9)		(note 9)	(note 8)										
	Allocation of support costs - Trust																	
	Staff costs	Time	8,158	17,436	104,134	112,854	79,504	5,978	328,064	325,827								
	Office costs	Time	3,299	9,709	42,502	49,018	30,467	2,386	137,381	156,304								
	Auditor's Remuneration	Direct	-	-	-	-	3,403	-	3,403	4,915								
	Professional Fees	Direct	-	-	-	-	1,321	-	1,321	33,664								
	Membership Administration	Cost	-	-	-	-	2,771	-	2,771	11,442								
	AGM and Annual Report	Cost	-	-	-	-	8,750	-	8,750	834								
	Trustee Meetings and Training	Direct	-	-	-	-	4,724	-	4,724	1,643								
	Governance costs	Cost	4,242	9,674	54,282	59,632	(130,940)	3,110	-	-								
			<u>15,699</u>	<u>36,819</u>	<u>200,918</u>	<u>221,504</u>	<u>-</u>	<u>11,474</u>	<u>486,414</u>	<u>534,629</u>								
			(note 9)	(note 8)	(note 8)	(note 9)		(note 9)										

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
For the year ending 31 December 2016 (continued)

10 Allocation of support costs Group (continued)

Costs are allocated directly where possible or on a staff time basis where applicable.

	Group 2016 Number	Group 2015 Number
11 Employees and staff costs		
The average number of employees throughout the year, calculated on a role basis was:		
Stratford Town Trust	8.0	9.25
	-----	-----
	8.0	9.25
	=====	=====
On a full-time equivalent basis the total head count was:	5.5	5.5
The cost of employing all staff was:	£	£
Salaries and Wages	238,441	248,053
National Insurance	18,153	20,747
Pensions – Current service cost	55,975	54,199
	-----	-----
	312,569	322,999
	=====	=====

In 2016 no member of staff was remunerated more than £60,000, in 2015 1 employee earned between £80,000 and £90,000. Total remuneration for the senior management team was £214,412 (2015: £208,495).

2015 salaries and wages amount includes an amount paid to an employee who was made redundant during that year due to the sensitive nature of the payment the value has not been disclosed.

12 Rother Street Car Park

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

13 Heritage asset

The Guild Chapel in Stratford-upon-Avon is not included in the balance sheet as it is regarded as a heritage asset. The Guild Chapel dates from around 1269 and was the main building of the Guild of the Holy Cross. In 1553 it was gifted to the Guild Estate Endowment, whereby the charity took over the responsibility of maintaining the chapel for its purposes. In 1954 the Friends of the Guild Chapel, an organisation independent of the Trust, were set up, they fundraise towards the maintenance of the fabric of the Chapel, including the organ, but are not part of the charity.

The chapel is used on a regular basis by King Edward VI School for morning assembly, also the Friends of the Guild Chapel attend services on Holy Cross Day (14th September), a Christmas carol service and a Summer service. Weekly Holy Communion services are held at which anyone is welcome to worship. The chapel is opened daily for the general public to visit.

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. The building and contents are insured for £5.4m.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

	ArtsHouse Building £	Waterside Theatre £	Bandstand and Fountain £	Computer Equipment £	Office Equipment £	Total £
14 Tangible fixed assets						
Group and Trust						
Cost						
1 January 2016	1,861,877	356,444	121,077	57,695	30,352	2,427,445
Additions	-	-	-	4,616	2,288	6,904
Disposals	-	-	-	(995)	(184)	(1,179)
31 December 2016	1,861,877	356,444	121,077	61,316	32,456	2,433,170
Depreciation						
1 January 2016	384,777	29,700	42,976	46,557	27,093	531,103
Charge for the period	37,236	4,400	2,424	4,062	1,017	49,139
Disposals	-	-	-	(995)	-	(995)
31 December 2016	422,013	34,100	45,400	49,624	28,110	579,247
Net book values						
31 December 2016	1,439,864	322,344	75,677	11,692	4,346	1,853,923
31 December 2015	1,477,100	326,744	78,101	11,138	3,259	1,896,342

NB: The Civic Hall was renamed the ArtsHouse in summer 2014.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

	Group		Trust	
	2016 £	2015 £	2016 £	2015 £
15 Fixed asset investments				
Investment properties	38,790,600	38,025,600	-	-
Quoted investments	17,347,032	15,441,357	1,546,876	1,648,792
Permanent endowment short term deposits	501,565	5,249	-	-
Cash awaiting investment	128,327	242,367	4,315	932
	<u>56,767,524</u>	<u>53,714,573</u>	<u>1,551,191</u>	<u>1,649,724</u>
Investment properties:				
Market value at 1 January 2016	38,025,600	37,795,720	-	-
Additions at cost	-	26,666	-	-
Net sale proceeds	(497,396)	(785,855)	-	-
Gain on disposal	147,396	375,855	-	-
Revaluation gains	1,115,000	613,214	-	-
	<u>38,790,600</u>	<u>38,025,600</u>	<u>-</u>	<u>-</u>
Market value at 31 December 2016	38,790,600	38,025,600	-	-
Cost or donated value at 31 December 2016	<u>7,217,653</u>	<u>7,217,653</u>	<u>-</u>	<u>-</u>
Quoted investments:				
Market value at 1 January 2016	15,441,357	15,356,641	1,648,792	1,912,625
Additions at cost	1,222,016	396,003	-	4,133
Sale proceeds	(453,383)	(240,653)	(203,383)	(200,000)
Investment gains	1,137,042	(70,634)	101,467	(67,966)
	<u>17,347,032</u>	<u>15,441,357</u>	<u>1,546,876</u>	<u>1,648,792</u>
Market value at 31 December 2016	17,347,032	15,441,357	1,546,876	1,648,792
Historical cost at 31 December 2016	<u>13,431,392</u>	<u>12,659,049</u>	<u>1,335,129</u>	<u>1,535,129</u>

In accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015) the investment properties were revalued at 31 December 2016 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 2016 (continued)

15	Fixed asset investments (continued)	Group		Trust	
		2016 £	2015 £	2016 £	2015 £
	Gains / (losses) on unrestricted funds				
	Quoted investments	100,263	(67,966)	101,467	(67,966)
		<u>100,263</u>	<u>(67,966)</u>	<u>101,467</u>	<u>(67,966)</u>
		<u><u>100,263</u></u>	<u><u>(67,966)</u></u>	<u><u>101,467</u></u>	<u><u>(67,966)</u></u>
16	Debtors	Group		Trust	
		2016 £	2015 £	2016 £	2015 £
	Amounts falling due within one year:				
	Rents	137,037	179,219	-	-
	Prepayments and accrued income	113,446	75,203	19,139	16,995
	Other debtors	2,625	14,572	-	444
	Amount due from Guild Estate	-	-	108,334	-
	Amount due from College Estate	-	-	75,749	117,245
		<u>253,108</u>	<u>268,994</u>	<u>203,402</u>	<u>134,684</u>
		<u><u>253,108</u></u>	<u><u>268,994</u></u>	<u><u>203,402</u></u>	<u><u>134,684</u></u>
17	Creditors: amounts falling due within one year	Group		Trust	
		2016 £	2015 £	2016 £	2015 £
	Rents received in advance	1,227,167	524,192	-	-
	Trade creditors	78,588	192,807	37,671	57,964
	Grants payable (note 25)	714,310	849,300	628,061	743,819
	Accruals	64,887	146,378	19,243	32,574
	Other creditors	116,982	120,393	925	4,175
	Other taxation and social security	166,778	141,832	13,365	15,884
	Pension	2,123	2,940	2,123	2,940
	Amount owed to Guild Estate	-	-	-	12,621
		<u>2,370,835</u>	<u>1,977,842</u>	<u>701,388</u>	<u>869,977</u>
		<u><u>2,370,835</u></u>	<u><u>1,977,842</u></u>	<u><u>701,388</u></u>	<u><u>869,977</u></u>
		Group			
		2016 £	2015 £		
	Included within accruals are the following fees payable to the auditor for:				
	Statutory audit	<u>16,876</u>	<u>16,700</u>		

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

18	Provision for liabilities	Group		Trust	
		2016 £	2015 £	2016 £	2015 £
	1 January 2016	-	-	-	-
	Change in year	62,140	-	62,140	-
	31 December 2016	62,142	-	62,142	-

This provision relates to funds received from insurers in relation to the replacement of the ArtsHouse floor. It is anticipated that the provision will be fully utilised in the next 12 months.

19 Basic financial instruments

The carrying amount of financial assets which are debt instruments at amortised cost is £137,036. The carrying amount of financial liabilities which is measured at amortised cost is £792,996. The impairment loss for Rents is £14,472.

20 Summary of Fund Movements

Fund Name	Fund Balances 31 December 2015 £	Income £	Expenditure £	Gains and Losses £	Fund Balances 31 December 2016 £
Unrestricted Funds	2,855,554	3,224,861	(2,979,235)	100,263	3,083,443
Restricted Funds	-	87,118	(87,118)	-	-
Permanent Endowment Funds	52,058,387	-	-	2,299,175	54,357,562
Total Funds	54,913,941	3,311,979	(3,066,353)	2,281,438	57,441,005

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.

21	Analysis of group net assets between funds	Unrestricted funds £	Endowment funds £	Total £
	Fixed assets	1,853,923	-	1,853,923
	Fixed asset investments	2,249,987	54,517,537	56,767,524
	Current assets	1,578,533	-	1,578,533
	Current liabilities	(2,210,860)	(159,975)	(2,370,835)
	Provision for liabilities	(62,140)	-	(62,140)
	Defined benefit pension scheme liability	(326,000)	-	(326,000)
		3,083,443	54,357,562	57,441,005

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

22 Analysis of group funds between charities	Guild Endowment £	College Endowment £	Trust £	Total £
Capital funds				
Endowment funds	38,880,520	15,477,042	-	54,357,562
Restricted Funds				
Unrestricted funds				
General funds	-	-	1,832,548	1,832,548
Designated Funds*	-	-	1,439,864	1,439,864
Other charitable funds	100,175	36,856	-	137,031
Pension reserve	-	-	(326,000)	(326,000)
	38,980,695	15,513,898	2,946,412	57,441,005

*Designated funds relate to the ArtsHouse fixed assets

23 Trustee expenses (Group and Trust)

Expenditure reimbursed to trustees during the period amounted to £nil (2015: £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 31 March 2018, the level of funding is subject to the ArtsHouse offering at least a certain number of sessions for hire by community organisations and also meeting certain financial targets. The delivery of both of these commitments is reviewed regularly. The Trust has committed to fund the Stratford ArtsHouse for a minimum of £100k for the 12 months from 1 April 2017 to 31 March 2018.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

25 Grant making

A total of 169 (2015: 139) discretionary grants were awarded to beneficiaries during the year, of which 38 (2015: 46) were hardship grants, to individuals, which amounted to £12,885 (2015: £12,090).

Total Discretionary Grants	Group & Trust	
	2016	2015
	£	£
To relieve need, hardship, distress, sickness, disability, old age and infirmity among beneficiaries	496,457	377,782
To provide or support the provision of facilities for education for beneficiaries, including the advancement of learning and knowledge	171,765	251,033
To provide or support facilities for recreation and other leisure-time occupation	375,060	343,205
To advance the Christian religion	11,880	14,506
To support Civic Pride	43,376	35,520
To support citizenship and community	22,500	84,197
Other charitable purposes	13,121	24,520
	1,134,159	1,130,763
	1,134,159	1,130,763

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	2016
Beneficiary	Purpose of grant	£
Stratford ArtsHouse *	Running costs	199,680
South Warwickshire NHS Foundation Trust	Stratford Hospital Cancer & Eye Appeal	100,000
Parenting Project *	Family support	67,995
Citizens Advice Bureau	Running Costs	40,000
Domestic Abuse Counselling Service	Counselling for victims	27,205
Stratford upon Avon School	Extra-curricular activities	31,937
The Bear Pit	Theatre transformation	26,000
Stratford Upon Avon Hockey Club*	Community outreach	25,000
Safeline	Specialised therapy for survivors of sexual abuse	23,320
		541,137
		541,137

*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 2016 (continued)

25 Grant making (continued)

Reconciliation of grants payable

	Group 2016 £	Group 2015 £
Commitments 31 December 2015	849,300	1,369,609
Commitments made in the period and payable	1,819,407	1,790,486
Grants paid during the period	(1,954,397)	(2,310,795)
	<hr/>	<hr/>
Commitments 31 December 2016	714,310	849,300
	<hr/>	<hr/>

It is anticipated that all the committed grants will be payable during 2017.

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

26 Pensions and similar obligations

As at 31 December 2016 3 (2015: 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 Units
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 2016 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

	2016	2015	2014
Rate of CPI	2.5%	2.5%	3.7%
Rate of increase in salaries	3.1%	4.3%	1.0%
Rate of increase in pensions	2.5%	2.4%	2.4%
Discount rate for liabilities	2.7%	3.9%	3.6%

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

	Rate of Return	2016 £'000	Rate of Return	2015 £'000
Equities	2.7%	1,017	3.6%	663
Bonds	2.7%	299	3.6%	211
Property	2.7%	164	3.6%	120
Cash/liquidity	2.7%	15	3.6%	10
		<hr/>		<hr/>
Total		1,495		1,004
		<hr/> <hr/>		<hr/> <hr/>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (continued)

26 Pensions and similar obligations (continued)

	2016 £'000	2015 £'000
Market value of assets	1,495	1,004
Liabilities	(1,821)	(1,225)
	<hr/>	<hr/>
Deficit	(326)	(221)
	<hr/>	<hr/>

Analysis of amounts charged to the statement of financial activities

	2016 £'000	2015 £'000
Current service cost	25	31
	<hr/>	<hr/>
Operating charge	(25)	(31)
	<hr/>	<hr/>

Analysis of net return on pension assets

Expected return on pension scheme assets	47	34
Interest on pension liabilities	(55)	(45)
	<hr/>	<hr/>
Net return	(8)	(11)
	<hr/>	<hr/>

Actuarial gains and losses

Asset gain	166	14
Liability (loss) / gain	(284)	87
	<hr/>	<hr/>
Net (loss) /gain	(118)	101
	<hr/>	<hr/>

Movement in deficit during the year

	2016 £'000	2015 £'000
Deficit at beginning of year	(221)	(337)
Current service cost	(25)	(31)
Employer contributions	54	57
Net returns on assets	(8)	(11)
Losses on curtailments/ settlements	(8)	-
Actuarial loss / (gain)	(118)	101
	<hr/>	<hr/>
Deficit at end of year	(326)	(221)
	<hr/>	<hr/>

STRATFORD-UPON-AVON TOWN TRUST
NOTES ON FINANCIAL STATEMENTS
31 December 2016 (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	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	437,070	387,016	-	-
Later than 1 year but not later than 5 years	362,205	409,790	-	-
Later than 5 years	1,415,705	1,415,622	15,000	15,000
	<u>2,214,980</u>	<u>2,212,428</u>	<u>15,000</u>	<u>15,000</u>

No contingent rent was recognised as income (2015: £nil). The Trust leases its property portfolio under lease agreements to tenants (lessees). No contingent rent is recognised as an asset.

29 Post balance sheet events

College Estate:

On 31st March 2017, a small plot of land to the rear of Benson Road was sold to neighbouring property holders. This land was sold as garden land for an amount of £45,000.

In April 2017, 7 Benson Road was put on the open market for sale and it was sold at auction on 16th May 2017 for a price of £1.14m.

Guild Estate:

After on-going discussions with a non-discretionary beneficiary, the Guild Estate sought the guidance of the Charity Commission in February 2017 to enable the matter to be resolved. It is hoped the matter will reach resolution with the assistance of the Charity Commission. However it is envisaged that costs may be incurred in reaching such a resolution, at this time it is difficult to quantify such costs.

Stratford Town Trust:

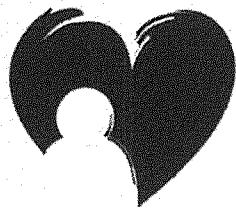
In February 2017 the Town Trust signed heads of terms to agree a 10 year lease for an office building in Stratford-upon-Avon. The Trust plans to use this building as a 'Community Hub', in which local charities can have space, instead of grants, from which to run their various activities. The Trust has recognised that such a venue is lacking in Stratford at present and the Trust often hears from local groups which are struggling to find suitable space.

The Trust is very excited about this project, it hopes the 'Community Hub' will be up and running by autumn. Later in the summer the Trust plans to invite local groups to apply for space if they would like to be part of this exciting community building.

In April 2017, the Town Trust committed to fund the ArtsHouse for a minimum of £100,000 for the twelve months commencing 1st April 2017.

30 Related Party Transactions

The Trustees were not involved in any related party transactions in 2016 (2015: 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)