

SIR THOMAS WHITE'S CHARITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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 (retired 30 September 2021) 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 2021

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2021. 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 2021

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

Background

The financial year has seen a continued rebound in markets that began in March 2020. The huge amount of stimulus provided both by Central Banks and Governments remains in place and has been supportive for most asset classes. Economies and markets were given an additional boost in November with positive vaccine news and in the following months economic growth recovered sharply, which in turn led to a rebound in corporate profits. As economies re-opened, there was a rotation in stock markets away from those high growth sectors which had benefitted from lockdown (such as technology and healthcare) and towards more cyclical areas of the market which had been hit hard by the slowdown in the economy.

On the political front, a victory for Joe Biden in the US Presidential Election saw additional stimulus measures, this time targeted at improving the infrastructure in the country. Here in the UK, the country managed to avoid a Hard Brexit at the 11th hour, as is customary in deals involving the EU. This had a positive impact on sterling and the UK stock market, as overseas investors allocated more money to the UK and overseas companies and private equity funds took advantage of low valuations to buy UK companies.

A higher level of inflation has been a feature in recent months, partly due to the base effect (comparing prices today with where they were 12 months ago) but also due to supply chain issues, labour market shortages and a surge in energy prices. Higher input prices are likely to impact company margins – leading commentators to worry that growth may be slowing and that we may be entering a period of 'stagflation' i.e., a lower growth, higher inflation environment, similar to the 1970s. In response to these inflationary concerns, Central Banks are looking to reduce the level of stimulus by 'tapering' their purchases of government/corporate bonds and increasing interest rates. This has had a negative impact on bond markets as higher inflation has a direct impact on returns, which are fixed by nature.

Emerging markets have seen some recent weakness after performing well in 2020. The Chinese Communist Party clamped down on a number of areas of the economy, such as internet companies, computer gaming and education, causing investors to doubt whether the Chinese market remains investible. The failure of the very large and indebted property company, Evergrande, did not help sentiment either and the Chinese economy is slowing down given its reliance on imported energy and some of the aforementioned supply chain issues.

Portfolio Performance

At the financial year end the Charity's investment portfolio stood at £33,065,827 compared with £28,572,157 as at 30th September 2020. The portfolio produced a total return of 19.7% compared with the benchmark MSCI PIMFA Private Investor Balanced Index of 16.0%.

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30 September 2021

ACHIEVEMENTS AND PERFORMANCE (continued...)

Over the same period the MSCI UK Large Companies Index rose by 25.8%, the MSCI AC World ex UK Index rose by 22.6% whereas the Iboxx UK Gilts Index fell by 7.1%. The portfolio generated an income for the Charity of £1,060,087 which was above the target of £900,000.

The portfolio has no exposure to government bonds due to their poor prospective returns after taking into account inflation and is underweight towards fixed interest investments. The focus within equity holdings remains on good quality companies which should continue to grow in a world where growth may be harder to come by, and which have pricing power and are able to pass on any price increases to consumers. Alternative investments such as property and infrastructure also have attractions as much of their revenue is tied to inflation and the starting yields remain attractive relative to other asset classes. The world continues to change at an ever-increasing pace and stock selection remained key – identifying the potential beneficiaries of such change and avoiding those companies that have been most affected by the disruption.

Commercial property:

For the year to September 2021, the commercial property sector like many others has been impacted by COVID-19. However, with the recent relaxation of lockdown, businesses have begun to return to a new normal. The worst affected in the Portfolio has been a retail unit at Newbury where Café Nero successfully applied for a CVA. This resulted in the need to write off a percentage of arrears and agree a turnover rent. Rents on other retail holdings in the Portfolio have remained stable.

On an encouraging note new leases at increased rentals have been agreed for warehouse distribution properties being a distribution hub in Leamington Spa and a crane hire operation near Rugby.

Adjustments have been made to the year end valuations to reflect the changes referred to.

No new commercial investments have been acquired this year but the search is ongoing. The industrial/warehouse sector to be the most likely of interest.

Agricultural Property (including planning and development)

There have been no significant changes to the Charity's agricultural property portfolio during the year. However, at year end terms had been agreed for the purchase of an Agricultural Estate at Harston in Leicestershire comprising 750 acres of tenanted land including a farmstead and a number of cottages, together with in hand woodland and sporting rights. The purchase is at Subject to Contract stage pending completion with funds to be secured from stock market portfolio sales. In addition, Alton Hall Farm, 625 acres, has been relet at the year end at a significantly improved rent.

Elsewhere the effects of BREXIT still continue to reverberate through the agricultural economy. There has been a massively disappointing take-up of the Government's new Environmental Schemes known as NELMS due to its complexities, and there have been calls from the NFU, CLA and other agricultural organisations for the tapering of Single Farm Payments to be halted, so as to provide support whilst this situation persists. Coupled with this there are problems with seasonal workers, slaughterhouse staff, and significant increases in commodities including oil, fertilisers and raw materials. On a positive note, grain prices have been maintained or improved and the livestock sector is experiencing reasonable returns.

The agricultural sector continues to be less impacted by COVID-19 than other sectors particularly commercial property but the effects of BREXIT will continue for some years unless the situation regarding environmental schemes, transport and labour shortages is resolved.

In relation to planning and development the sale of Coughton Fields Barn for £360,000 completed in 2020, but other planning applications for Class Q conversions at Coughton Fields Farm and Sowe Fields Farm have been refused consent, with appeals in both cases under consideration.

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30 September 2021

ACHIEVEMENTS AND PERFORMANCE (continued...)

At Kidderminster 13 acres of land has received a draft allocation for residential development pending confirmation via the Local Authority, and a marketing exercise undertaken with a view to achieving a sale in the spring of 2022 assuming an allocation is forthcoming. Other significant opportunities remain at Grantham 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 and generated an income in excess of £1 million which was above the target of £900,000. In the commercial sector the High Street continues to suffer significantly as evidenced by the Charity's experience with Café Nero, and whilst several investments have been under consideration during the year none has been considered suitable. On a positive note there have been significant uplifts on lease renewal at Leamington Spa and Princethorpe.

The agricultural sector is still experiencing difficulties with BREXIT, particularly labour shortages and transport as well as new and confusing environmental schemes. Agricultural Capital Values have levelled and rents remain static.

The Income Reserve Fund now stands at £793,284 and the distributable income this year is £2,407,956 representing a 4.9% increase over 2020.

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. At the year end, total funds were £83,713,245 including restricted funds of £793,284.

Indemnity Insurance

The charity holds indemnity insurance for the benefit of its trustees.

FUTURE PROSPECTS AND DEVELOPMENTS

The Charity has been fortunate during the financial year to increase its income from the Stock Market Portfolio, and broadly maintain income from Commercial property and Agricultural Property. However, there will continue to be little growth in the Agricultural Sector, and serious challenges still anticipated in the Commercial sector where properties become vacant. Worldwide uncertainties continue particularly with China and Russia, coupled with the revolution in renewable energy and transport, with a challenge for the world economy if targets for conversion are met. Inflation is now in excess of 3% year on year, but unemployment remains low.

The Trustees believe that their spread of investments should protect their distributable income in the longer term, but in the next 12 months each sector will need to be carefully monitored.

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30 September 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

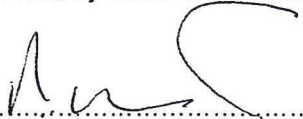
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and 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;
- make judgments 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 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 Charity (Accounts and Reports) Regulations 2008 and 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 16 December 2021 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 2021 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 2021, 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

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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 page 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

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

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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: 16 December 2021

SIR THOMAS WHITE'S CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2021

	<u>Notes</u>	<u>Restricted income funds</u>	<u>Endowment funds</u>	<u>Total 2021</u>	<u>Total 2020</u> (see page 11)
		£	£	£	£
Income and endowments from:					
Investment income					
Rents receivable		1,684,555	-	1,684,555	1,702,503
Interest on government stocks		-	-	-	-
Dividends and interest on quoted securities		1,059,845	-	1,059,845	887,245
Interest on bank deposits		172	-	172	7,829
Sale of rights issue		70	-	70	88
Other income		31,000	-	31,000	-
Total income and endowments		<u>2,775,642</u>	<u>-</u>	<u>2,775,642</u>	<u>2,597,665</u>
Expenditure on:					
Raising funds	2	265,797	125,294	391,091	332,407
Charitable activities					
Clear yearly income available for distribution	3	2,407,956	-	2,407,956	2,295,478
Distribution related support costs	4	19,089	-	19,089	18,577
Total expenditure		<u>2,692,842</u>	<u>125,294</u>	<u>2,818,136</u>	<u>2,646,462</u>
Net gains/(losses) on investments		-	10,418,702	10,418,702	(1,678,846)
Net income / Net movement in funds		<u>82,800</u>	<u>10,293,408</u>	<u>10,376,208</u>	<u>(1,727,643)</u>
Reconciliation of funds:					
Total funds brought forward		710,484	72,626,553	73,337,037	75,064,680
Total funds carried forward	11	<u>793,284</u>	<u>82,919,961</u>	<u>83,713,245</u>	<u>73,337,037</u>

The notes on pages 14 to 21 form part of these financial statements.

SIR THOMAS WHITE'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2020

	<u>Notes</u>	Restricted income funds £	Endowment funds £	Total 2020 £
Income and endowments from:				
Investment income				
Rents receivable		1,702,503	-	1,702,503
Interest on government stocks		-	-	-
Dividends and interest on quoted securities		887,245	-	887,245
Interest on bank deposits		7,829	-	7,829
Sale of rights issue		88	-	88
Other income		-	-	-
Total income and endowments		<u>2,597,665</u>	<u>-</u>	<u>2,597,665</u>
Expenditure on:				
Raising funds	2	219,082	113,325	332,407
Charitable activities				
Clear yearly income available for distribution	3	2,295,478	-	2,295,478
Distribution related support costs	4	18,577	-	18,577
Total expenditure		<u>2,533,137</u>	<u>113,325</u>	<u>2,646,462</u>
Net gains/(losses) on investments		-	(1,678,846)	(1,678,846)
Net income / Net movement in funds		64,528	(1,792,171)	(1,727,643)
Reconciliation of funds:				
Total funds brought forward		645,956	74,418,724	75,064,680
Total funds carried forward		<u>710,484</u>	<u>72,626,553</u>	<u>73,337,037</u>

The notes on pages 14 to 21 form part of these financial statements.

SIR THOMAS WHITE'S CHARITY

BALANCE SHEET
30 September 2021

	<u>Notes</u>	£	<u>2021</u> £	£	<u>2020</u> £
FIXED ASSETS					
Investments	6		80,689,106		72,473,228
CURRENT ASSETS					
Debtors	7		501,055		915,852
Cash at bank and in hand			5,468,999		2,716,386
			<u>5,970,054</u>		<u>3,632,238</u>
CREDITORS: Amounts falling due within one year	8		(2,945,915)		(2,768,429)
NET CURRENT ASSETS/(LIABILITIES)			3,024,139		863,809
NET ASSETS			<u>83,713,245</u>		<u>73,337,037</u>
FUNDS OF THE CHARITY:					
Restricted income funds	12		793,284		710,484
Endowment funds			82,919,961		72,626,553
TOTAL CHARITY FUNDS:			<u>83,713,245</u>		<u>73,337,037</u>

The financial statements have approved and authorised for issue by the Board of Trustees on 16 December 2021 and signed on their behalf by:


R.V. WIGLESWORTH - CHAIRMAN


C.P. TRY - TRUSTEE

The notes on pages 14 to 21 form part of these financial statements

SIR THOMAS WHITE'S CHARITY

STATEMENT OF CASH FLOW
for the year ended 30 September 2021

	<u>Notes</u>	2021 £	2020 £
Net cash flow from operating activities	13	(2,194,783)	(4,309,713)
Cash flow from investing activities			
Payments to acquire investment properties		(665,213)	(2,722,903)
Receipts from sales of investment properties		292,707	1,605,072
Payments to acquire quoted investments		(5,221,186)	(10,599,023)
Receipts from sales of quoted investments		7,796,516	9,506,152
Interest received		172	7,829
Dividends received		1,059,845	887,245
Rents received from investment properties		1,684,555	1,702,503
Net cash flow from investing activities		4,947,396	386,875
Net (decrease)/increase in cash and cash equivalents		2,752,613	(3,922,838)
Cash and cash equivalents at 1 October 2020		2,716,386	6,639,224
Cash and cash equivalents at 30 September 2021		5,468,999	2,716,386
Cash and cash equivalents consists of:			
Cash at bank and in hand		5,468,999	2,716,386
Short term deposits		-	-
Cash and cash equivalents at 30 September 2021		5,468,999	2,716,386

Analysis of changes in net debt

	2020 £	Cashflow £	2021 £
Cash and Cash Equivalents	2,716,386	2,752,613	5,468,999
Total net debt	<u>2,716,386</u>	<u>2,752,613</u>	<u>5,468,999</u>

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2021

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 2021

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 2021**

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 11 and 12.

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 2021

2. COSTS OF RAISING FUNDS	2021 £	2020 £
Restricted income fund:		
Investment Properties:		
Ground rent, council tax and water rates	6,550	6,033
Repairs	68,795	60,871
Insurances	16,959	12,468
Legal and other professional charges	28,457	30,171
Planning, consultant and architect's charges	27,377	(1,316)
Agents fees	114,518	107,254
Compensation payment	-	989
Other	3,141	2,612
Investment Portfolio:		
Portfolio management charge	-	-
Endowment fund:		
Investment Portfolio:		
Portfolio management charge	122,163	109,173
Foreign exchange losses	3,131	4,152
	<u>391,091</u>	<u>332,407</u>

At 30 September 2021, unrecovered planning costs incurred in facilitating the ultimate sale of properties were £139,912 (2020: £118,035).

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:-

	Number of 70ths	2021 £	2020 £
The Trustees of:			
General Charity (Coventry)			
Comprising:			
Coventry Trustees	8	275,196	262,341
Coventry General Charities	24	825,585	787,021
Clerk to Coventry General Charities	1	34,399	32,793
Coventry Stock Charity	4	137,597	131,170
Sir Thomas White's Northampton Charity	8	275,195	262,340
Leicester, Sir Thomas White's Loan Charity	8	275,195	262,340
Nottingham, Sir Thomas White's Loan Money Charity	8	275,195	262,340
Warwick, The Charity of Sir Thomas White	8	275,195	262,340
The Master and Wardens, Merchant Taylors' Company	1	34,399	32,793
	<u>70</u>	<u>2,407,956</u>	<u>2,295,478</u>

SIR THOMAS WHITE'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2021**

4. SUPPORT COSTS - GOVERNANCE COSTS	<u>2021</u> £	<u>2020</u> £
Trustees' professional indemnity insurance	1,890	1,643
Clerks' fees	10,274	10,057
Auditors' remuneration	4,350	4,327
Accountancy	2,575	2,550
	<u>19,089</u>	<u>18,577</u>

5. EMPLOYEE AND TRUSTEE REMUNERATION AND EXPENSES

The Charity had no employees during the year (2020: None).

No Trustee or persons connected with Trustees received any remuneration from the Charity during the year. In 2021 no Trustees received reimbursement of expenses from the Charity (2020: None).

6. FIXED ASSET INVESTMENTS

	<u>Freehold Investment Properties</u> £	<u>Quoted Investments</u> £	<u>Total</u> £
Fair value at 1 October 2020	44,300,300	28,172,928	72,473,228
Additions	665,213	5,221,186	5,886,399
Disposals	(292,707)	(7,796,516)	(8,089,223)
Net realised and unrealised profits	5,806,893	4,611,809	10,418,702
	<u>50,479,699</u>	<u>30,209,407</u>	<u>80,689,106</u>

Investment properties have been revalued at 30 September 2021 in accordance with the accounting policy. This valuation is based on appropriate professional advice obtained from Messrs. Godfrey-Payton, Chartered Surveyors.

	<u>2021</u> £	<u>2020</u> £
Quoted investments at market value comprise:		
Other UK Fixed Interest	2,395,853	3,062,225
Ordinary stocks and shares	27,813,554	25,110,703
	<u>30,209,407</u>	<u>28,172,928</u>

Included in investments above are quoted investments with a fair value of £14,738,081 (2020: £11,557,066) 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 2021

7. DEBTORS

	<u>2021</u> £	<u>2020</u> £
Other debtors	297,422	366,835
Prepayments and accrued income	203,633	549,017
	<u>501,055</u>	<u>915,852</u>

8. CREDITORS: Amounts falling due within one year

	<u>2021</u> £	<u>2020</u> £
Clear yearly income not yet distributed	2,407,956	2,295,478
Other creditors	238,196	170,439
Deferred income- rents received in advance	292,741	295,492
Accruals	7,022	7,020
	<u>2,945,915</u>	<u>2,768,429</u>

9. DEFERRED INCOME

	Under 1 year £	Total £
At 1 October 2020	295,492	295,492
Additions during the year	292,741	292,741
Released	(295,492)	(295,492)
At 30 September 2021	<u>292,741</u>	<u>292,741</u>

10. OPERATING LEASES – LESSOR

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

	<u>2021</u> £	<u>2020</u> £
Not later than one year	1,154,639	1,079,746
Later than one and not later than five years	2,493,685	2,623,647
Later than five years	1,711,845	1,340,335
	<u>5,360,169</u>	<u>5,043,728</u>

Operating leases relate to rentals receivable in respect of the charity's land and building portfolio.

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2021

11. RESTRICTED FUNDS

	Balance at 1 October 2020 £	Incoming resources £	Expenditure £	Transfers £	Balance at 30 September 2021 £
Income account	-	2,775,642	(2,692,842)	(82,800)	-
Income Reserve Fund	710,484	-	-	82,800	793,284
	<u>710,484</u>	<u>2,775,642</u>	<u>(2,692,842)</u>	<u>-</u>	<u>793,284</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.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Net current assets £	Total £
Restricted funds			
Income Reserve Fund	-	793,284	793,284
Endowment fund	80,689,106	2,230,855	82,919,961
Total funds at 30 September 2021	<u>80,689,106</u>	<u>3,024,139</u>	<u>83,713,245</u>

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.

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

	2021 £	2020 £
Net income/(expenditure) for year	10,376,208	(1,727,643)
Dividends received	(1,059,845)	(887,245)
Rents received from investment properties	(1,684,555)	(1,702,503)
Interest receivable	(172)	(7,829)
Losses/(gains) on investments	(10,418,702)	1,678,846
(Increase)/decrease in debtors	414,797	(140,515)
(Decrease)/increase in creditors	177,486	(1,522,824)
	<u>(12,570,991)</u>	<u>(2,582,070)</u>
Net cash flow from operating activities	<u>(2,194,783)</u>	<u>(4,309,713)</u>

SIR THOMAS WHITE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2021

14. ULTIMATE CONTROLLING PARTY

The board of Trustees control the charity.

15. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

