

SIR THOMAS WHITE'S CHARITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

SIR THOMAS WHITE'S CHARITY

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SIR THOMAS WHITE'S CHARITY

ADMINISTRATIVE DETAILS

TRUSTEES:

MR. R.V. WIGLESWORTH OBE, DL, FRICS (CHAIRMAN)

MR. P.J. WARTNABY LLB

MR. C.P. TRYE BEM, MA, MSc, FCA

MR. P.C. BEDDOES BA (Hons)

MR. R.M. HARDY FRICS

MR. A.E.T. FORSYTH

MR. P.D. MEREDITH BSc (Hons)

MR. A.T. HOPKINSON MA, MBA, CFA

CLERKS	:	Mr. R.J.K. Morton FRICS FAAV and Mr. P.E. Cowen MRICS
REGISTERED OFFICE	:	Godfrey Payton, Old Bablake, Hill Street, Coventry, CV1 4AN.
BANKERS	:	Lloyds plc, 30 High Street, Coventry, CV1 5RE National Westminster Bank Plc, 24 Broadgate, Coventry CV1 1NE
SOLICITORS	:	Wright Hassall LLP, Olympus Avenue, Royal Leamington Spa, Warwick, CV34 6BF
AUDITORS	:	Dafferns LLP, One Eastwood, Harry Weston Road, Binley Business Park, Coventry, CV3 2UB
INVESTMENT ADVISERS	:	Quilter Cheviot, 8 th Floor, Two Snowhill, Birmingham, B4 6GA
REGISTERED NUMBER	:	218626

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30 September 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was established in 1542 by Sir Thomas White. It is constituted as an unincorporated association being formalised and primarily governed under a Trust Deed dated 6th July 1551.

The administration of the Charity is vested in a number of Trustees, currently eight successors to those originally appointed. New Trustees to fill vacancies arising from time to time are appointed by the continuing Trustees. They are chosen as being people considered to have a particular interest in the work of the Charity and knowledge and experience likely to assist in its administration. There is no limit on the length of time a person may serve as a Trustee of the Charity. No Trustee receives any remuneration.

On appointment, new Trustees receive sufficient background information to enable them quickly to understand the financial position of the Charity and its current work in hand. Whilst the Trustees make periodic inspections of the Charity's properties, arrangements are also made for new Trustees to inspect any particular property should they so wish.

Two Chartered Surveyors, fill the role of Clerks to the Charity; Mr R J K Morton FRICS FAAV the senior Clerk and Mr P E Cowen BSc MRICS Assistant Clerk. A Solicitor and Stockbroker also advise the Trustees. All report to regular meetings of the Trustees when recommendations are made and decisions taken. Authority is delegated to the Chairman to deal with urgent matters arising between meetings.

Risk Management

On a regular basis, the Trustees examine the major strategic, business and operational risks which the Charity faces so that they are able to confirm that systems have been established to enable regular reports to be produced and the necessary steps taken to lessen these risks.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

OBJECTIVES AND ACTIVITIES

The Charity was originally established in 1542 for the benefit of Charities in Coventry, Leicester, Northampton, Nottingham and Warwick together with the Merchant Taylor's Company in London. Following its establishment, land was purchased for £1,400 to produce an income of £70 per annum and the income of the Charity continues to be distributed to these Charities, in seventieths, in accordance with the original Trust Deed, various Acts of Parliament, High Court decisions in the nineteenth century and current Charity Commission Schemes and advice.

The Trustees of the Beneficiary Charities use their share of the distribution in accordance with their own Charitable Schemes and the Merchant Taylor's Company in accordance with its Charter and Constitution. There is no other relationship between the Charity and these organisations.

SIR THOMAS WHITE'S CHARITY
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for the year ended 30 September 2020

OBJECTIVES AND ACTIVITIES (continued...)

As a consequence, the activity of the Charity is solely concerned with the proper management of its assets. The aim is to provide an even or steadily increasing distribution to the Beneficiary Charities whilst being conscious of the need for adequate security of investment and capital growth opportunities.

Investment policy

The Trustees continue to believe that their investment aims can best be achieved by holding a mixture of agricultural and commercial properties along with a Stock Market investment portfolio. In general terms they consider that an approximate equal division between these three categories of investment is appropriate with the balance being regularly reviewed. The Trustees believe that this policy should avoid the Charity being excessively exposed to any major investment risks.

ACHIEVEMENTS AND PERFORMANCE

Stock Market

At the financial year end the Charity's investment portfolio stood at £28,172,928 compared with £28,173,472 as at 30th September 2019. The portfolio produced a total return of -0.8% compared with the benchmark MSCI WMA Private Investor Balanced Index of -3.8%. Over the same period the FTSE All-Share index declined 16.6% whilst the FTSE World (ex UK) index gained 6.6%. The portfolio generated an income for the charity of £887,245 which was only slightly below of the target of £900,000.

The UK market lagged a gradual rise in global markets ahead of the General Election on the 12th December, but UK equities and the pound enjoyed a 'Boris Bounce' for a brief period following a Conservative victory and significant majority. The gains in global equity markets were posted against a backdrop of slowing global GDP growth and falling bond yields in Q4 of 2019, though the prospect of a prolonged period of accommodative central bank policy outweighed these concerns.

The gradual ascent of markets continued into the new calendar year with many indices hitting all-time highs during January and February in response to the agreement of a Phase 1 trade deal between the US and China and signs of economic stability in the Eurozone and China boosting the outlook for global growth. The uncertainty surrounding the outcomes of both the US election and EU withdrawal agreement negotiations were pushed toward the back of investor's minds.

That optimism quickly turned to extreme pessimism, however, as the spread and severity of the coronavirus was priced into markets. The S&P 500 fell 30% in 30 days, whilst in the UK, the more domestically-focused FTSE 250 index fell over 50% from peak-to-trough. Market volatility reached levels not seen since the 2008 financial crisis toward the end of March before central banks and governments stepped in to provide a plethora of support packages and liquidity including; multiple interest rate cuts, guidance that future policy would be based on inflation 'averaging' rather than 'targeting', subsidised wages for furloughed staff, renationalising train networks and further Quantitative Easing. The Federal Reserve's balance sheet is now over three times larger than it was post the 2008 financial crisis and the magnitude of their support measures have led to government bonds, which were already offering negative real returns to investors in many instances, trading at record lows.

The subsequent recovery from the nadir on the 23rd of March has been almost as extreme, with the S&P 500 posting its best 50-day return in history from the lows. The pandemic has amplified trends already in place within society and markets, be that the tendency to shop online, working from home and technology services moving to 'the cloud' or the adoption of electric vehicles. Companies with exposure to these themes have greatly benefitted from COVID together with other sectors such as healthcare. There has again been a marked divergence between these 'growth' companies, which offer little in the way of yield, and 'value' companies which have historically provided attractive income yields but have performed poorly and in many cases slashed their dividend pay-outs.

SIR THOMAS WHITE'S CHARITY
TRUSTEES ANNUAL REPORT
for the year ended 30 September 2020

ACHIEVEMENTS AND PERFORMANCE (continued...)

Given the huge amount of QE from Central Banks, which has driven down interest rates and government bond yields, bonds provide very little value at current levels, especially after taking into account inflation. Equities remain the asset class of choice but extreme care is required as far as stock selection is concerned given the large amount of 'disruption' that is happening across all sectors of the market. Another key theme going forwards is renewable energy which is receiving lots of media attention but is also a prime beneficiary of government stimulus measures both announced and to be announced. There is a high allocation in the portfolio to 'Alternative' investments which play to some of these themes and offer an above-average level of income, with a large element of inflation protection, and help to meet the Trust's income objectives.

Commercial Property:

As with all markets the last 12 months has been overshadowed by COVID-19 which has led to some tenants experiencing difficulties with the payment of rent. In the meantime, while still in the background, the prospect of Brexit had taken a back seat.

The main impact of COVID has been on retail properties, including those in the food and beverage sector. The Charity has direct experience of this problem with Nero Holdings (trading as Cafe Nero) refusing to pay the quarterly rent due in March, June and September 2020. The Trustees have reluctantly agreed to the CVA proposal put forward by the Tenant. Supermarkets and convenience stores have, though, prospered under lockdown, as have discount stores such as B&M Retail who are Tenants of the Charity in Hinckley.

The industrial sector has fared much better than retail this year with demand sustained, predominantly by the home delivery sector. The inability for the public to access High Street retail has led to increased demand for on-line shopping and while the move to this was already well under way, COVID-19 has speeded up this process dramatically. It seems that the retail market will find it difficult to recover and many High Street properties will have no option but to find alternative uses. This process has been assisted by the introduction of the new E class under the Use Classes Order that came into effect on 1st September 2020 which places retail (including financial and professional services, cafes and restaurants) in the same class as Offices, R&D, and even industrial processes that can be carried out in a residential area, as well as health centres, day nurseries and gymnasiums.

This ability to change use will also assist the office market which has suffered during the pandemic. The move to working from home has questioned the amount of office accommodation required for many companies but this has been balanced out, in part, by the need to maintain social distancing, leading to larger areas allocated to each work station. The permitted development right for change to residential use, leading to a reduction on the supply side will also assist this market going forward.

The Trustees have not sold or purchased any wholly commercial properties during the year but the search continues for suitable investments, most likely to be in the industrial sector or well located ground rents. On a positive note a lease renewal was completed to Superdrug at High Street, Stamford during the height of lockdown albeit with a rent free period of 4 months.

Some downward adjustments have been made to the year-end valuations at Hinckley and Newbury but the remainder of the portfolio has been kept at the same figures as last year. Earlier in the financial year, the sale of the part residential/commercial holding at Cubbington completed for £1.0 million.

Agricultural Property (Including planning and development)

The one significant change to the Charity's Agricultural Property Portfolio during the year was the completion of the purchase of Sowe Fields Farm for £2.55m which directly adjoined an existing land holding of the Charity. The land has been let and the farmhouse refurbished and re-let and a planning application is being prepared for the conversion of the farm buildings.

SIR THOMAS WHITE'S CHARITY
TRUSTEES ANNUAL REPORT
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ACHIEVEMENTS AND PERFORMANCE (continued...)

Elsewhere BREXIT still dominates with uncertainties regarding any trade deal on departure from the E.U. The arable sector has been affected by the worst Harvest for 30 years with extremely low yields resulting in no movement in rental values, and potential financial difficulties for tenants and farmers over the next 12 months or longer. Conversely livestock prices have been maintained or improved. The Trustees continue to seek further agricultural holdings with long term potential, but such opportunities remain rare particularly in Central England, with supply at an historic low as 2020 research shows.

The Agricultural sector has been less impacted by COVID-19 than other sectors, particularly commercial property. However, the full affect of the Corona virus pandemic coupled with BREXIT will only be felt in the coming months.

In relation to planning and development, the sale of 4 acres at Great Gonerby completed earlier in 2020 for £650,000, and in addition as mentioned a planning application is being progressed for the buildings at Sowe Fields Farm for conversion to residential development. One of the Class Q residential applications at Coughton has received consent and is currently being marketed for sale. Other significant opportunities remain at Grantham, Kidderminster and Coventry East.

Fundraising Regulator Statement of Compliance

Sir Thomas White's Charity does not contract with a third party to undertake any fundraising on its behalf. Hence, we have received no fundraising complaints during the year.

FINANCIAL REVIEW

Dividends have been maintained during the year despite the effects of COVID-19 having generated an income only slightly below the target of £900,000.

The Commercial Property Sector, particularly the High Street has suffered significantly due to COVID-19 and the Charity is wary of investing in this sector under the present circumstances although several investments had been under consideration earlier in the year. The management and recovery of rental debt has also been a challenge.

Agricultural Capital Values have flattened and the Agricultural Economy in general is dealing with uncertainties particularly in relation to withdrawal from the E.U, climatic conditions, and to a lesser extent COVID-19.

There has been an adjustment to the balance sheet with a reduction of circa £1.8m reflecting the consequences of the current pandemic, and further adjustments are anticipated in 2021. If required to maintain Distribution, the Income Reserve Fund will be utilised in future years.

The income reserve fund now stands at £710,484 and the distributable income this year is £2,295,478 representing a 2.0% increase over 2019.

Reserves Policy

Under the terms of the Trust Deed all of the Charity's reserves are either restricted or endowed. Therefore, free reserves are always nil.

FUTURE PROSPECTS AND DEVELOPMENTS

The Charity has been fortunate during the financial year to broadly maintain its income from the Stock Market Portfolio, Commercial property and Agricultural Property. However, there will be little or no growth in the Agricultural Sector and serious challenges anticipated in the Commercial sector particularly where properties become vacant. Worldwide uncertainties continue with disputes over the USA Presidential election and tensions with China, Russia and North Korea. Although inflation is low at 1.0% year on year, unemployment will inevitably increase due to the current Pandemic.

SIR THOMAS WHITE'S CHARITY
TRUSTEES ANNUAL REPORT
for the year ended 30 September 2020

FUTURE PROSPECTS AND DEVELOPMENTS (continued...)

However, the Trustees believe that their spread of investments should protect the distributable income in the longer term, but the next 12 months will be of particular difficulty, and will need to be carefully monitored.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

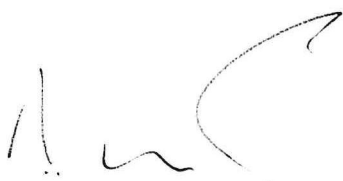
The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2019 (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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Approved by Order of the Board of Trustees on 17 December 2020 and signed on their behalf by:



R V Wigglesworth – Chairman

SIR THOMAS WHITE'S CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SIR THOMAS WHITE'S CHARITY

Opinion

We have audited the financial statements of Sir Thomas White's Charity (the 'charity') for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

SIR THOMAS WHITE'S CHARITY
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
OF SIR THOMAS WHITE'S CHARITY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 5 & 6, the trustees are responsible for the preparation of the financial statements which 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 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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dafferns LLP
Chartered Accountants
Statutory Auditors, Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
One Eastwood,
Harry Weston Road,
Binley Business Park,
Coventry, CV3 2UB

Dated: 17 December 2020

SIR THOMAS WHITE'S CHARITY

**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2020**

	<u>Notes</u>	<u>Restricted income funds</u>	<u>Endowment funds</u>	<u>Total 2020</u>	<u>Total 2019 (see page 10)</u>
		£	£	£	£
Income and endowments from:					
Investment income					
Rents receivable		1,702,503	-	1,702,503	1,714,178
Interest on government stocks		-	-	-	8,327
Dividends and interest on quoted securities		887,245	-	887,245	914,521
Interest on bank deposits		7,829	-	7,829	9,969
Sale of rights issue		88	-	88	-
Other income		-	-	-	200
Total income and endowments		<u>2,597,665</u>	<u>-</u>	<u>2,597,665</u>	<u>2,647,195</u>
Expenditure on:					
Raising funds	2	219,082	113,325	332,407	307,739
Charitable activities					
Clear yearly income available for distribution	3	2,295,478	-	2,295,478	2,250,468
Distribution related support costs	4	18,577	-	18,577	19,659
Total expenditure		<u>2,533,137</u>	<u>113,325</u>	<u>2,646,462</u>	<u>2,577,866</u>
Net gains/(losses) on investments		-	(1,678,846)	(1,678,846)	3,296,137
Net income / Net movement in funds		<u>64,528</u>	<u>(1,792,171)</u>	<u>(1,727,643)</u>	<u>3,365,466</u>
Reconciliation of funds:					
Total funds brought forward		645,956	74,418,724	75,064,680	71,699,214
Total funds carried forward	11	<u>710,484</u>	<u>72,626,553</u>	<u>73,337,037</u>	<u>75,064,680</u>

The notes on pages 13 to 19 form part of these financial statements.

SIR THOMAS WHITE'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2019

	<u>Notes</u>	Restricted income funds £	Endowment funds £	Total 2019 £
Income and endowments from:				
Investment income				
Rents receivable		1,714,178	-	1,714,178
Interest on government stocks		8,327	-	8,327
Dividends and interest on quoted securities		914,521	-	914,521
Interest on bank deposits		9,969	-	9,969
Other income		200	-	200
Total income and endowments		<u>2,647,195</u>	<u>-</u>	<u>2,647,195</u>
Expenditure on:				
Raising funds	2	196,112	111,627	307,739
Charitable activities				
Clear yearly income available for distribution	3	2,250,468	-	2,250,468
Distribution related support costs	4	19,659	-	19,659
Total expenditure		<u>2,466,239</u>	<u>111,627</u>	<u>2,577,866</u>
Net gains/(losses) on investments		-	3,296,137	3,296,137
Net income (expenditure) / Net movement in funds		180,956	3,184,510	3,365,466
Reconciliation of funds:				
Total funds brought forward		465,000	71,234,214	71,699,214
Total funds carried forward		<u>645,956</u>	<u>74,418,724</u>	<u>75,064,680</u>

The notes on pages 13 to 19 form part of these financial statements.

SIR THOMAS WHITE'S CHARITY

BALANCE SHEET
30 September 2020

	Notes	£	2020	£	£	2019	£
FIXED ASSETS							
Investments	6		72,473,228			71,941,372	
CURRENT ASSETS							
Debtors	7	915,852			775,337		
Cash at bank and in hand		2,716,386			6,639,224		
			<u>3,632,238</u>		<u>7,414,561</u>		
CREDITORS: Amounts falling due within one year	8	(2,768,429)			(4,291,253)		
NET CURRENT ASSETS/(LIABILITIES)				863,809			3,123,308
NET ASSETS				<u>73,337,037</u>			<u>75,064,680</u>
FUNDS OF THE CHARITY:							
Restricted income funds	10		710,484			645,956	
Endowment funds			72,626,553			74,418,724	
TOTAL CHARITY FUNDS:				<u>73,337,037</u>			<u>75,064,680</u>

The financial statements have approved and authorised for issue by the Board of Trustees on 17 December 2020 and signed on their behalf by:

R.V. WIGLESWORTH - CHAIRMAN

C.P. TRYE - TRUSTEE

The notes on pages 13 to 19 form part of these financial statements

SIR THOMAS WHITE'S CHARITY

STATEMENT OF CASH FLOW
for the year ended 30 September 2020

	<u>Notes</u>	2020 £	2019 £
Net cash flow from operating activities	12	(4,309,713)	(1,188,741)
Cash flow from investing activities			
Payments to acquire investment properties		(2,722,903)	(808,793)
Receipts from sales of investment properties		1,605,072	7,564,751
Payments to acquire quoted investments		(10,599,023)	(11,179,480)
Receipts from sales of quoted investments		9,506,152	7,870,375
Interest received		7,829	18,296
Dividends received		887,245	914,521
Rents received from investment properties		1,702,503	1,714,178
Net cash flow from investing activities		386,875	6,093,848
Net (decrease)/increase in cash and cash equivalents		(3,922,838)	4,905,107
Cash and cash equivalents at 1 October 2019		6,639,224	1,734,117
Cash and cash equivalents at 30 September 2020		<u>2,716,386</u>	<u>6,639,224</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,716,386	6,639,224
Short term deposits		-	-
Cash and cash equivalents at 30 September 2020		<u>2,716,386</u>	<u>6,639,224</u>

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2020

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

Sir Thomas White's Charity is an unincorporated charity registered in England & Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are for the benefit of Charities in Coventry, Leicester, Northampton, Nottingham and Warwick together with the Merchant Taylor's Company in London. Following its establishment, land was purchased for £1,400 to produce an income of £70 per annum and the income of the Charity continues to be distributed to these Charities, in seventieths, in accordance with the original Trust Deed, various Acts of Parliament, High Court decisions in the nineteenth century and current Charity Commission Schemes and advice.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2020

1. ACCOUNTING POLICIES (continued...)

(c) Expenditure recognition

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

- Costs of raising funds includes investment management costs and certain legal fees;
- Expenditure on charitable activities includes grants made in accordance with the terms of the trust deed; and
- Other expenditure being predominantly governance costs represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

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

Costs incurred in facilitating the sale of properties are included as an expense in the statement of financial activities if disposal cannot reasonably be foreseen at the time the costs are incurred. The written off costs are then credited back to the statement of financial activities only when the disposal of the relevant property is certain.

(d) Support costs allocation

Support costs have been allocated between costs of raising funds and governance.

No support costs or overheads have been allocated to Charitable Activities since the costs involved are totally insignificant due to the specific terms of the trust deed.

(e) 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 support costs.

(f) Fixed asset investments

Quoted investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Properties are revalued annually when no account is taken of any development hope value. The underlying basis of valuation is the capitalisation of current rents, using rates of return appropriate to the type of property. Adjustments are made where this method is considered to result in an unrealistic valuation.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2020

1. ACCOUNTING POLICIES (continued...)

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally Freehold investment properties and quoted investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Details of the nature and purpose of each fund is set out in notes 10 and 11.

The amount held in the Income Reserve Fund is entirely at the discretion of the Trustees.

(i) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010.

(l) Key accounting estimates and judgements

The key source of estimation uncertainty is the valuation of investment properties. In particular commercial properties which are professionally valued annually primarily using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations were capitalisation rates between 4.25% and 10%.

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2020

2. COSTS OF RAISING FUNDS	2020	2019
	£	£
Restricted income fund:		
Investment Properties:		
Ground rent, council tax and water rates	6,033	2,609
Repairs	60,871	56,935
Insurances	12,468	12,129
Legal and other professional charges	30,171	20,702
Planning, consultant and architect's charges	(1,316)	(3,550)
Agents fees	107,254	104,438
Compensation payment	989	-
Other	2,612	2,849
Investment Portfolio:		
Portfolio management charge	-	-
Endowment fund:		
Investment Portfolio:		
Portfolio management charge	109,173	111,627
Foreign exchange losses	4,152	-
	<u>332,407</u>	<u>307,739</u>

At 30 September 2020, unrecovered planning costs incurred in facilitating the ultimate sale of properties were £118,035 (2019: £120,201).

The Agents' fees and Clerks' fees in notes 2 and 4 are apportioned on the basis of staff time.

3. CLEAR YEARLY INCOME AVAILABLE FOR DISTRIBUTION

The trustees have no discretion in the distribution of the "clear yearly income" which is still made in 70ths, in accordance with the original Trust Deed and subsequent amendments. The beneficiaries are as follows:-

	<u>Number of 70ths</u>	<u>2020 £</u>	<u>2019 £</u>
The Trustees of:			
General Charity (Coventry)			
Comprising:			
Coventry Trustees	8	262,341	257,196
Coventry General Charities	24	787,021	771,590
Clerk to Coventry General Charities	1	32,793	32,150
Coventry Stock Charity	4	131,170	128,598
Sir Thomas White's Northampton Charity	8	262,340	257,196
Leicester, Sir Thomas White's Loan Charity	8	262,340	257,196
Nottingham, Sir Thomas White's Loan Money Charity	8	262,340	257,196
Warwick, The Charity of Sir Thomas White	8	262,340	257,196
The Master and Wardens, Merchant Taylors' Company	1	32,793	32,150
	<u>70</u>	<u>2,295,478</u>	<u>2,250,468</u>

SIR THOMAS WHITE'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2020**

4.	SUPPORT COSTS - GOVERNANCE COSTS	<u>2020</u>	<u>2019</u>
		£	£
	Trustees' professional indemnity insurance	1,643	1,643
	Clerks' fees	10,057	11,604
	Auditors' remuneration	4,327	3,912
	Accountancy	2,550	2,500
		<u>18,577</u>	<u>19,659</u>

5. EMPLOYEE AND TRUSTEE REMUNERATION AND EXPENSES

The Charity had no employees during the year (2019: None).

No Trustee or persons connected with Trustees received any remuneration from the Charity during the year. In 2020 no Trustees received reimbursement of expenses from the Charity (2019: None).

6. FIXED ASSET INVESTMENTS

	<u>Freehold Investment Properties</u>	<u>Quoted Investments</u>	<u>Total</u>
	£	£	£
Fair value at 1 October 2019	43,767,900	28,173,472	71,941,372
Additions	2,722,903	10,599,023	13,321,926
Disposals	(1,605,072)	(9,506,152)	(11,111,224)
Net realised and unrealised losses	(585,431)	(1,093,415)	(1,678,846)
	<u>44,300,300</u>	<u>28,172,928</u>	<u>72,473,228</u>

Investment properties have been revalued at 30 September 2020 in accordance with the accounting policy. This valuation is based on appropriate professional advice obtained from Messrs. Godfrey-Payton, Chartered Surveyors.

	<u>2020</u>	<u>2019</u>
	£	£
Quoted investments at market value comprise:		
Other UK Fixed Interest	3,062,225	2,318,047
Ordinary stocks and shares	25,110,703	25,855,425
	<u>28,172,928</u>	<u>28,173,472</u>

Included in investments above are quoted investments with a fair value of £11,557,066 (2019:£10,629,577) which are held outside the UK. The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

No investment properties or holding of quoted investments comprises over 5% of the fair value of the total investment portfolio.

SIR THOMAS WHITE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2020

7.	DEBTORS	<u>2020</u>	<u>2019</u>
		£	£
	Other debtors	366,835	242,619
	Prepayments and accrued income	549,017	532,718
		<u>915,852</u>	<u>775,337</u>

8.	CREDITORS: Amounts falling due within one year	<u>2020</u>	<u>2019</u>
		£	£
	Clear yearly income not yet distributed	2,295,478	2,250,468
	Other creditors	170,439	1,699,915
	Deferred income	295,492	311,776
	Accruals	7,020	29,094
		<u>2,768,429</u>	<u>4,291,253</u>

9 OPERATING LEASES – LESSOR

Total future minimum lease rentals receivable under non-cancellable operating leases are as follows:

	<u>2020</u>	<u>2019</u>
	£	£
Not later than one year	1,079,746	1,426,969
Later than one and not later than five years	2,623,647	2,683,037
Later than five years	1,340,335	1,469,835
	<u>5,043,728</u>	<u>5,579,841</u>

10. RESTRICTED FUNDS

	Balance at 1 October <u>2019</u>	Incoming resources	Expenditure	Transfers	Balance at 30 September <u>2020</u>
	£	£	£	£	£
Income account	-	2,597,665	(2,533,137)	(64,528)	-
Income Reserve Fund	645,956	-	-	64,528	710,484
	<u>645,956</u>	<u>2,597,665</u>	<u>(2,533,137)</u>	<u>-</u>	<u>710,484</u>

The income account comprises the gross income of the Charity for the year which, after deduction of all relevant expenditure, will form the "clear yearly income" available for distribution.

The Income Reserve Fund is to achieve a smoothing of future distributions and has Charity Commission approval.

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2020

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Net current assets £	Total £
Restricted funds			
Income Reserve Fund	-	710,484	710,484
Endowment fund	72,473,228	153,325	72,626,553
	<hr/>	<hr/>	<hr/>
Total funds at 30 September 2020	72,473,228	863,809	73,337,037
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Endowment fund represents those assets which must be held permanently by the Charity, the income from which is freely available to fund the activities of the charity.

12. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for year	(1,727,643)	3,365,466
Dividends received	(887,245)	(914,521)
Rents received from investment properties	(1,702,503)	(1,714,178)
Interest receivable	(7,829)	(18,296)
Losses/(gains) on investments	1,678,846	(3,296,137)
(Increase)/decrease in debtors	(140,515)	(230,303)
(Decrease)/increase in creditors	(1,522,824)	1,619,228
	<hr/>	<hr/>
	(2,532,070)	(4,554,207)
	<hr/>	<hr/>
Net cash flow from operating activities	(4,309,713)	(1,188,741)
	<hr/> <hr/>	<hr/> <hr/>

13. ULTIMATE CONTROLLING PARTY

The board of Trustees control the charity.

14. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.