

Company 00183411

Charity number 310038



**EASTERN COUNTIES EDUCATIONAL TRUST LIMITED**

**(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## CONTENTS

	<b>Pages</b>
Directors, officers and advisers	1
Directors' report	2 - 6
Auditors' report	7 - 10
Statement of financial activities	11
Income and expenditure account	12
Balance sheet	13
Notes to the financial statements	14 - 19

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# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## DIRECTORS, OFFICERS AND ADVISERS

<b>Directors and Trustees</b>	H R A Anderson D T A Boyle R A D Cowlin Mrs Diana Farrow Mrs Deborah Reed B Salmon Ms Moira Usher Ms Deborah Hollister	(Chairman)   Resigned 7 May 2020   Appointed 17 November 2020
<b>Secretary</b>	Mrs Verity Barclay	
<b>Registered Office</b>	820 The Crescent Colchester Business Park Colchester Essex CO4 9YQ	
<b>Registered Number</b>	Company 00183411 Charity 310038	
<b>Auditors</b>	Scrutton Bland LLP 820 The Crescent Colchester Business Park Colchester Essex CO4 9YQ	
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
<b>Solicitors</b>	Birkett Long LLP Faviell House 1 Coval Wells Chelmsford Essex CM1 1WZ	
<b>Investment Advisers</b>	Investec Wealth and Investment Limited 30 Gresham Street London EC2V 7QN	

# **EASTERN COUNTIES EDUCATIONAL TRUST LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the financial statements of the company for the year ended 31 March 2021. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). This report also represents the trustees' report that is required to be prepared by the Charities Act 2011.

### **Constitution and administrative details**

The company has its roots in a much earlier charity founded in the mid-19<sup>th</sup> century whose then purpose was the care of persons with mental health problems in the Eastern Counties and the operation of schools, asylums and workshops for these patients. Over time, which saw the incorporation of the charity in 1924, and the loss of the asylums to the National Health Service after the second world war, the company's object became the care, training, education, maintenance and welfare of persons who have special educational needs, particularly persons under the age of 25 years who have emotional and behavioural difficulties. In July 1998, the company's schools had to be closed. Subsequently, it became clear that the future of the company lay in operating as a grant making trust; changes were made to the company's governing document, its Memorandum and Articles of Association, and these were completed in 2001. The Articles of Association were brought up to date again in November 2011 to make minor changes and to reflect changes in company law.

In setting the company's objectives and planning its activities the Board of Directors has given careful consideration to the Charity Commission's general guidance on public benefit. In doing so the Board of Directors have complied with their duties in this area as set out in section 4 of the Charities Act 2011.

The registration number of the company is 00183411 and the charity registration is 310038.

### **Directors and trustees**

The trustees (who are also directors of Eastern Counties Educational Trust Limited for the purposes of company law) who served the company throughout the year, were as follows:

H R A Anderson	(Chairman)
D T A Boyle	
R A D Cowlin	
Mrs Diana Forrow	Resigned 7 May 2020
Mrs Deborah Reed	
B Salmon	
Ms Moira Usher	
Ms Deborah Hollister	Appointed 17 November 2020

New directors are normally appointed only when there is a resignation or where a skills gap is perceived. The directors make enquiries to identify and approach suitably qualified persons who are then invited for interview by members of the board and, if appropriate, are admitted to membership of the company and appointed to the board.

### **Principal activities**

The principal activities of the company during the year under review continued to be the awarding of grants and, where appropriate, taking steps to realise the company's property assets.

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## DIRECTORS' REPORT

### Principal activities - continued

During the year in question the charity received no donations or donations of facilities. It has no volunteer staff; its directors receive no remuneration.

### Organisational structure

The directors who have served during the year are set out on page 2. The directors meet on a regular basis and are responsible for all aspects of the company's activities.

### Grants

Grants are recognised in the financial statements in accordance with the company's accounting policies as detailed in note 1 to the financial statements. The Board of Directors considers conventional grant applications periodically following the submission of appropriate information. The purpose of each grant must meet the objects of the charity, namely to assist persons under the age of 25 with special educational needs, in particular those who have emotional and behavioural difficulties. Conventional grants rarely exceed £10,000 and, typically, are significantly less. The Board of Directors is not restricted to a specific funding limit and therefore a larger one-off project could be supported if it were deemed totally appropriate to the charity's objects and aims, and if the Directors were satisfied that special circumstances justified a higher figure.

Conventional grants offered in the year under review included the following:

	£
Astrea Academy Trust (The Centre School)	8,245
Autism and Nature	3,800
Blue Smile	10,268
Childhood First	4,000
Colchester Gateway Clubs	4,000
Eddies	3,240
Essex Boys and Girls Club	2,865
Friends of Colnbrook	3,495
Happy Hill	1,000
NANSA	10,000
Olive Academies	3,000
PARC	12,000
Polaris (Newmarket Academy)	5,674
Richard's Music Therapy	5,865
Romsey Mill	15,000
Shine	1,750
Shine (East Norfolk)	5,000
SNAP	2,000
Southend Mencap	4,500
The University of Cambridge Primary School	1,000
Tracks Autism	12,531
	<u>£119,233</u>

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## DIRECTORS' REPORT

### Grants - (continued)

Additionally the Board searches out schools and colleges where, in its opinion, there is a proactive attitude to the provision of appropriate services for children with special educational needs; in such cases the Board may offer a grant for a three year period to appoint an additional member of staff with a specialised job description which is agreed with the individual school or college. The Board monitors the achievements of these staff via regular reports and the services of a specialised consultant. Grants of this nature awarded in the year under review included the following:

	£
St Helena School, Colchester	15,778
Stowmarket School	23,124

### Risk management

The directors regularly consider and seek to identify all the material risks facing the company, introducing systems and procedures where necessary to mitigate and manage the risks so identified.

### Reserves

The company holds a significant level of unrestricted funds. The majority of these funds are invested with fund managers in order to generate sufficient growth and income to enable the company to fulfil its grant making objectives and to provide sufficient funds to cover management, administration and support costs as they arise. Income from these investments represents the company's primary source of income.

### Fixed assets

Fixed assets are dealt with in the financial statements as disclosed within note 1 – Accounting Policies. The company's sole remaining fixed asset investment properties comprise two plots of land in Colchester and Girton. Planning permission on the Colchester land has been refused but an appeal is due to be heard. The plot in Colchester has remained at its 2004 valuation.

### Investments

The trustees are investing for the longer term and aim to maximise the returns, capital growth and income, from the Charity's investments by selecting a spread of funds which they believe offer the prospect of above-average performance. Currently, the investments selected, which are a mix of open-ended funds and closed-ended investment trusts, provide exposure mainly to UK and Global equities, together with a smaller proportion in UK commercial property, all of which are asset classes which offer the prospect of rising income over time. The performance of each fund held is monitored, and each holding will be reviewed for retention or sale on a regular basis.

# **EASTERN COUNTIES EDUCATIONAL TRUST LIMITED**

## **DIRECTORS' REPORT**

### **Investments – (continued)**

Investec Wealth and Investment Limited have been appointed on an Execution Only basis and all the unit and investment trust holdings are held in their ring-fenced and insured nominee company, which is a separate legal entity. All Conflicts of Interest have been addressed by the Directors.

Ben Salmon is a Director of Eastern Counties Educational Trust Limited and an employee of Investec, but he is not authorised to issue instructions as an employee of Investec Wealth and Investment on this account.

### **Financial review**

The allocation of assets and their value is discussed in the notes to the financial statements.

At the end of the financial year, the Board judged that they have sufficient funds to cover their obligations, as and when they fall due.

Apart from those already mentioned, there are no outstanding obligations or incomplete projects that will have material costs.

There have been no changes in accounting policies.

### **Directors' responsibilities for the financial statements**

The trustees are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue to operate.

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## DIRECTORS' REPORT

### Directors' responsibilities for the financial statements – (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

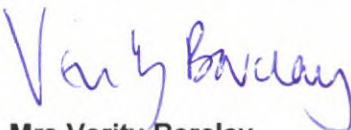
In so far as the directors are aware:

- there is no relevant audit information (as defined by section 418 (3) of the Companies Act 2006) of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

### Accounting exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the board on 18 November 2021



**Mrs Verity Barclay**  
Secretary



**H R A Anderson**  
Chairman

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASTERN COUNTIES EDUCATIONAL TRUST LIMITED**

We have audited the financial statements of Eastern Counties Educational Trust Limited for the year ended 31 March 2021 which comprise the statement of financial activities, the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice),

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASTERN COUNTIES EDUCATIONAL TRUST LIMITED**

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion hereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASTERN COUNTIES EDUCATIONAL TRUST LIMITED**

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 5 and 6 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), inspection of the company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

Secondly, the company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and corruption and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

### Use of our report

This report is made solely to the company's members, 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 those matters we are required to state to them in the 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Scrutton Bland LLP*

MR TIMOTHY O'CONNOR (Senior Statutory Auditor)

For and on behalf of  
SCRUTTON BLAND LLP  
Chartered Accountants & Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
Essex  
CO4 9YQ

*24/11/21*

## EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b>Income</b>			
Income from investments		108,761	132,982
Other income		-	149
<b>Total income</b>		<u>108,761</u>	<u>133,131</u>
<b>Expenditure</b>			
Grants payable in furtherance of the Charity's objects	8	130,030	114,760
Cost of grant making	9	3,551	3,857
Management and administration costs	10	313,529	214,445
<b>Total expenditure</b>		<u>447,110</u>	<u>333,062</u>
Net realised and unrealised investment gains/(losses)		1,541,260	(469,169)
<b>Net movement in funds</b>	3	<u>1,202,911</u>	<u>(669,100)</u>
<b>Total funds brought forward at 1 April 2020</b>		<u>4,211,790</u>	<u>4,880,890</u>
<b>Total funds carried forward at 31 March 2021</b>		<u><u>5,414,701</u></u>	<u><u>4,211,790</u></u>

## EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

### INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Gross income		108,761	133,131
Total expenditure		<u>447,110</u>	<u>333,062</u>
Net expenditure before fixed asset disposal		(338,349)	(199,931)
Realised profit on sale of investments		<u>269,041</u>	<u>17,500</u>
Net expenditure for the financial year	3	<u>£(69,308)</u>	<u>£(182,431)</u>

#### Total recognised gains and losses

The company has no recognised gains or losses other than those shown on the Statement of Financial Activities and the Income and Expenditure Account.

#### Continuing operations

The company has been a grant making charity during the above two financial years.

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Investment properties	4	<b>103,500</b>	103,500
Other investments	5	<b>5,119,312</b>	3,619,962
		<u><b>5,222,812</b></u>	<u>3,723,462</u>
<b>Current assets</b>			
Debtors	6	<b>564</b>	673
Cash at bank and in hand		<b>598,841</b>	757,392
		<u><b>599,405</b></u>	<u>758,065</u>
<b>Creditors: amounts falling due within one year</b>	7	<u><b>(407,516)</b></u>	<u>(269,737)</u>
<b>Net current assets</b>		<u><b>191,889</b></u>	<u>488,328</u>
<b>Total net assets</b>		<u><b>£5,414,701</b></u>	<u>£ 4,211,790</u>
<b>Funds</b>			
Unrestricted funds - includes revaluation reserve of £ 2,087,280 (2020 : £839,946)	11	<u><b>£5,414,701</b></u>	<u>£ 4,211,790</u>

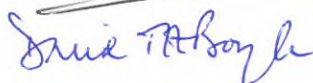
These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 18 November 2021 and are signed on their behalf by:

H R A Anderson



D T A Boyle



Directors

Company Registration Number: 00183411

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 1 ACCOUNTING POLICIES

#### ***Basis of accounting***

The charity is a public benefit entity and the financial statements have been prepared under the historical cost convention, with the exception of fixed assets (investment properties and investments) which are included at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and FRC abstracts.

The financial statements are prepared in pounds sterling.

#### ***Going concern***

The financial statements have been drawn up on a going concern basis.

The directors anticipate that the company will be able continue to meet its liabilities as they fall due. The future of the world economy is unclear at this present time due to the ongoing COVID-19 outbreak and it is therefore difficult to evaluate all of the potential implications on the company and the wider economy.

#### ***Cash flow***

The financial statements do not include a cash flow statement because the charitable company, as a small charity, is exempt from the requirement to prepare such a statement.

#### ***Investment income***

Dividend income from investments is accounted for when received. Interest earned on investments is accounted for on an accruals basis.

#### ***Charitable grants payable***

The Board considers grant applications periodically, following the submission of appropriate information. Grants payable are reflected in the financial statements when they have been approved by the Board and approval has been notified to the recipient. They are treated as current liabilities until they are paid. Pledges of grant assistance for periods beyond a year from the balance sheet date are not legally binding and are included in contingent liabilities.

#### ***Expenditure***

All expenditure is accounted for on an accruals basis.

Salary and associated costs in relation to grants payable are included within costs of grant making. All other costs, including the costs of realising or preserving the charity's assets are classified as management and administration costs.

# **EASTERN COUNTIES EDUCATIONAL TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021**

### **1 ACCOUNTING POLICIES - (continued)**

#### ***Taxation***

The company is a charity within the meaning of Part II, Corporation Tax Act 2010. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part II of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

#### ***Fixed asset investments***

Fixed asset investment properties and investments are included in the balance sheet at market value. Any unrealised gains or losses are recognised through the Statement of Financial Activities.

Freehold investment property is included in the accounts at valuation. No depreciation is provided in respect of this property as it consists purely of land, and there is therefore no departure from the requirements of the Companies Act 2006 in this respect.

#### ***Debtors***

Debtors are recognised at their settlement amount net of any discount offered.

#### ***Creditors and provisions***

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### ***Financial instruments***

The charity only has financial assets and financial 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.

#### ***Funds***

All funds are unrestricted and the majority are invested with fund managers in order to generate sufficient growth and income to fulfil the grant making objectives.

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

### 3 RESULTS FROM OPERATIONS

The net incoming/(outgoing) resources are stated after charging:

	2021 £	2020 £
Auditors' remuneration: in respect of audit services	<u>3,719</u>	<u>4,855</u>

### 4 FIXED ASSETS – INVESTMENT PROPERTIES

	Investment property £
<b>Cost or valuation</b>	
At 1 April 2020	103,500
Valuation at 31 March 2021	<u>103,500</u>
<b>Net book values</b>	
At 31 March 2021	<u>£103,500</u>
At 31 March 2020	<u>£ 103,500</u>

The charity owns 2 plots of land in Colchester and Girton. The land in the village of Girton was part of Littleton House School, a residential school once operated by the charity. When the school lease terminated, this freehold piece of land, which is landlocked, remained. The land in Colchester remains following the sale of the school buildings of Oxley Parker School. Both plots of land are held for disposal.

The directors believe that because the properties are not used by the charity, and are held to generate future income for the charity, it is appropriate to treat them as investment properties and to revalue them if their values change significantly.

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 5 FIXED ASSET INVESTMENTS - OTHER

	2021 £	2020 £
Listed investments:		
Market value at 1 April	3,619,962	4,106,632
Additions	1,321,591	-
Disposals	(1,094,460)	-
Net unrealised investment gains/(losses)	1,272,219	(486,670)
	<u>£5,119,312</u>	<u>£3,619,962</u>
Market value of listed investments at 31 March		
	<u>£5,119,312</u>	<u>£3,619,962</u>
Historical cost at 31 March	<u>£3,128,282</u>	<u>£ 2,876,266</u>

	2021 £	2020 £
Listed investments at market value consist of the following:		
<b>UK equities</b>		
Aberforth Smaller Companies Investment Trust	378,994	208,345
M & G Charifund	-	1,016,900
<b>International equities</b>		
Herald Investment Trust	662,400	432,120
Scottish Mortgage Investment Trust	1,347,345	680,486
Witan Investment Trust	452,000	322,800
Fundsmith	1,013,720	-
HG Capital	319,750	-
<b>Property</b>		
The Charities Property Fund	945,103	959,311
	<u>£5,119,312</u>	<u>£ 3,619,962</u>

### 6 DEBTORS

	2021	2020
Prepayments	<u>£564</u>	<u>£ 673</u>

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other creditors	227,516	89,737
Government grants	180,000	180,000
	<u>£407,516</u>	<u>£ 269,737</u>

### 8 GRANTS PAYABLE

Grants totalling £158,135 (2020: £105,835) were offered to institutions in the year. A summary of these is detailed on pages 3 and 4 of the Directors' report. Of the grants offered in this and earlier years, amounts totalling £28,105 (2020: £Nil) were not taken up by schools and colleges and were released to reserves pending their take-up. In addition, grants totalling £Nil (2020: £8,925) that had been previously approved but not accrued were taken up.

### 9 COST OF GRANT MAKING

	2021	2020
Consultancy and travel expenses in relation to grants payable	<u>£3,551</u>	<u>£3,857</u>

### 10 MANAGEMENT AND ADMINISTRATION COSTS

	2021 £	2020 £
Legal and professional fees and related claims	311,935	210,728
Bank charges and interest	97	88
Office costs	1,497	3,629
	<u>£ 313,529</u>	<u>£ 214,445</u>

### 11 UNRESTRICTED FUNDS

	1 April 2020	Other movements	31 March 2021
Other reserves	<u>£ 4,211,790</u>	<u>1,202,911</u>	<u>£ 5,414,701</u>

# EASTERN COUNTIES EDUCATIONAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 12 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The company is controlled by the directors.

Under the Memorandum of Association the directors should receive no remuneration for their services and derive no benefits from the company.

No expenses were reimbursed to directors.

There were no related party transactions in the year.

Ben Salmon is a Director of Eastern Counties Educational Trust Limited and an employee of Investec, but he is not authorised to issue instructions as an employee of Investec Wealth and Investment on this account.

### 13 CONTINGENT LIABILITIES

Pledges of grant assistance which are not legally binding and which relate to periods beyond 31 March 2021 amounted to £48,589 (2020: £63,385).

The directors have been notified of multiple historic legal claims against the company dating back to when it was operating schools and are liaising with the insurers and the insurers' lawyers over liabilities that exist. A number of claims for which the company was deemed to have financial responsibility have been settled during the year.

### 14 FINANCIAL INSTRUMENTS

	2021	2020
<b>Financial assets</b>		
Financial assets measured at fair value	<b>£5,119,312</b>	£ 3,619,962
	=====	=====
	<b>2021</b>	<b>2020</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>£407,516</b>	£ 269,737
	=====	=====