

SIR THOMAS WHITE'S CHARITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

SIR THOMAS WHITE'S CHARITY

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for the year ended 30 September 2022**

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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

MRS. V. JACKA FCSI (appointed October 2022)

CLERKS : **Mr. P.E. Cowen BSc (Hons), MRICS**
 Mr C.G. Percy BSc (Hons), MSc, MRICS, FAAV

REGISTERED : **Godfrey Payton, Old Bablake, Hill Street, Coventry, CV1 4AN**
OFFICE

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, 8th Floor, Two Snowhill, Birmingham, B4 6GA**

REGISTERED
NUMBER : **218626**

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30th September 2022

The Trustees present their report and the audited financial statements of the Charity for the year ended 30 September 2022. 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 charities 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 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 nine 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. After the financial year Mrs V Jacka FCSI was appointed as Trustee effective October 2022.

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; the senior Clerk Mr P E Cowen BSc MRICS assisted by Mr C G Percy BSc MRICS FAAY. 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.

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.

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30th September 2022

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 been an unprecedented one in many ways, with inflation returning to levels last seen in the 1970s. Price levels began to rise as economies opened up after Covid lockdowns and supply chains were disrupted. Matters were exacerbated by Central Banks and governments maintaining their extraordinary stimulus measures for too long and Russia's invasion of Ukraine in February, which sent energy and food prices rocketing upwards. The last few months of the year have seen Central Banks aggressively increasing interest rates, in order to combat inflation, but also risking tipping economies towards recession, as both individuals and businesses come to terms with higher prices and potential energy shortages.

All asset classes have been impacted, not least government bonds which are traditionally a 'safe haven' in times of geopolitical uncertainty. Both gilts and corporate bond prices fell sharply, a situation made worse by the mini-budget announced just before the financial year end, promising unfunded tax cuts and bypassing the Office of Budget Responsibility. There was a loss of credibility in the UK for a short period, causing bond yields to spike up even further and the Bank of England having to step in and protect the Pension Fund industry. Order was restored after the financial year end following the removal of the Chancellor and the appointment of a new Prime Minister.

Equity markets saw sharp losses too, especially those containing a higher proportion of growth companies such as the US and Asia. Valuations had reached high levels when bond yields and interest rates were very low and derated sharply as these went into reverse. The UK market, in contrast, is made up of many traditional sectors on lower valuations. Sectors such as oils and materials were direct beneficiaries of higher commodity prices and defensive sectors such as consumer staples and healthcare also did well. The returns from overseas equities would have been lower but for the marked weakness in sterling – a situation again made worse by the mini-budget. Chinese equities performed poorly largely due to the zero-Covid policy enforced ahead of the recent Party Congress meeting.

Alternative assets (renewable energy, infrastructure, property) held up well for much of the period until gilt yields ballooned out before the financial year end. Their yield attractions had been clear when interest rates and yields were low, but were reappraised by investors when gilt yields rose above 4%. The inflation protection offered by many of these alternative assets remains an attractive feature.

Portfolio Performance

At the financial year end the Charity's investment portfolio stood at £25,979,017 compared with £33,065,827 as at 30th September 2021. £3.98m was taken out for the purchase of the Harston Estate. The portfolio produced a total return of -7.4% compared with the benchmark MSCI PIMFA Private Investor Balanced Index of -7.8%. Over the same period the MSCI UK Large Companies Index rose by 3.8%, the MSCI AC World ex UK Index fell by 4%, whereas the Iboxx UK Gilts Index fell by 24.8%. The portfolio generated an income for the Charity of £955,972 which was above the target of £900,000.

The portfolio has minimal exposure to government bonds and is underweight towards fixed interest investments, although valuations are starting to look more attractive. The focus within the equity holdings remains on quality companies, with good pricing power (especially important in times of high inflation) and paying an attractive, sustainable and growing dividend. Alternative investments retain their attractions, given the initial yields on offer

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30th September 2022

and their built-in protection against future inflation. In such an uncertain investment environment, stock selection remains of paramount importance.

COMMERCIAL PROPERTY:

For the year to September 2022, the commercial property sector has been less impacted by the waning effects of COVID-19, but the problems with the economy and poor financial outlook has resulted in retail investments continuing to be unattractive.

Still the worst affected in the portfolio is the retail unit at Newbury where CVA rules have resulted in a lower turnover rent, although this is now approaching the level of the passing rent.

In relation to the warehouse distribution property at Leamington, the renewal of the lease and rent level are the subject of court proceedings the outcome of which is awaited. Rents on the other retail holdings in the Portfolio have remained stable.

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 is likely to be of the greatest interest.

AGRICULTURAL PROPERTY (including planning and development)

During the year the Charity completed the purchase of the Harston Estate in Leicestershire comprising 750 acres of tenanted land including a farmstead, a number of cottages, together with in hand woodland and sporting rights. Elsewhere two tenancy successions have been agreed at Kenilworth and Kidderminster, together with terms also agreed for a revised FBT at Kenilworth with significant commercial use and rental uplift.

Whilst the agricultural sector is still suffering from the lingering affects of Brexit, the conflict in Ukraine together with knock on affects on commodity prices, fuel and supply chain problems have affected the sector significantly. Coupled with this there are still problems with seasonal workers, but grain prices have been more or less maintained and the livestock sector is still experiencing reasonable returns.

The land market has shown significant increases year on year and therefore the figures for the year end valuation have been increased to reflect this. There have been no sales during the year, but a further significant area of land at Cubbington has been compulsory acquired for HS2 amounting to approximately 54 acres.

In relation to planning and development the 13 acres of land at Kidderminster which received a draft allocation for residential development in 2021 was sold on staged payment terms. However the Class Q conversions at Coughton Fields Farm and Sowe Fields Farm have yet to be resolved, but other significant opportunities remain at Grantham and Coventry East.

FINANCIAL REVIEW

Dividends have been maintained during the year despite the lingering affects of COVID-19, the turmoil in the economy and the conflict in Ukraine, generated an income in excess of the target of £900,000. In the commercial sector the High Street continues to suffer as evidenced by the Charities continued experience with Café Nero, and whilst several investments have been under consideration during the year none has been found suitable.

The agricultural sector is still experiencing difficulties with commodity prices, labour shortages, fuel prices and interest rates together with still confusing environmental schemes. Agricultural Capital Values have continued to increase but rents remain static.

The Income Reserve Fund now stands at £693,736 and the distributable income this year is £2,619,820 representing an 8.8% increase over 2021.

SIR THOMAS WHITE'S CHARITY
TRUSTEES' ANNUAL REPORT
for the year ended 30th September 2022

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.

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.

FUTURE PROSPECTS AND DEVELOPMENTS

Worldwide uncertainties continue particularly with the conflict in Ukraine resulting in significant increases in commodity prices, and the resulting downturn in the economies of Western Europe. Interest rates are increasing significantly and inflation now exceeds 10% year on year, but unemployment remains low.

The Charity has been fortunate during the financial year to maintain its income from the stock market portfolio and broadly maintain income from the commercial sector and agricultural property. There will continue to be little growth in the agriculture sector and some challenges still anticipated in the commercial sector where properties become vacant.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

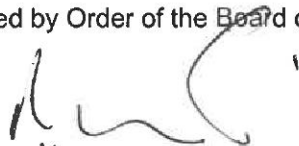
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 15 December 2022 and signed on their behalf by:



R V Wiglesworth – 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 2022 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 2022, 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 5, 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 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
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: 15 December 2022

SIR THOMAS WHITE'S CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2022

	<u>Notes</u>	<u>Restricted income funds</u>	<u>Endowment funds</u>	<u>Total 2022</u>	<u>Total 2021 (see page 10)</u>
		£	£	£	£
Income and endowments from:					
Investment income					
Rents receivable		1,864,091	-	1,864,091	1,684,555
Dividends and interest on quoted Securities		956,336	-	956,336	1,059,845
Interest on bank deposits		464	-	464	172
Sale of rights issue		-	-	-	70
Other income		-	-	-	31,000
Total income and endowments		<u>2,820,891</u>	<u>-</u>	<u>2,820,891</u>	<u>2,775,642</u>
Expenditure on:					
Raising funds	2	279,584	137,091	416,675	391,091
Charitable activities					
Clear yearly income available for distribution	3	2,619,820	-	2,619,820	2,407,956
Distribution related support costs	4	21,035	-	21,035	19,089
Total expenditure		<u>2,920,439</u>	<u>137,091</u>	<u>3,057,530</u>	<u>2,818,136</u>
Net gains/(losses) on investment assets		-	5,113,961	5,113,961	10,418,702
Net income / Net movement in funds		(99,548)	4,976,870	4,877,322	10,376,208
Reconciliation of funds					
Total funds brought forward		793,284	82,919,961	83,713,245	73,337,037
Total funds carried forward	11	<u>693,736</u>	<u>87,896,831</u>	<u>88,590,567</u>	<u>83,713,245</u>

The notes on pages 13 to 20 form part of these financial statements.

SIR THOMAS WHITE'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2021

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

The notes on pages 13 to 20 form part of these financial statements.

SIR THOMAS WHITE'S CHARITY

**BALANCE SHEET
30 September 2022**

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		£	£
FIXED ASSETS			
Investments	6	83,951,744	80,689,106
CURRENT ASSETS			
Debtors	7	6,013,212	501,055
Cash at bank and in hand		5,798,298	5,468,999
		<u>11,811,510</u>	<u>5,970,054</u>
CREDITORS: Amounts falling due within one year	8	<u>(7,172,687)</u>	<u>(2,945,915)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>4,638,823</u>	<u>3,024,139</u>
NET ASSETS		<u><u>88,590,567</u></u>	<u><u>83,713,245</u></u>
FUNDS OF THE CHARITY:			
Restricted income funds	12	693,736	793,284
Endowment funds		87,896,831	82,919,961
TOTAL CHARITY FUNDS:		<u><u>88,590,567</u></u>	<u><u>83,713,245</u></u>

The financial statements have approved and authorised for issue by the Board of Trustees on 15 December 2022 and signed on their behalf by:

R.V. WIGLESWORTH -

CHAIRMAN

C.P. TRYE

TRUSTEE

The notes on pages 13 to 20 form part of these financial statements

SIR THOMAS WHITE'S CHARITY

**STATEMENT OF CASH FLOW
for the year ended 30 September 2022**

	<u>Notes</u>	2022 £	2021 £
Net cash flow from operating activities	13	(4,342,915)	(2,194,783)
Cash flow from investing activities			
Payments to acquire investment properties		(4,467,737)	(665,213)
Receipts from sales of investment properties		4,921,950	292,707
Payments to acquire quoted investments		(4,138,479)	(5,221,186)
Receipts from sales of quoted investments		5,535,589	7,796,516
Interest received		464	172
Dividends received		956,336	1,059,845
Rents received from investment properties		1,864,091	1,684,555
Net cash flow from investing activities		4,672,214	4,947,396
Net increase in cash and cash equivalents		329,299	2,752,613
Cash and cash equivalents at 1 October 2021		5,468,999	2,716,386
Cash and cash equivalents at 30 September 2022		<u>5,798,298</u>	<u>5,468,999</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		5,798,298	5,468,999
Short term deposits		-	-
Cash and cash equivalents at 30 September 2022		<u>5,798,298</u>	<u>5,468,999</u>

Analysis of changes in net debt

	2021 £	Cashflow £	2022 £
Cash and Cash Equivalents	5,468,999	329,299	5,798,298
Total net debt	<u>5,468,999</u>	<u>329,299</u>	<u>5,798,298</u>

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2022

1. ACCOUNTING POLICIES

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 (FRS 102) 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 (FRS 102) 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 under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in Pound 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.

Income recognition

All income is 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 rental 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 2022

1. ACCOUNTING POLICIES (continued...)

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.

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.

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.

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 2022

1. ACCOUNTING POLICIES (continued...)

Financial instruments

Basic financial instruments in 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.

Funds

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.

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.

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 4.00% and 11.5%.

SIR THOMAS WHITE'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2022

2.	COSTS OF RAISING FUNDS	<u>2022</u> £	<u>2021</u> £
	Restricted income fund:		
	Investment Properties:		
	Ground rent, council tax and water rates	13,067	6,550
	Repairs	88,877	68,795
	Insurances	19,644	16,959
	Legal and other professional charges	45,810	28,457
	Planning, consultant and architect's charges	(7,287)	27,377
	Agents fees	116,160	114,518
	Other	3,313	3,141
	Endowment fund:		
	Investment Portfolio:		
	Portfolio management charge	116,177	122,163
	Foreign exchange losses	20,914	3,131
		<u>416,675</u>	<u>391,091</u>

At 30 September 2022, unrecovered planning costs incurred in facilitating the ultimate sale of properties were £132,625 (2021: £139,912).

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>2022</u> £	<u>2021</u> £
The Trustees of:			
General Charity (Coventry)			
Comprising:			
Coventry Trustees	8	299,408	275,196
Coventry General Charities	24	898,224	825,585
Clerk to Coventry General Charities	1	37,426	34,399
Coventry Stock Charity	4	149,704	137,597
Sir Thomas White's Northampton Charity	8	299,408	275,195
Leicester, Sir Thomas White's Loan Charity	8	299,408	275,195
Nottingham, Sir Thomas White's Loan Money Charity	8	299,408	275,195
Warwick, The Charity of Sir Thomas White	8	299,408	275,195
The Master and Wardens, Merchant Taylors' Company	1	37,426	34,399
	<u>70</u>	<u>2,619,820</u>	<u>2,407,956</u>

SIR THOMAS WHITE'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2022**

4.	SUPPORT COSTS - GOVERNANCE COSTS	<u>2022</u>	<u>2021</u>
		£	£
	Trustees' professional indemnity insurance	1,939	1,890
	Clerks' fees	11,452	10,274
	Auditors' remuneration	4,400	4,350
	Accountancy	3,244	2,575
		<u>21,035</u>	<u>19,089</u>

5. EMPLOYEE AND TRUSTEE REMUNERATION AND EXPENSES

The Charity had no employees during the year (2021: None).

No Trustee or persons connected with Trustees received any remuneration from the Charity during the year. In 2022 no Trustees received reimbursement of expenses from the Charity (2021: None).

6. FIXED ASSET INVESTMENTS

	<u>Freehold Investment Properties</u>	<u>Quoted Investments</u>	<u>Total</u>
	£	£	£
Fair value at 1 October 2021	50,479,699	30,209,407	80,689,106
Additions	4,467,737	4,138,479	8,606,216
Disposals	(4,921,950)	(5,535,589)	(10,457,539)
Net realised and unrealised profits	8,075,461	(2,961,500)	5,113,961
	<u>58,100,947</u>	<u>25,850,797</u>	<u>83,951,744</u>

Investment properties have been revalued at 30 September 2022 in accordance with the accounting policy. This valuation is based on appropriate professional advice obtained from Messrs. Godfrey-Payton, Chartered Surveyors.

	<u>2022</u>	<u>2021</u>
	£	£
Quoted investments at market value comprise:		
Other UK Fixed Interest	1,710,137	2,395,853
Ordinary stocks and shares	24,140,660	27,813,554
	<u>25,850,797</u>	<u>30,209,407</u>

Included in investments above are quoted investments with a fair value of £12,470,389 (2021: £14,738,081) 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 2022

7. DEBTORS	<u>2022</u> £	<u>2021</u> £
Other debtors	344,231	297,422
Prepayments and accrued income	5,668,981	203,633
	<u>6,013,212</u>	<u>501,055</u>
8. CREDITORS: Amounts falling due within one year	<u>2022</u> £	<u>2021</u> £
Clear yearly income not yet distributed	2,619,820	2,407,956
Other creditors	4,217,362	238,196
Deferred income- rents received in advance	328,485	292,741
Accruals	7,020	7,022
	<u>7,172,687</u>	<u>2,945,915</u>
9. DEFERRED INCOME	Under 1 year £	Total £
At 1 October 2021	292,741	292,741
Additions during the year	324,735	324,735
Released	(288,991)	(288,991)
	<u>328,485</u>	<u>328,485</u>
At 30 September 2022		
10. OPERATING LEASES – LESSOR		
Total future minimum lease rentals receivable under non-cancellable operating leases are as follows:		
	<u>2022</u> £	<u>2021</u> £
Not later than one year	893,087	1,066,800
Later than one and not later than five years	1,879,706	2,360,483
Later than five years	1,493,588	1,711,845
	<u>4,266,381</u>	<u>5,139,128</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 2022

11. RESTRICTED FUNDS

	Balance at 1 October <u>2021</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Transfers</u> £	Balance at 30 September <u>2022</u> £
Income account	-	2,820,891	(2,920,439)	99,548	-
Income Reserve Fund	793,284	-	-	(99,548)	693,736
	<u>793,284</u>	<u>2,820,891</u>	<u>(2,920,439)</u>	<u>-</u>	<u>693,736</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

	<u>Fixed assets</u> £	<u>Net current assets</u> £	<u>Total</u> £
Restricted funds			
Income Reserve Fund	-	693,736	693,736
Endowment funds	83,951,744	3,945,087	87,896,831
	<u>83,951,744</u>	<u>4,638,823</u>	<u>88,590,567</u>
Total funds at 30 September 2022	<u>83,951,744</u>	<u>4,638,823</u>	<u>88,590,567</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

	<u>2022</u> £	<u>2021</u> £
Net income/(expenditure) for year	4,877,322	10,376,208
Dividends and interest on quoted securities	(956,336)	(1,059,845)
Rents receivable from investment properties	(1,864,091)	(1,684,555)
Interest on bank deposits	(464)	(172)
Losses/(gains) on investments	(5,113,961)	(10,418,702)
(Increase)/decrease in debtors	(5,512,157)	414,797
(Decrease)/increase in creditors	4,226,772	177,486
	<u>(9,220,237)</u>	<u>(12,570,991)</u>
Net cash flow from operating activities	<u>(4,342,915)</u>	<u>(2,194,783)</u>

SIR THOMAS WHITE'S CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2022**

14. ULTIMATE CONTROLLING PARTY

The board of Trustees control the charity.

15. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

16. CONTINGENT ASSET

During the year the Trustees sold an asset in respect of which the Charity stands to receive additional net consideration of £1.25m. Receipt of the consideration is dependent upon conditions which are outside the control of the Trustees. This amount has not been recognised in the financial statements owing to the receipt of the additional consideration being significantly uncertain. The Trustees have concluded, based upon external professional advice, that receipt is probable (on the balance of probabilities) and hence the sum being considered a contingent asset. The Trustees are also subject to various contractual provisions including confidentiality.