

Colston's Hospital Trust

Annual report and financial statements for the year ended 31 December 2020

Colston's Hospital Trust

Annual report and financial statements for the year ended 31 December 2020

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Colston's Hospital Trust

Report of the Trustee for the year ended 31 December 2020

The Trustee presents its report and audited financial statements for the year ended 31 December 2020. The financial statements comply with current statutory requirements, the governing instruments and the Statement of Recommended Practice for Charities (SORP 2019).

Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

Mrs G E Camm DL	
Mr D M Freed	
Mr P Despard	
Mr J R Ancell	
Mr A E Kenny	(Deceased 03 June 2021)
Mr C A Griffiths	
Mr C McAlpine	
Mr A D Garrad CBE	(Retired 10 November 2020)
Mrs L P Marshall	(Retired 10 November 2020)
Mr H L M Bothamley	
Mr J Watson	
Ms A G Bragg	
Mr A Lewis	
Mr R H G Bourns DL	
Mr M Saddiq	
Mr A R E Brown	(Retired 10 November 2020)
Mr C H Green CBE	(Retired 10 November 2020)
Mr J M M Baker	(Appointed 10 November 2020)
Mr A Nisbet	(Appointed 10 November 2020)
Mr M Thatcher	(Appointed 10 November 2020)
Mr R Davidson	(Appointed 10 November 2020)

Registered address of the Charity

Merchants' Hall
The Promenade
Clifton
Bristol BS8 3NH

Charity Number: 311737

Colston's Hospital Trust

Report of the Trustee for the year ended 31 December 2020 (continued)

Names and addresses of other relevant organisations

Auditor

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

Banker

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

Solicitor

Mr R N F Drewett DL, Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

Investment Manager

Smith & Williamson Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA
(via The Merchant Venturers' Charities Investment Pool (MVCIP) Charity Number 1053459)

Reference and administrative information

Until 31 December 2003 the Trust was governed by a Charity Commission Scheme dated 15 February 1966, as amended by Schemes of 9 April 1970, 3 December 1984, 4 August 1988 and 29 November 1994 ("the Scheme"). During 2004 the full legal and accounting responsibility of Colston's Collegiate School and Colston's Girls' School transferred from the Trust to Colston's School Limited (Company number 2792699 and Charity number 1079552) and Colston's Girls' School Limited (Company number 2792527 and Charity number 1079551) respectively. These transfers did not include the land and buildings, which remain assets of the Trust and were leased to the two Schools on long leases at a peppercorn rent. The new Scheme was dated and approved on 9 January 2004.

On 1 September 2008 a new Academy school, Colston's Girls' School Trust (Company number 6511936 and Charity number 1123317) opened and most of the existing operations of Colston's Girls' School were transferred to this Academy, as a non-fee-paying school. As a result, the lease to Colston's Girls' School ceased and the Trust granted a new 125 year peppercorn lease for the benefit of Colston's Girls' School Trust in respect of the land and buildings occupied by them at Cheltenham Road, Bristol.

Structure, governance and management

Governing document

The Trust is constituted under a Trust deed dated 15 February 1966 (see above) as varied by Schemes dated 22 August 2008 and 3 January 2017 and is a registered charity, number 311737.

Governing body and organisational management

On 3 January 2017 a Charity Commission Scheme was made which appointed a corporate body as trustee of the Charity in place of the Society of Merchant Venturers. This is a company limited by guarantee, SMV Trustee Company Limited and it effectively stepped into the shoes of the Society of Merchant Venturers as Trustee from 1 January 2017. All the members of the Society of Merchant Venturers' Standing Committee (who were the de facto trustees before the order was made) are Directors of SMV Trustee Company Limited together with two independent directors, who serve for a three-year term.

The Board of SMV Trustee Company Limited meets regularly and periodically reviews the operation and financial results of the Charity.

Colston's Hospital Trust

Report of the Trustee for the year ended 31 December 2020 (continued)

Recruitment and training of the Trustee

The Board of SMV Trustee Company Limited are elected annually from within the membership of the Society of Merchant Venturers and are apprised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. They are also made aware of the specific responsibilities associated with the Trust.

Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee examined the major risks faced by the Charity.

In addition to managing the response to COVID-19, the Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks and to mitigate the impact that they may have on the charity in the future.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks. The risk register is reviewed and updated as required and no less frequently than twice per year by Management and by the Merchant Venturers' Audit Committee and is noted by the Trustee.

The Charity is reliant on the income from its investments to enable it to fund donations in the furtherance of its charitable objectives. Should investment income fall, there would be a corresponding reduction to the donations to the Schools.

Objectives and activities

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Objects of the Trust

The objects of the Trust are the advancement of the education of young people under the age of 25 by (1) the provision of maintenance and support of Colston's School and Colston's Girls' School Trust (2) the support of educational activities anywhere in the area of benefit and (3) the provision of bursaries, scholarships, grants or other payments to young people in need of financial assistance to assist them in pursuing their education either at Colston's School or Colston's Girls' School Trust or elsewhere in the area of benefit. In addition, the Scheme empowers the Trust to lease the land and property held in trust on behalf of the Schools to them and to charge the property as security for any borrowings. The area of benefit of the Trust is the City of Bristol and the surrounding area formerly comprised in the County of Avon.

The Trustee has met these objectives during the year.

Colston's Hospital Trust

Report of the Trustee for the year ended 31 December 2020 (continued)

Aims and intended impact

On 27 January 2004, the Trust granted a 125-year peppercorn lease to Colston's School, and on 23 April 2009 the Trust granted a 125-year lease for the benefit of Venturers Trust (formerly Colston's Girls' School Trust), over the properties utilised by the Schools. These leases include a reverter clause whereby the lease is terminable if the premises cease to be utilised by the Schools in the pursuance of their objects. Separate 125-year peppercorn leases were granted over eight residential properties within the grounds of Colston's School in order to enable these properties to be offered as security for borrowings by that School. There are no reverter clauses in these leases and the freehold interests continue to be held by the Trust. In July 2009 the lease of the main site was further varied to release from it the properties known as Seabrook House and 2 Fry's Close and new leases of both these properties were granted on 24 July 2009 on terms similar to those under which the eight residential properties mentioned above were let. These properties were then, with the consent of the Trust, offered as security to the Trustees of the Old Colstonian Charitable Trust in relation to loans made to Colston's School by that trust.

There is separate provision for the payment of compensation to the Department for Education (DfE) in respect of work carried out to the premises by DfE in the event of the lease for the benefit of Venturers Trust (formerly Colston's Girls' School Trust) being brought to an end, but with such compensation being calculated by reference to the benefit from any improvements flowing to the Trust at that time. This provision is time limited to 30 years from 2008.

The Trust therefore provides properties from which both Colston's School and Venturers Trust (formerly Colston's Girls' School) operate. In addition, it provides endowment income, grants and bursaries which are distributed for the benefit of both schools to widen access to educational opportunities.

In 2021 the Charity acquired the freehold of the former Kitto premises, which are strategically located between Colston's Girls' School and the Dolphin School and this was funded by way of a land swap, with a site fronting on to Station Road and a balancing payment being made.

Consent was obtained from the DfE for the current lease to Venturers Trust to be varied so as to exclude the site sold to Kitto but to include the new Kitto premises. At the same time it was agreed by the DfE that the flats located above 180A – D Cheltenham Road be removed from the School's lease, and further that Venturers Trust be permitted to sub-lease the office building on the Kitto site to the Charity for 25 years to enable it to refurbish and let these premises. The income generated from the flats and the office building will be used to service the loan taken to purchase the Kitto site, with any surplus net income being passed to Venturers Trust.

Financial review

The Statement of financial activities is set out on page 10. During the year, the Trust has continued to make donations to Colston's School and Colston's Girls' School.

The endowment income is distributed quarterly and, after various minor charges and calls on the fund, the residual unrestricted income was distributed as follows (see note 2):

	2020 £	2019 £
4/5 to Colston's School	15,960	16,605
1/5 to Colston's Girls' School	3,990	4,151
	19,950	20,756

The income from the restricted funds was distributed independently to the Schools in line with the relevant restrictions.

Colston's Hospital Trust

Report of the Trustee for the year ended 31 December 2020 (continued)

Investment policy and performance

The Charity continued to invest in the Merchant Venturers' Charities Investment Pool (MVCIP) (Charity number 1053459) during the year. The Merchant Venturers' Finance and Investment Sub-Committee's policy is to increase income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future. As noted above, funds continue to be invested in MVCIP.

2020 saw volatility for stock markets. The Coronavirus pandemic led to a fall in valuations and then a rebound following vaccine approvals and inoculation roll out. Global policy measures provided a supportive backdrop for risk assets. During the year the Bank of England's Monetary Policy Committee cut the base rate from 0.75% to 0.25% and then 0.1%. The total return of the investment portfolio in the year was a loss of (6.21)% versus the blended composite benchmark of (4.2)% (2019: gain of 20.9% versus the composite benchmark of 16.2).

Reserves policy

At 31 December 2020 the charity's endowment fund was £759,539 and comprised tangible fixed assets and investments. The charity has no unrestricted reserves. The tangible fixed assets comprise the freehold land and buildings at Colston's School and Colston's Girls' School (Venturers Trust, formerly Colston's Girls' School Trust). The endowment investments comprise the original capital contributions plus any subsequent additions to capital and incorporate all unrealised surpluses and deficits. All income derived from the endowment fund is unrestricted and is distributed in full to the Schools after the deduction of administrative charges.

Restricted funds at 31 December 2020 totalled £390,805 and are used in accordance with the specific restrictions imposed by donors (see note 8).

The policy and target is reviewed on an annual basis by the Trustee to take account of the development of the charity and a review of the changing risks it faces, particularly in respect of income.

Grant making policy

Charitable donations, including supporting administrative costs, relate to the distributions made or approved to Colston's School and Colston's Girls' School.

Going concern

The Trust has no unrestricted reserves since it distributes its net unrestricted income to Colston's School and Colston's Girls School each year.

The global coronavirus disease (COVID-19) pandemic has had an effect on the valuation of investments in 2020 and it is expected this may impact dividend income in 2021. This is not considered to reflect a going concern issue since, should investment income fall, there will be a corresponding reduction to the donations to the Schools. As a result, the Trustee has concluded that preparation of the accounts should be on a going concern basis.

Future plans

The Trustee will continue to fulfil its duties as a responsible estates' landlord in pursuit of the overall objectives of the Trust and also manage the endowment with the intention that income is maximised whilst preserving the real value of the investments.

In 2021 the charity acquired the freehold of the former Kitto premises, which are strategically located between Colston's Girls' School and the Dolphin School. As part of this transaction the management of 4 residential properties will be undertaken, with any net income being donated for the benefit of Colston's Girls' School.

Colston's Hospital Trust

Report of the Trustee for the year ended 31 December 2020 (continued)

Statement of Trustee's responsibilities in respect of the Trustee's Annual Report and the financial statements

Under charity law, the trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed [and rules], subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Signed for and on behalf of the Trustee



G E Camm DL
Director

28 JUN 2021

Independent auditor's report to the Trustee of Colston's Hospital Trust

Opinion

We have audited the financial statements of Colston's Hospital Trust ("the charity") for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet and related notes, including the accounting policies on pages 13 to 14.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Independent auditor's report to the Trustee of Colston's Hospital Trust (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Standing Committee, audit committee, and investment committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected year on year movements.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

Other information

The trustees are responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 7, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Trustee of Colston's Hospital Trust (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.



Jonathan Brown

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

66 Queen Square

Bristol

BS1 4BE

Date: 5 July 2021

Colston's Hospital Trust

Statement of financial activities for the year ended 31 December 2020

	Note	Unrestricted funds £	Restricted fund £	Permanent endowment fund £	2020 Total £	2019 Total £
Income from:						
Investment income	1	26,337	13,555	-	39,892	46,917
Total income		26,337	13,555	-	39,892	46,917
Expenditure on:						
Charitable activities						
Education:						
Colston's School	2	(17,293)	(11,493)	-	(28,786)	(35,082)
Colston's Girls' School	2	(4,323)	(1,768)	-	(6,091)	(7,409)
Total charitable activities		(21,616)	(13,261)	-	(34,877)	(42,491)
Other	3	(4,721)	-	-	(4,721)	(4,331)
Total resources expended		(26,337)	(13,261)	-	(39,598)	(46,822)
(Loss)/gain on revaluation of investments	5	-	(38,809)	(75,401)	(114,210)	172,638
Net (expenditure)/income being net movement in funds	10	-	(38,515)	(75,401)	(113,916)	172,733
Reconciliation of funds:						
Total funds brought forward		-	429,320	834,940	1,264,260	1,091,527
Total funds carried forward	10	-	390,805	759,539	1,150,344	1,264,260

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The accompanying notes form an integral part of these financial statements.

There is no difference between the net incoming resources for the year and their historical cost equivalent.

Colston's Hospital Trust

(Charity Number 311737)

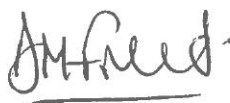
Balance sheet at 31 December 2020

	Notes	2020		2019	
		£	£	£	£
Tangible assets	4		-		-
Investments	5		1,143,139		1,257,349
Current assets					
Debtors	6	8,336		11,005	
Cash		8,002		6,791	
		16,338		17,796	
Creditors: amounts falling due within one year	7	(9,133)		(10,885)	
Net current assets			7,205		6,911
Net assets			1,150,344		1,264,260
Funds					
Unrestricted fund			-		-
Restricted funds	8		390,805		429,320
Permanent endowment fund	9 & 10		759,539		834,940
	10		1,150,344		1,264,260

The financial statements on pages 11 to 19 were approved by the Trustee on 24 JUNE 2021 and were signed on its behalf by:



G E Camm DL
Director



D M Freed
Director

Colston's Hospital Trust

Principal accounting policies

Presentation of financial statements

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the accounting regulations issued under the Charities Act 2011 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2019.

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and preceding year and are shown below.

Colston's Hospital 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102).

Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 3 and the loan agreement entered into post year end to fund a property transaction.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Investment income

Quarterly distributions from the investments in MVCIP are treated as income of the period in which they accrue.

Other income

Other income is credited to the statement of financial activities on a receivable basis.

Expenditure

- (a) All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenses.
- (b) Charitable donations, including supporting administration costs, relate to the distributions made or approved to the Colston's School, the Colston's Girls' School and other entities as detailed in the objects of the Trust.
- (c) Governance costs relate to the strategic management of the Charity's assets, and compliance with constitutional and statutory requirements.

Colston's Hospital Trust

Principal accounting policies (continued)

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the asset where appropriate.

Fund accounting

The Trust has three types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

Income arising from the endowment investments is credited to the unrestricted fund. These funds are expendable at the discretion of the Trustee in furtherance of the objects of the Trust.

Permanent endowment fund

The permanent endowment fund comprises tangible fixed assets and investments. The tangible fixed assets comprise the land and buildings at Colston's School and Colston's Girls' School. The investments comprise the original capital contribution plus any additions to capital and incorporate all unrealised gains and losses arising on the revaluation of the investments, all of which are invested in MVCIP.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund are set out in the notes to the financial statements.

Investments

The Trust's investments in MVCIP are stated at mid-market value at the balance sheet date. This is not in accordance with FRS 102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a movement in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the period.

Cash flow statement

A statement of cash flows has not been prepared as the Charity has taken advantage of the exemption available in the SORP for smaller charities.

Taxation

Colston's Hospital Trust is a registered charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Colston's Hospital Trust

Notes to the financial statements for the year ended 31 December 2020

1 Incoming resources

	2020 £	2019 £
Investment income		
Distributions from MVCIP	39,882	46,896
Bank interest	10	21
	39,892	46,917

2 Analysis of total resources expended

Donations from the unrestricted fund comprise:

	Direct costs £	Support costs £	2020 £	2019 £
Colston's School	15,960	1,333	17,293	21,318
Colston's Girls' School	3,990	333	4,323	5,329
	19,950	1,666	21,616	26,647

All support costs have been allocated to one charitable activity (education).

The Trust has no employees and no staff costs (2019: nil). However, a recharge is made by the Society of Merchant Venturers for staff as disclosed in note 11.

Details of restricted expenditure during the year are provided on note 8.

3 Other costs

	2020 £	2019 £
Audit fee	2,340	2,340
Professional Fees	2,370	1,980
Trustee's indemnity insurance	11	11
	4,721	4,331

The audit fee excluding irrecoverable VAT was £1,950 for 2020 (2019: £1,950).

Colston's Hospital Trust

Notes to the financial statements for the year ended 31 December 2020 (continued)

4 Tangible fixed assets

	Freehold land and buildings £
Cost or valuation	
As at 1 January and 31 December 2020	6,693,509
Accumulated depreciation	
As at 1 January and 31 December 2020	(6,693,509)
Net book value as at 31 December 2020	-
Net book value as at 31 December 2019	-

The beneficial use of these assets has been transferred to Colston's School and Colston's Girls' School Trust. As a result of this the Trustee considers that it is appropriate to record a value of these assets in these financial statements as £nil. The freehold interest remains with Colston's Hospital Trust.

5 Fixed asset investments

	Investments in MVCIP £
Cost	
As at 1 January and 31 December 2020	735,048
Revaluations	
Unrealised gains at 1 January 2020	522,301
Loss arising on revaluation in the year	(114,210)
Unrealised gains at 31 December 2020	408,091
Net book value at 31 December 2020	1,143,139
Net book value at 31 December 2019	1,257,349

All investments are held in the MVCIP. The portfolio for MVCIP was structured as follows at 31 December 2020:

	%
Investment assets in the UK	41.9
Investment assets outside the UK	42.8
Alternatives & Multi-Asset	14.2
Cash	1.1
	100

Colston's Hospital Trust

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Debtors

Debtors at 31 December 2020 and 2019 represent accrued investment income.

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Colston's School	5,122	6,583
Colston's Girls' School	1,050	1,341
Other creditors	2,961	2,961
	9,133	10,885

8 Restricted funds

	As at 1 January 2020 £	Net incoming resources £	Decrease in market value of investment £	As at 31 December 2020 £
RSW Clarke	55,755	-	(5,064)	50,691
CCS Trusts	18,097	-	(1,644)	16,453
CCS Prize	18,896	-	(1,716)	17,180
CCS Bursaries and Scholarships	226,679	-	(20,590)	206,089
F A Clark	98,650	-	(8,961)	89,689
A M McWatters	11,243	61	(601)	10,703
	429,320	61	(38,576)	390,805

- The RSW Clarke Fund was established to provide travel for teachers at Colston's Girls' School.
- The CCS Trusts, Prize, and Bursaries and Scholarships Funds each consist of a number of small personal donations to provide scholarships, bursaries, prizes and other assistance to pupils at Colston's School.
- The income from the F A Clark Fund is to be used at the discretion of the Trustee and Governors of Colston's School for special projects at that School.
- The A M McWatters Fund was established to provide a history travel prize for pupils at Colston's School.

Colston's Hospital Trust

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Permanent endowment fund

The permanent endowment fund comprises the Trust's investment in MVCIP excluding the restricted investments transferred from Colston's School and Colston's Girls' School Trust, the value of which was £754,692 at 31 December 2020 (2019: £830,093).

The fund also contains the Trust's freehold land and buildings which were valued at £26,941,250 on 31 December 2003 by Alder King in accordance with the RICS Appraisal and Valuation Standards in particular in accordance with UK Practice Statement 1 and Financial Reporting Standard 15. On 27 January 2004 and 23 April 2009, the Trust granted 125-year peppercorn leases over these assets thereby transferring the beneficial use to the two Schools. As a result of this the Trustee considers that it is appropriate to record the value of these assets in these financial statements at £nil.

10 Analysis of funds

	Unrestricted funds £	Restricted funds £	Permanent endowment fund £	Total £
At 1 January 2020	-	429,320	834,940	1,264,260
Net movement in funds	-	(38,515)	(75,401)	(113,916)
At 31 December 2020	-	390,805	759,539	1,150,344
Represented by				
Investments	-	388,447	754,692	1,143,139
Current assets	-	5,130	11,208	16,338
Current liabilities	-	(2,772)	(6,361)	(9,133)
	-	390,805	759,539	1,150,344

11 Trustee's remuneration

The Trustee did not receive remuneration or reimbursement of expenses for their services to the Trust during the year, nor held any beneficial interest in any contract with the Trust during the year (2019: £nil).

The Society of Merchant Venturers charged £1,676 (2019: £1,758) to the Charity as a reallocation of salaries and overhead costs. Of this, £nil is outstanding at the year-end (2019: £nil).

Colston's Hospital Trust

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Related party transactions

The Trust had a number of related party transactions with the following organisations:

The Society of Merchant Venturers

The Merchant Venturers recharged the charity £nil during the year (2019: £4,133) in relation to costs associated with school functions. Of this, £nil is outstanding at the year-end (2019: £nil).

Venturers Trust and Colston's School

The schools are connected organisations (note 13). The Trust holds investments for the benefit of the Colston's School and Colston's Girls School, the income from which is paid to the schools. For details of donations paid to the schools see the statement of financial activities. For details of outstanding balances at the year-end see note 7.

Merchant Venturers' Charities Investment Pool (MVCIP)

The Trustee is also the Trustee for MVCIP. For details of the investments held and income received from these investments see notes 1 and 5. At the year-end £8,336 was outstanding from MVCIP (2019: £11,005).

13 Connected organisations

Colston's School and Venturers Trust are connected organisations, with governor nomination rights from the Society of Merchant Venturers. Colston's School can be contacted at Bell Hill, Stapleton, Bristol, BS16 1BJ and Venturers Trust can be contacted at Cheltenham Road, Bristol, BS6 5RD. For details of transactions with those entities see note 12.

14 Post Balance Sheet Events

After the balance sheet date, the Charity acquired the freehold of the former Kitto premises, which are strategically located between Colston's Girls' School and the Dolphin School and this was funded by way of a land swap, with a site fronting on to Station Road and a balancing payment being made, financed via a bank loan from NatWest Bank Plc.

The loan from NatWest Bank Plc is for £720,500 and interest is chargeable on this at 4.5% per annum over base rate. There is a capital repayment holiday of 12 months from inception.

Consent was obtained from the DfE for the current lease to Venturers Trust to be varied so as to exclude the site sold to Kitto but to include the new Kitto premises. At the same time it was agreed by the DfE that the flats located above 180A – D Cheltenham Road be removed from the School's lease, and further that Venturers Trust be permitted to sub-lease the office building on the Kitto site to the Charity for 25 years to enable it to refurbish and let these premises. The income generated from the flats and the office building will be used to service the loan taken to purchase the Kitto site, with any surplus net income being passed to Venturers Trust for the benefit of Colston's Girls' School.