THE KING HENRY VIII ENDOWED TRUST, WARWICK

England & Wales · Charity number 232862

Details

Other names	KING HENRY VIII CHARITY, WARWICK, THE WARWICK MUNICIPAL CHARITIES
Status	Registered
Legal form	Trust
Registered	1964-01-28
Register	View on the Charity Commission register

Contact

Address	Clerk And Receiver King Henry Viii Endowed Trust Warwick 12 High Street Warwick CV34 4AP
Phone	01926495533
Email	jwassall@kinghenryviii.org.uk
Website	www.kinghenryviii.org.uk

Activities

Objects: INCOME TO BE APPLIED TO THE CHURCH, WARWICK INDEPENDENT SCHOOL FOUNDATION SCHOOL AT WARWICK AND FOR THE BENEFIT OF THE INHABITANTS OF THE TOWN OF WARWICK (FOR DETAILS SEE CLAUSES 18 TO 24 OF SCHEME).

Activities: The Trust provides income for the Warwick Anglican Churches, the Warwick Independent Schools Foundation and the inhabitants of the town of Warwick.The Warwick Churches and the Schools Foundation receive set proportions of the Trust's income and the town share is dispensed by applications for grants.Further details can be obtained from the Trust's website.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** THE OLD BOROUGH OF WARWICK
- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,131,007	£2,894,799	£79,275,560	0
2023-12-31	£1,256,347	£2,787,646	£75,521,818	0
2022-12-31	£1,062,434	£2,453,366	£69,651,829	0
2021-12-31	£914,373	£1,832,026	£76,670,417	0
2020-12-31	£18,089,252	£10,882,031	£68,799,831	0

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Trustees

Name	Role	Appointed
Bernardine Mary Adkins		2023-06-12
IAN FURLONG		2012-11-28
JOHN FREDERICK EDWARDS		2010-05-13
KATHRYN ALISON PARR		2010-12-10
MRS MARIE ASHE		2012-12-24
Mark Samuel Wilton Lee		2024-04-26
Ranjit Singh Bajway		2025-03-17
Rev Canon Angus Robert Aagaard		2024-06-24
STEPHEN GERALD COPLEY		2012-11-01
Simon Lesley Pargeter		2023-06-12
Susan Grinnell		2017-03-06
Vivienne Marjory Bosworth		2022-04-01

Linked charities

- KING HENRY VIII CHARITY, WARWICK (232862-1)
- SIR THOMAS WHITE'S CHARITY, WARWICK (232862-2)

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THE KING HENRY VIII ENDOWED TRUST, WARWICK

England & Wales - Charity number 232862

Accounts



THE KING HENRY VIII ENDOWED TRUST, WARWICK

Trustees' Report and Consolidated Financial Statements

Year ended 31st December 2024

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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THE KING HENRY VIII ENDOWED TRUST, WARWICK

TRUSTEES AND ADVISERS

TRUSTEES

Nominated Trustees:	**Nominated by:**
Rev David Brown	Bishop of Coventry (resigned on 24th June 2024)
Rev Angus Aagard	Bishop of Coventry (appointed on 24th June 2024)
Mr Stephen Copley	Archdeacon of Warwick
Cllr Simon Pargeter	Warwick Town Council
Mrs Marie-Bernadette Ashe	Warwick Independent Schools Foundation

Co-opted Trustees:

Mrs Bernardine Adkins	
Mrs Vivienne Bosworth	(Chair)
Mr John Edwards	
Mr Ian Furlong	
Mrs Susan Grinnell	
Mr Stephen Jobburn	(resigned on 16th January 2024)
Miss Kathryn Parr	
Mr Mark Lee	(appointed on 26th April 2024)
Mr Ranjit Bajway	(appointed on 17th March 2025)

CLERK AND RECEIVER

Mr Jonathan Wassall – 12 High Street, Warwick, CV34 4AP

AUDITOR

Forvis Mazars LLP – First Floor, Two Chamberlain Square, Birmingham, B3 3AX

INVESTMENT MANAGERS/ADVISORS

CCLA Investment Management Ltd – 85 Queen Victoria Street, London, EC4V 4ET
Meridiem Investment Management Limited – Riverside House, 2a Southwark Bridge Road, London SE1 9HA
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD
Asset Risk Consultants Ltd – 7 New Street, St Peter Port, Guernsey, GY1 2PF

SOLICITORS

Lodders LLP – 10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Eversheds LLP – 115 Colmore Row, Birmingham, B3 3AL

BANKERS

HSBC Bank Plc – 126 The Parade, Leamington Spa, CV32 4AJ

PROPERTY MANAGING AGENTS

Cushman & Wakefield – 1 Colmore Square, Birmingham, B4 6AJ

AGRICULTURAL AGENTS

Margetts – 12 High Street, Warwick, CV34 4AP

LAND DEVELOPMENT & PLANNING

Catesby Estates plc – The Visitor Centre, Dollman Road, Dollman Farm, Houlton, Rugby, CV23 1AG
Savills (UK) Ltd – 55 Colmore Row, Birmingham, B3 2AA

PRINCIPAL OFFICE

12 High Street, Warwick, CV34 4AP

CHARITY REGISTRATION NUMBER 232862

TRUSTEES' REPORT

Report of the Trustees for year ending 31st December 2024

The Trustees present their Annual Report and Financial Statements of the charity for the year ended 31st December 2024 and confirm that the Financial Statements comply with current statutory requirements, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland published in October 2019 and the Trust's governing instruments.

The Annual Report and Financial Statements are prepared on a consolidated basis: including the charity and its wholly owned subsidiary KH8 Limited, which has had an accounting reference of 31st May from 31st May 2018 onwards. The financial information within this report relates to the consolidated group numbers and includes KH8 Limited results for the 12 months ended 31st December.

Reference and administrative details

The King Henry VIII Endowed Trust, Warwick's principal office, its list of Trustees and all its key advisors are set out on page 2 to these Financial Statements.

The Trust's £1 investment in the share capital of its subsidiary KH8 Limited is jointly held in trust by Mr S Copley and Mr J Edwards as nominees for the Trustees.

Structure, Governance and Management

The Trust was established by Letters Patent on the 15th May 1545. The Trust's current governing documents are based on a Scheme approved by the Charity Commissioners on the 23rd November 1978. This has been amended by further Charity Commission Schemes and Orders.

In accordance with the governing documents, the Trust is managed by up to twelve Trustees: eight Co-optative and four Nominative. The Nominative Trustees are appointed respectively by the Bishop of Coventry, the Archdeacon of Warwick, Warwick Independent Schools Foundation and Warwick Town Council.

The Co-optative Trustees are recruited through a combination of advertising and directly approaching potential candidates. In appointing Co-optative Trustees, the Trustees take into account the skills and experience of the potential new Trustee in relation to the function and purpose of the Trust.

The Chairman of the Trustees is responsible for the induction of any new Trustee. This involves awareness of a Trustee's responsibilities, the history and purpose of the Trust, the governing documents, administrative procedures and organisational processes. Trustees are encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

In 2024 the Trustees held four full Trustees Meetings, four Grants Committee Meetings and four Finance & Investment Committee Meetings. There was also attended one meeting of its subsidiary, KH8 Limited. The directors of KH8 Limited are all Trustees of the charity. KH8 is part of the Europa Way Consortium, which is a joint venture with The Charity of Thomas Oken and Nicholas Eyffler and a private trust which is developing land owned by its members adjacent to Europa Way Warwick. The Trust's involvement is through KH8 Limited, which holds the land to be developed. KH8 Limited exists to maximise the return on the land held and to donate the net profits back to the charity.

At full Trustee Meetings the Trustees debate and agree the broad strategy and activities of the Trust including grant making, investments and risk management. The approval of individual grants up to £25,000 is undertaken by the Grants Committee, which also monitors the extent of grant making during the year. The Finance & Investment Committee monitors the performance of the Trust's property, COIF and financial investment portfolio together with the financial performance of the Trust. The activities and performance of these sub committees are reviewed at full Trustee Meetings. The Trust's involvement in the Europa Way Consortium, chaired by a Trustee, has been an ongoing activity during the year and the progress of the Europa Way Consortium and the implications for the Trust are reported at each full Trustee Meeting.

The Trust has chosen to have no employees to avoid the risks of employment. Its Clerk & Receiver, Deputy Clerk and Accountant are all self-employed or operate through a service company. The Trustees receive no remuneration or benefits.

TRUSTEES' REPORT

Objectives

The objective of the Trust is to provide income for Warwick's Anglican Churches, the Warwick Independent Schools Foundation (WISF) and grants for the benefit of the inhabitants of the Old Borough of Warwick, achieved through the distribution of funds arising from the investment of the Trust's Permanent Endowment. The Trust's governing documents require that funds be distributed on the basis of 50% to Warwick's Anglican Churches (Church Share), 30% to WISF (School Share) and 20% distributed as discretionary grants for the benefit of the inhabitants of Warwick (Town Share). Funds distributed to the five Anglican churches are used to pay the stipend and housing costs of the clergy with residual funds being used for the furtherance of religious and charitable activities in each of the parishes. Funds provided to WISF are used primarily to provide bursaries for pupils from the Old Borough of Warwick who would otherwise be unable to attend the school, with the remainder used on supporting activities for Warwick schools and other community activities. Grants under the Town Share regularly include support to local schools, hospitals, Myton Hospice, care and counselling organisations, non-Church of England churches, youth organisations, senior citizens, sporting organisations, museums and arts organisations, charitable support networks and support to individuals either directly or via other grant making charities.

Achievements in the year

During 2024 the Trust distributed a total of £2,415,811 to beneficiaries with £1,191,750 being distributed to the five Anglican churches in the town, £715,050 to the Warwick Independent Schools Foundation and £509,011 in discretionary grants to beneficiaries in the town of Warwick.

During the year the Church distributions funded the stipends and housing costs of the clergy for each to the five parishes. Funds provided to the Parochial Church Councils have been used for a range of activities including the maintenance and repair of church buildings and community buildings adjacent to churches, community activities within parishes including support for young people, the elderly and the disabled. Under the funds allocated to The Warwick & Budbrooke Churches Community Outreach Pool charity the parishes bid for funds, with projects being assessed on the extent of their community benefit. The total allocated to the 'Project Pool' in the year was £596,385 (2023: £561,598).

The majority of distributions to the Warwick Independent Schools Foundation during 2023 have been used to provide bursaries for children who are resident in Warwick. The Foundation provides these bursaries on a means-tested basis. The Foundation also uses some of the funds to support other Warwick schools (such as exam revision and summer activities) and other community-based initiatives (such as Warwick as a Singing Town).

Grants from the Town Share were made to 47 different organisations. Local state schools continue to be significant beneficiaries. Other major grants were to Citizens Advice, Lord Leycester's Hospital, Myton Hospice, Priory Pools Community Centre, Safeline, Springfield Mind, Warwick Apprenticing Charity, Warwick District Council, Warwick Pursuits Festival, Warwick Sports Club, Warwickshire Young Carers and You Can Flourish. Smaller grants have supported a range of activities including Warwick Town Council, youth charities, arts charities and various counselling charities.

The Trust's involvement in the Europa Way Consortium, though its subsidiary, has been an ongoing activity during the year. The Consortium continued to work with Catesby Estates plc during the year to complete the outstanding infrastructure requirement. The vast majority of this was completed by the year end, although some very limited activities will continue through 2025 and possibly into 2026. The Trust's share of costs for the year was £10,704, which was for site infrastructure and highways upgrades.

Financial Review of the year

During the year, total income from the Permanent Endowment amounted to £1,117,939 (2023: £1,244,881) with rents, licences and wayleaves from the Trust's property portfolio totalling £313,042 (2023: £391,527) and dividends and interest income from financial investments totalling £804,897 (2023: £853,354).

The cost of raising funds for Other Trading Activities was £7,423 (2023: £(133,056)). The cost of achieving the Trust's other income relating to property management expenses and investment management expenses totalled £346,768 (2023: £323,651). Other costs relate to support activities of £94,957 and governance costs of £29,840.

The Trust's investments increased in value by £5,517,534 (2023: increased £7,401,288).

Total Net Income (including investment gains) of £6,156,485 (2023: Net Income including investment gains £8,325,662) is the total return on the Trust's Permanent Endowment, a return of 8.2% (2023: 12.0%) for the year.

The funds made available for distribution to beneficiaries in 2024 is determined by the application of the long-term distribution rate within the Trust's Investment Policy, set at 3.35% since 2016. Overall, the proportion of the Permanent Endowment made available in 2024 was £2,383,500 (2023: £2,267,170).

In addition to income from the Permanent Endowment there was interest income of £13,068 (2023: £11,466) from the Town Share reserves in the Beneficiaries Income Fund.

The investments held in the CCLA General Investment COIF and in ETFs held by Meridiem are Accumulation Units. At 31st December 2024, these investments accounted for 50% of total investments. Income is simply reinvested within the funds rather than paid out as a dividend, which means that the income from these units is reflected in Net Gains/Losses on Investments rather than in Investment Income.

Reserves

The Trustees do not, as a matter of policy, retain significant reserves. The Trust does however ensure that sufficient cash resources are available to meet the distribution to beneficiaries.

The distributions to the Churches (inc. re the Project Pool) and WISF are made in full during the year with regular quarterly payments.

The Town Share, which is available for grant making, typically has a reserve of about nine to twelve months' distribution. This allows scope for flexibility within grant making. At the year-end the balance was £165,317 (2023: £184,560).

Investments and Investment Policy

The Trust's Investment Policy aims to produce stable, sustainable income to beneficiaries that preserves their long-term purchasing power whilst also preserving the real value of the endowment over the long term. This is achieved in part by the adoption of Total Returns accounting from 1st January 2012. This was permitted by a Charity Commission Order dated 22nd September 2011. Further details on Total Returns and the calculation of the income to be applied each year are set out in Note 1 to the Financial Statements.

The Investment Policy also includes the basis for the amounts to be made available for distribution for beneficiaries. The distribution is based on the Yale Spending Rule. The methodology developed by Yale University and adopted by a number of Endowment Funds incorporates a number of key elements: the carrying forward of a proportion of the prior year's distribution, the use of CPI as an appropriate inflation factor and the Long Term Sustainable Distribution Rate (LTSDR) applied to the value of investments. The Investment Policy requires that these elements are kept under regular review. From 2016 the LTSDR has remained at 3.35%. In order to meet the 3.35% LTSDR and to cover net operating expenses (c. 0.22% of the endowment) the Trustees have set an investment target of 3.5% total return, after adjusting for inflation.

As part of the regular review of the Investment Policy and the parameters used in the Yale Spending Rule methodology to calculate the Appropriation each year the Trustees have currently agreed that the weighting between prior year Appropriation/asset value would be 80:20 from 1st January 2024. (See Note 1 – 'Total Return' and 'Income Application' – for further details.)

The Trust's asset allocation seeks to diversify risk whilst achieving optimum returns over the long term. Overall asset allocation is based on a strategic overview undertaken with Asset Risk Consultants. Within that framework, financial investments are managed though CCLA's COIF Investment Fund or are managed by Meridiem, partly on a discretionary basis and partly on an execution-only basis for ETF trackers. Whilst the ETF trackers are equity based, the other investments are allocated over a range of financial instruments, including equities, bonds and commodities. Property is split between direct holdings and 2 property funds managed by Savills and CCLA. Cash funds are with Royal London Asset Management. The Trust's investments are constantly reviewed and changes made when appropriate and on professional advice.

The Trust seeks to manage investments having regard for social, environmental and ethical standards. It recognises that the financial assets are subject to the investment managers' own policies in relation to social, environmental, ethical and governance standards and behaviour. The Trust also invests in land and property, where it ensures that it meets all legislation and that the value of the assets is not undermined by ignoring these issues.

Land for development

The land at Europa Way is held by KH8 Limited, the Trust's wholly owned subsidiary, which was set up to develop and then sell the land. The final parcel of land for residential development was sold in 2020 although there remains a number of activities and obligations on land sold or transferred to local authorities, which will continue through 2025 and probably into 2026.

The Trustees continue to engage professional advisors to help promote its land holdings.

Risk Management

The Trustees maintain a register of the major strategic, business and operational risks that the Trust faces, which is reviewed on a regular basis. Risks are minimised through the clear delegation of responsibility for the mitigation of each area of risk and regular reporting of action taken at full Trustee Meetings and Sub Committee Meetings.

Trustees consider that the major long term financial risk is the potential for reduced returns on investments negatively impacting the value of the permanent endowment to the detriment of current and future beneficiaries. In particular the impact of inflation reducing real returns and lower investment values in the medium term are concerns for the Trust. Recognising these issues, the Trust has adopted the use of a total returns approach in order to stabilise distributions to beneficiaries and maintains close contacts with its investment managers, investment advisor and property managing agents with respect to the future outlook for investments.

The major operational risk relates to the limited resources utilised by the Trust and the dependence upon key individuals to undertake the Trust's activities. The Trust relies upon the Clerk and Deputy Clerk to undertake day to day activities and encourages Trustees to take interest in particular aspects of the Trust's activities in order to provide the necessary cover should this be necessary.

Plans for Future Periods

As a permanently endowed charity, where the majority of distribution to beneficiaries is clearly defined within the governing documents, the primary focus on future plans is the management of the Trust's investments.

Public Benefit

The Trustees give regard to the Charity Commission guidance on public benefit and consider that in so far as the objectives of the Trust are to provide for religious, educational and other charitable activities within the town of Warwick. The Trustees consider that these objectives are met through the distribution of funds in accordance with the Trust's governing documents, which fulfil the public benefit requirement.

Statement as to disclosure of information to auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Trustees on 30th June 2025 and signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver

12 High Street
Warwick
CV34 4AP

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". and applicable law. The Financial Statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those Financial Statements, the Trustees are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Charities SORP;

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable accounting standards have been followed and give details of any departures; and

e. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the Financial Statements comply with the requirements of the Charities Act 2011. 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.

Opinion

We have audited the consolidated financial statements of The King Henry VIII Endowed Trust, Warwick (the "parent charity") and its subsidiaries (the "group") for the year ended 31st December 2024 which comprise the Consolidated Statements of Financial Activities, Charity Statements of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st December 2024 and of the group's and the parent charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 annual, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 the Act and relevant regulations made or having effect thereunder.

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 the 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. Based on our understanding of the Group and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

Use of the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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' trustees as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

Forvis Mazars LLP

Forvis Mazars LLP
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 30/6/25

Forvis Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2024

INCOME & ENDOWMENTS FROM:	Note	Beneficiaries income fund	Permanent endowment fund	Total 2024	Beneficiaries income fund	Permanent endowment fund	Total 2023
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	313,042	313,042	-	391,527	391,527
- Dividends	2	-	733,382	733,382	-	722,919	722,919
- Interest	3	13,068	71,515	84,583	11,466	130,435	141,901
Total income		13,068	1,117,939	1,131,007	11,466	1,244,881	1,256,347
EXPENDITURE ON:							
Raising funds – Investments	4	-	(346,768)	(346,768)	-	(323,651)	(323,651)
Raising funds – Other Trading	5	-	(7,423)	(7,423)	-	133,056	133,056
Charitable activities (payments to beneficiaries)	15	(2,415,811)	-	(2,415,811)	(2,467,139)	-	(2,467,139)
Support costs	6	-	(94,957)	(94,957)	-	(102,702)	(102,702)
Governance costs	7	-	(29,840)	(29,840)	-	(27,210)	(27,210)
Total expenditure		(2,415,811)	(478,988)	(2,894,799)	(2,467,139)	(320,507)	(2,787,646)
		(2,402,743)	638,951	(1,763,792)	(2,455,673)	924,374	(1,531,299)
Net gains on investments	10	-	5,517,534	5,517,534	-	7,401,288	7,401,288
NET INCOME/(EXPENDITURE)		(2,402,743)	6,156,485	3,753,742	(2,455,673)	8,325,662	5,869,989
Transfers between funds (Appropriation to beneficiaries)	9	2,383,500	(2,383,500)	-	2,267,170	(2,267,170)	-
NET MOVEMENT IN FUNDS		(19,243)	3,772,985	3,753,742	(188,503)	6,058,492	5,869,989
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2024		184,560	75,337,258	75,521,818	373,063	69,278,766	69,651,829
Fund balances carried forward at 31st December 2024		165,317	79,110,243	79,275,560	184,560	75,337,258	75,521,818

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2024

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2024	Beneficiaries income fund	Permanent endowment fund	Total 2023
INCOME & ENDOWMENTS FROM:							
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	313,042	313,042	-	391,527	391,527
- Dividends	2	-	733,382	733,382	-	722,919	722,919
- Interest	3	13,068	94,760	107,828	11,466	179,900	191,366
- Gift Aid donation from KH8 Ltd		-	-	-	-	133,675	133,675
Total income		13,068	1,141,184	1,154,252	11,466	1,428,021	1,439,487
EXPENDITURE ON:							
Raising funds	4	-	(346,768)	(346,768)	-	(323,651)	(323,651)
Charitable activities (payments to beneficiaries)	15	(2,415,811)	-	(2,415,811)	(2,467,139)	-	(2,467,139)
Support costs	6	-	(92,696)	(92,696)	-	(99,108)	(99,108)
Governance costs	7	-	(18,392)	(18,392)	-	(16,835)	(16,835)
Total expenditure		(2,415,811)	(457,856)	(2,873,667)	(2,467,139)	(439,594)	(2,906,733)
		(2,402,743)	683,328	(1,719,415)	(2,455,673)	988,427	(1,467,246)
Net gains on investments	10	-	5,517,534	5,517,534	-	7,401,288	7,401,288
NET INCOME/(EXPENDITURE)		(2,402,743)	6,200,862	3,798,119	(2,455,673)	8,389,715	5,934,042
Transfers between funds (Appropriation to beneficiaries)	9	2,383,500	(2,383,500)	-	2,267,170	(2,267,170)	-
NET MOVEMENT IN FUNDS		(19,243)	3,817,362	3,798,119	(188,503)	6,122,545	5,934,042
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2024		184,560	75,390,778	75,575,338	373,063	69,268,233	69,641,296
Fund balances carried forward at 31st December 2024		165,317	79,208,140	79,373,457	184,560	75,390,778	75,575,338

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2024

	Notes	GROUP 2024 £	GROUP 2023 £	CHARITY 2024 £	CHARITY 2023 £
FIXED ASSETS					
Investments	10	**77,742,490**	74,407,071	**77,742,491**	74,407,072
CURRENT ASSETS					
Debtors: due within one year	11	**217,975**	244,339	**740,856**	717,432
Cash at bank and in hand		**2,135,352**	1,803,193	**1,287,307**	855,901
		2,353,327	2,047,532	**2,028,163**	1,573,333
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	**(820,257)**	(932,785)	**(397,197)**	(405,067)
NET CURRENT ASSETS		**1,533,070**	1,114,747	**1,630,966**	1,168,266
NET ASSETS		**79,275,560**	75,521,818	**79,373,457**	75,575,338
RESTRICTED FUNDS					
Permanent Endowment Funds	14	**79,110,243**	75,337,258	**79,208,140**	75,390,778
Beneficiaries Income Fund	15	**165,317**	184,560	**165,317**	184,560
		79,275,560	75,521,818	**79,373,457**	75,575,338

The financial statements on pages 11 to 30 were approved and authorised for issue by the Trustees on 30th June 2025 and were signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver

THE KING HENRY VIII ENDOWED TRUST, WARWICK

STATEMENT OF CASH FLOWS
For the year ended 31st December 2024

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Statement of Cash Flows				
Cash from operating activities:				
Net cash provided by used in operating activities	**(2,980,963)**	(3,929,757)	**(2,904,961)**	(1,775,448)
Cash from investing activities:				
Dividends, interest and rents	**1,131,007**	1,256,347	**1,154,252**	1,305,812
Income from Subsidiary	**-**	-	**-**	133,675
Proceeds from sale of investments	**6,604,026**	20,143,011	**6,604,026**	20,143,011
Purchases of investments	**(4,421,911)**	(19,559,284)	**(4,421,911)**	(19,559,284)
Net cash provided by investing activities	**3,313,122**	1,840,074	**3,336,367**	2,023,214
Cash from financing activities:				
Net cash from financing activities	**-**	-	**-**	-
Change in cash & cash equivalents in year	**332,159**	(2,089,683)	**431,406**	247,766
Cash & cash equiv. at the beginning of year	**1,803,193**	3,892,876	**855,901**	608,135
Cash and cash equivalents at the end of year	**2,135,352**	1,803,193	**1,287,307**	855,901
Reconciliation of Net Expenditure to Cash Flow from Operating Activities				
Net income for the year	**3,753,742**	5,869,989	**3,798,119**	5,934,042
Adjustments:				
Gains on Investments	**(5,517,534)**	(7,401,288)	**(5,517,534)**	(7,401,288)
Dividends, interest and rents	**(1,131,007)**	(1,256,347)	**(1,154,252)**	(1,305,812)
Income from Subsidiary	**-**	-		(133,675)
Decrease/(Increase) in stocks	**-**	-	**-**	-
Decrease/(Increase) in debtors	**28,363**	(50,384)	**(23,424)**	1,042,790
(Decrease)/Increase in creditors	**(114,527)**	(1,091,727)	**(7,870)**	88,495
Net cash provided by used in operations	**(2,980,963)**	(3,929,757)	**(2,904,961)**	(1,775,448)
Analysis of Cash and Cash Equivalents				
Cash in hand	**2,135,352**	1,803,193	**1,287,307**	855,901
Total cash & cash equivalents	**2,135,352**	1,803,193	**1,287,307**	855,901

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2024

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. In preparing the financial statements, the charity has followed Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the year-end valuations of commercial property and land, especially land with development potential (see the Investments and Investment Policy, Land for Development and Risk Management sections of the Trustees' Annual Report for more information).

Basis of Consolidation

The financial statements of the charity and its subsidiary, KH8 Limited, are consolidated on a line-by-line basis to produce the 'Group' numbers. KH8 Limited's accounting reference is 31st May, but the financial information within this report includes KH8 Limited results for the 12 months ended 31st December.

Group related party transactions

The company has taken advantage of the related parties exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

Incoming resources

Incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and their monetary value can be measured with sufficient reliability.

Rents receivable

Rents receivable are accounted for in the year to which they relate on an accruals basis.

Investment income

Investment income is accounted for in the year to which it relates on an accruals basis for COIF investments and on a receivable basis for listed investments. The income is gross of management fees/costs.

Interest receivable

Interest receivable is accounted for in the year to which it relates on an accruals basis. It is accounted for in the year to which it relates on an accruals basis.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants to Town Share beneficiaries

Grants are made to third parties in furtherance of the charitable objectives of the Trust. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

Cost of generating funds – re Investments

The costs of generating funds consist of property management expenses and investment management costs.

Cost of generating funds – re Other Trading Income

The cost of sales related to the sale of land in the charity's subsidiary, KH8 Limited.

Charitable activities

Charitable activities consists of grants made.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and Trustee related costs. Support costs in connection with Governance matters are considered insignificant and have not been separately analysed.

Property related professional fees

All professional fees are charged to income and expenditure in the year in which they are incurred unless they specifically relate to the purchase and sale of properties and are treated as capital, or are in the subsidiary and relate to the development land, in which case they are added to the value of Stock.

Fixed asset investments

Properties are stated at professional valuation at the year end. COIF investments are stated at market value provided by the fund manager of the COIF Charity Funds. Listed investments are stated at market value provided by Meridiem, investment managers.

The Statement of Financial Activities includes the net gain/loss on revaluation.

Investment in Subsidiary

The investment in the Trust's subsidiary, KH8 Limited, is 100% owned. The Trust's £1 investment in the subsidiary's share capital is shown as a fixed asset investment. The share is jointly held in trust by Mr S Copley and Mr J Edwards as nominees for the Trustees.

Stock

Stock is the cost of land held for sale, including SDLT, plus development costs and professional fees incurred specifically related to protecting or enhancing the value of the land and to bring the land to market, after adjusting for cost of sale, which is the proportion of expected total costs to attribute to the expected total income recorded in Income.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Total Returns

The accumulated total return (i.e. all net income and any capital gains/losses) less any part previously set aside for distribution to beneficiaries is treated as the "unapplied total return". Each year the total return in the year is added to the "unapplied total return" and the amount then applied (i.e. distributed) is deducted.

When implementing the total returns approach it was not possible to accurately identify the split of the Permanent Endowment Fund between the "original gift" that cannot be distributed to beneficiaries and the "unapplied total return" which can. It was therefore agreed to use the value of the Permanent Endowment Fund (previously the Capital Fund) at the date of the 1978 Scheme as the "original gift". This was £338,281.

At 1st January 2012 the Permanent Endowment Fund was split into the "original gift" of £338,281 and the "unapplied total return" of £23,182,056.

Income Application

Under Total Returns, it is the Trustees' responsibility to determine what amount should be transferred from the "unapplied total return" for distribution to beneficiaries, on a basis that is equitable for both current and future beneficiaries.

The broad principle adopted by Trustees is to adopt a level of distribution that is consistently achievable over the economic cycle and which also allows for the permanent endowment to grow in line with inflation. This Long Term Sustainable Distribution rate is set in the Investment Policy and from 1st January 2016 was set at 3.35% (2015 and previously: 4%). The actual Appropriation in the year is calculated as:

- 80% of the previous year's Appropriation increased in line with inflation (using CPI), plus
- 20% of the closing asset values for the prior year multiplied by the "Long Term Sustainable Distribution Rate".

Funds accounting

Funds held by the charity are:

a. Permanent Endowment Fund – this fund represents the original endowment adjusted by subsequent gains and losses on investments, and since 1st January 2012 the net income less the income applied. In note 16 this is subdivided into the "original gift" and "unapplied total return" as required by accounting for Total Returns.

b. Beneficiaries Income Fund – this fund is the funds attributable to the beneficiaries. The opening balance is the funds applied to beneficiaries but not distributed by the year end. The additions during the year are the income applied from the Permanent Endowment and interest income earned on funds not distributed. The basis of the allocation of the distribution is in the note on Objectives on page 4.

Tax

KH8 Limited, the subsidiary, intends to distribute all profits under gift aid therefore no corporation tax is payable.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results in the future could differ from these estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimations are necessarily applied are in relation to:

a. Recognition of the profit on the sale of land in KH8 Limited and the valuation of stock at the reporting date

   To determine the profit the Trustees have had to estimate the total eventual sales revenue from, and any future development costs for, the land. The overall profit has then been prorated based on existing sales as a proportion of total forecast sales. This then derives the cost of sale and the closing stock. Now that all land has been sold the only variable is the eventual final cost, which should be known by the end of 2024.

b. Valuation of investment properties

   The Group carries its investment properties at fair value and engages independent valuers to determine fair value on an open market value on an existing use basis. The calculated fair value of the investment property therefore uses assumptions, of which the most sensitive relate to market conditions.

2 DIVIDENDS

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
COIF Property Fund	**118,799**	116,511	**118,799**	116,511
Savills Charities Property Fund	**110,179**	149,628	**110,179**	149,628
Royal London Asset Management – cash funds	**204,603**	219,312	**204,603**	219,312
Listed investments	**299,801**	237,468	**299,801**	237,468
	733,382	722,919	**733,382**	722,919

3 INTEREST

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Banks	**49,703**	55,309	**30,141**	17,618
Investment Managers	**34,880**	86,592	**34,880**	86,592
Interest on Loan to Subsidiary	**-**	-	**42,807**	87,156
	84,583	141,901	**107,828**	191,366

4 COST OF RAISING FUNDS – Re INVESTMENTS

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Property management expenses	**91,196**	106,060	**91,196**	106,060
Investment management expenses	**255,572**	217,591	**255,572**	217,591
	346,768	323,651	**346,768**	323,651

Investment management expenses includes investment manager fees and fees for strategic advice. There are no capital transaction charges netted off against purchases or sales.

5 COST OF RAISING FUNDS – Re OTHER TRADING

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Cost from Sale re land sales	**7,423**	(133,056)	**-**	-
	7,423	(133,056)	**-**	-

6 SUPPORT COSTS

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Administration fees	**83,311**	87,931	**81,222**	84,548
Sundry expenses	**11,646**	14,771	**11,474**	14,560
	94,957	102,702	**92,696**	99,108

7 GOVERNANCE COSTS

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Auditors' remuneration – for audit	**24,774**	22,500	**15,801**	14,400
Auditors' remuneration – for taxation compliance	**2,475**	2,275	**-**	-
Trustees' indemnity insurance	**1,107**	1,036	**1,107**	1,036
Trustees' meeting costs	**1,484**	1,399	**1,484**	1,399
	29,840	27,210	**18,392**	16,835

8 TRUSTEES

None of the Trustees received any remuneration during either the current or previous year. No expenses were reimbursed to Trustees during the year (2023: Nil).

9 TRANSFERS BETWEEN FUNDS

The Beneficiaries Income Fund transfer of £2,383,500 (2023: £2,267,170) is the Appropriation from the "unapplied total return" element of the Permanent Endowment Fund for the year as calculated by the Yale Spending Rule.

10 INVESTMENTS – GROUP

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM £	Cash £	Total 2024 £	Total 2023 £
Market value at 1st January 2024	**7,937,000**	**24,623,582**	**2,301,499**	**34,697,500**	**4,156,826**	**690,664**	**74,407,071**	67,589,510
Acquisitions at cost	**-**	**-**	**-**	**4,085,975**	**-**	**-**	**4,085,975**	19,559,284
Sales proceeds from disposals	**(1,689,837)**	**(240,000)**	**-**	**(4,674,189)**	**-**	**-**	**(6,604,026)**	(20,094,530)
Increase/(decrease) in cash	**-**	**-**	**-**	**-**	**-**	**335,936**	**335,936**	(48,481)
Realised gains/(losses) in the year	**(60,163)**	**5,706**	**-**	**1,974,164**	**-**	**-**	**1,919,707**	848,087
Unrealised gains/(losses) in the year	**(250,000)**	**1,175,073**	**12,613**	**2,642,625**	**17,516**	**-**	**3,597,827**	6,553,201
Market value at 31st December 2024	**5,937,000**	**25,564,361**	**2,314,112**	**38,726,075**	**4,174,342**	**1,026,600**	**77,742,490**	74,407,071
Historical Cost				**29,195,846**				

The historical cost of properties and COIF investments are not known.

Properties were valued by J Leedham (MRICS) at Cushman & Wakefield and A Goldie MRICS of Margetts at 31st December 2024 in accordance with the RICS Appraisal and Valuation Manual (The Red Book). The previous revaluation was carried out at 31st December 2023. There are no properties that exceed 5% of the total investment value.

COIF, Savills and Royal London Asset Management investments are stated at market value at 31st December 2024 as provided by the fund managers.

Listed investments are stated at market value at 31st December 2024 as provided by Meridiem, investment manager. £10,065,635 is invested in investments in the UK and £28,660,440 in investments overseas.

10 INVESTMENTS - CHARITY

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM investments £	Investment in Subsidiary £	Cash £	Total 2024 £	Total 2023 £
Market value at 1st January 2024	**7,937,000**	**24,623,582**	**2,301,499**	**34,697,500**	**4,156,826**	**1**	**690,664**	**74,407,072**	67,589,511
Acquisitions at cost	-	-	-	**4,085,975**	-	-	-	**4,085,975**	19,559,284
Sales proceeds from disposals	**(1,689,837)**	**(240,000)**	-	**(4,674,189)**	-	-	-	**(6,604,026)**	(20,094,530)
Increase/(decrease) in cash	-	-	-	-	-	-	**335,936**	**335,936**	(48,481)
Realised gains/(losses) in the year	**(60,163)**	**5,706**	-	**1,974,164**	-	-	-	**1,919,707**	848,087
Unrealised gains/(losses) in the year	**(250,000)**	**1,175,073**	**12,613**	**2,642,625**	**17,516**	-	-	**3,597,827**	6,553,201
Market value at 31st December 2024	**5,937,000**	**25,564,361**	**2,314,112**	**38,726,075**	**4,174,342**	**1**	**1,026,600**	**77,742,491**	74,407,072
Historical Cost				**29,195,846**					

The investment in the subsidiary is in KH8 Limited. Further details, and its Profit & Loss Account and Balance Sheet are in note 21.

11 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Trade Debtors	**78,551**	63,618	**78,551**	63,618
Bad debt provision	**-**	(9,935)	**-**	(9,935)
Accrued Income	**135,881**	180,555	**113,312**	157,563
Prepayments	**-**	-	**-**	-
VAT	**3,543**	10,101	**-**	-
Loan to Subsidiary	**-**	-	**548,993**	506,186
	217,975	244,339	**740,856**	717,432

The loan from the Charity to the Subsidiary is repayable once the land held by KH8 Limited is sold. Interest is charged at 3% above the Bank of England Base Rate.

12 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Trade Creditors	**186,219**	233,168	**3,717**	666
VAT	**5,561**	18,396	**5,561**	18,396
Amounts owed to other charities	**207,203**	219,449	**-**	-
Grants to beneficiaries	**232,166**	227,514	**232,166**	227,514
Accruals	**73,762**	115,629	**155,753**	158,491
Other Creditors	**115,346**	118,629	**-**	-
	820,257	932,785	**397,197**	405,067

Other Creditors is forecast future costs included in the Stock calculation in respect of the land development in KH8 Limited.

13 FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£	£	**£**	£
Financial assets measured at fair value through the Statement of Financial Activities				
Investments	**70,778,890**	65,779,407	**70,778,890**	65,779,407
Loan	**-**	-	**548,993**	506,186
Debtors	**217,975**	244,339	**198,863**	211,246
Cash	**3,161,952**	2,493,857	**2,313,907**	1,546,565
	74,158,817	68,517,603	**73,840,653**	68,043,404
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors	**398,983**	471,012	**9,278**	19,061
	398,983	471,012	**9,278**	19,061

14 PERMANENT ENDOWMENT FUND (Restricted Funds)

	GROUP				CHARITY			
	Original gift £	Unapplied total return £	Total 2024 £	Total 2023 £	Original gift £	Unapplied total return £	Total 2024 £	Total 2023 £
Balance at 1st January	**338,281**	**74,998,977**	**75,337,258**	69,278,766	**338,281**	**75,052,497**	**75,390,778**	69,268,233
Net incoming resources before transfers	-	**638,951**	**638,951**	924,374	-	**683,328**	**683,328**	988,427
Gains on investments	-	**5,517,534**	**5,517,534**	7,401,288	-	**5,517,534**	**5,517,534**	7,401,288
Total Return in Year	-	**6,156,485**	**6,156,485**	8,325,662	-	**6,200,862**	**6,200,862**	8,389,715
Applied income for the year	-	**(2,383,500)**	**(2,383,500)**	(2,267,170)	-	**(2,383,500)**	**(2,383,500)**	(2,267,170)
Net Movement in Year	-	**3,772,985**	**3,772,985**	6,058,492	-	**3,817,362**	**3,817,362**	6,122,545
Balance at 31st December	**338,281**	**78,771,962**	**79,110,243**	75,337,258	**338,281**	**78,869,859**	**79,208,140**	75,390,778

15 BENEFICIARIES INCOME FUND – GROUP & CHARITY (Restricted Funds)

	Balance at 1st January 2024 £	Appropriation for year £	Interest received £	Approved for payment in year £	Balance at 31st December 2024 £
Warwick Anglican Churches					
Housing allowances:					
- Parish of St Michael	-	9,661		(9,661)	-
- Parish of St Paul	-	7,246		(7,246)	-
- Parish of All Saints	-	6,441		(6,441)	-
- Parish of St Nicholas	-	9,661		(9,661)	-
Stipends:					
- Vicar of St Michael	-	39,920		(39,920)	-
- Vicar of St Paul	-	27,080		(27,080)	-
- Vicar of All Saints	-	25,908		(25,908)	-
- Vicar of St Mary	-	32,350		(32,350)	-
- Vicar of St Nicholas	-	39,835		(39,835)	-
The Coventry Diocesan Board of Finance Limited	-	198,102		(198,102)	-
PCC of St Michael	-	53,934		(53,934)	-
PCC of St Paul	-	53,934		(53,934)	-
PCC of All Saints	-	53,934		(53,934)	-
PCC of St Mary	-	181,527		(181,527)	-
PCC of St Nicholas	-	53,934		(53,934)	-
Warwick & Budbrooke Churches Community Outreach Pool	-	596,385		(596,385)	-
Warwick Anglican Churches - Total	-	1,191,750		(1,191,750)	-
Warwick Independent Schools Foundation	-	715,050		(715,050)	-
Warwick Town	184,560	476,700	13,068	(509,011)	165,317
	184,560	**2,383,500**	**13,068**	**(2,415,811)**	**165,317**

Stipends paid above include: Pension contributions £28,385 (2023: £29,099) and National Insurance & Apprenticeship Levy £10,170 (2023: £8,998).

At 31st December 2024 grants totalling £232,166 (2023: £227,514) have been approved but remain unpaid. These have been provided for in creditors.

16 TOWN GRANTS AWARDED – GROUP & CHARITY

	Total £
Institutions and Societies (>£1,000)	
All Saints C of E Junior School & Emscote Infant School	1,300
Armonico Consort	8,000
Aylesford School	18,586
Bee Friendly Warwick	1,429
Budbrooke School	7,000
Citizens Advice – South Warwickshire	21,000
Coten End Pre School	2,000
Coten End Primary School	18,986
Cruse Bereavement Care	2,450
Evergreen School	8,000
Friends of Warwick Station	(2,500)
Friendship Project for Children	5,460
Heathcote Primary School	7,617
Insight Counselling	5,000
Junior Angling Club (Kingfisher Pools)	(2,654)
Lord Leycester's Hospital	30,000
Motionhouse	5,300
Myton Hospice	25,000
Myton School	18,294
Newburgh Primary School	9,000
New Hope Counselling	4,500
New Life Church	5,030
Packmores Residents Association	3,000
Parenting Project	7,000
Priory Pools Community Centre	100,000
Relate – Coventry & Warwickshire	2,500
Safeline	10,000
Shakespeare Hospice	5,000
South Warwickshire NHS Trust	(24,000)
Spark Youth Music	1,386
Springfield Mind	15,462
St Mary's Church PCC	(1,700)
St Mary's Primary School	7,000
The Big Sing Soul	1,000
The Gap	6,811
The Emscote School	7,000
Top of the Rock	2,000
Warwick Apprenticing Charity	30,000
Warwick Boat Club	5,115
Warwick Chamber of Trade	2,000
Warwick District Council	49,358
Warwick Pursuits Festival	17,000
Warwick Sports Club	10,000
Warwick Tennis Club	7,260
Warwick Town Council	5,366
Warwickshire Young Carers	10,000
Warwickshire Youth Choir	4,000
Westgate Primary School	7,000
Whitnash Brownies	1,155
Woodloes Primary School	3,000
You Can Flourish	15,000
One other grant of less than £1,000	500
Total Institutions and Societies c/fwd	**508,011**

16 TOWN GRANTS AWARDED – GROUP & CHARITY (continued)

Institutions & Societies b/fwd	508,011
Individual Grants	
2 Grants to individuals	1,000
	509,011

There were £227,514 grants awarded but not paid at 31st December 2023. Of these, in 2024 £172,159 were paid, grants were reduced by £34,575 and £20,780 remained outstanding at 31st December 2024.

Total Grants awarded and paid in 2024 were £332,200 and total grants awarded in 2024 but outstanding at 31st December 2024 were £211,386.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Note	GROUP Fixed asset investments £	GROUP Net Current assets £	GROUP Total 2024 £	GROUP Total 2023 £	CHARITY Fixed asset investments £	CHARITY Net Current assets £	CHARITY Total 2024 £	CHARITY Total 2023 £
Permanent Endowment Fund	14	**77,742,490**	**1,367,753**	**79,110,243**	75,337,258	**77,742,491**	**1,465,649**	**79,208,140**	75,390,778
Beneficiaries Income Fund	15	**-**	**165,317**	**165,317**	184,560	**-**	**165,317**	**165,317**	184,560
		77,742,490	**1,533,070**	**79,275,560**	75,521,818	**77,742,491**	**1,630,966**	**79,373,457**	75,575,338

18 TAXATION

No liability to income or capital gains tax arises as the Trust's activities are charitable. The subsidiary's taxable profit is nil.

19 RELATED PARTY TRANSACTIONS

The Trust has taken advantage of the exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

During the year two trustees, Mr Jobburn and Mrs Ashe, were also Governors of Warwick Independent Schools Foundation. One as the Foundation's nomination as a Nominative Trustee and one as the Trust's Nominative Governor to the Foundation. The Foundation receives 30% of the Trust's income each year as required under the Trust Scheme as directed by the Charity Commission.

Rev. Brown is Vicar of St. Michael's, Budbrooke, and Rev Aagaard is Vicar of St Mary's Warwick, both of which receive a proportion of the Church Share as required by the Trust Scheme. Neither received any personal benefit. The principle of these appointments as a trustee has been approved by the Charity Commission.

21 INVESTMENT IN SUBSIDIARY

The Trust is the beneficial owner of KH8 Limited, which was set up to hold, develop and sell land at Europa Way. It is incorporated in England (company number 8485559).

	2024 £	2023 £
Income	-	-
Cost of Sales	**(7,423)**	133,056
Administrative expenses	**(13,708)**	(13,970)
OPERATING PROFIT/(LOSS)	**(21,131)**	119,086
Interest Receivable	**19,561**	37,691
Interest Payable	**(42,807)**	(87,156)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**(44,377)**	69,621
Tax on profit on ordinary activities	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	**(44,377)**	69,621

	2024 £	2023 £
CURRENT ASSETS		
Cash	**848,045**	947,291
Debtors	**26,112**	33,093
	874,157	980,384
CREDITORS: Amounts falling due within one year	**(972,054)**	(1,033,904)
NET CURRENT LIABILITIES	**(97,897)**	(53,520)
NET LIABILITIES	**(97,897)**	(53,520)
CAPITAL AND RESERVES		
Called up share capital	**1**	1
Profit and loss account	**(97,898)**	(53,521)
SHAREHOLDERS' SURPLUS	**(97,897)**	(53,520)

THE KING HENRY VIII ENDOWED TRUST, WARWICK

England & Wales - Charity number 232862

Accounts



THE KING HENRY VIII ENDOWED TRUST, WARWICK

Trustees' Report and Consolidated Financial Statements

Year ended 31st December 2023

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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THE KING HENRY VIII ENDOWED TRUST, WARWICK

TRUSTEES AND ADVISERS

TRUSTEES

Nominated Trustees:	**Nominated by:**	
Rev David Brown	Bishop of Coventry	
Mr Stephen Copley	Archdeacon of Warwick	
Cllr Stephen Cross	Warwick Town Council (resigned on 18th May 2023)	
Cllr Simon Pargeter	Warwick Town Council (appointed on 12th June 2023)	
Mrs Marie-Bernadette Ashe	Warwick Independent Schools Foundation	(Chair)

Co-opted Trustees:

Mrs Bernardine Adkins	(appointed on 12th June 2023)
Mrs Vivienne Bosworth	
Mr John Edwards	
Mr Ian Furlong	
Mrs Susan Grinnell	
Mr Stephen Jobburn	(resigned on 16th January 2024)
Miss Kathryn Parr	
Mr Mark Lee	(appointed on 26th April 2024)

CLERK AND RECEIVER

Mr Jonathan Wassall – 12 High Street, Warwick, CV34 4AP

AUDITOR

Forvis Mazars LLP – First Floor, Two Chamberlain Square, Birmingham, B3 3AX

INVESTMENT MANAGERS/ADVISORS

CCLA Investment Management Ltd – 85 Queen Victoria Street, London, EC4V 4ET
Meridiem Investment Management Limited – Riverside House, 2a Southwark Bridge Road, London SE1 9HA
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD
Asset Risk Consultants Ltd – 7 New Street, St Peter Port, Guernsey, GY1 2PF

SOLICITORS

Lodders LLP – 10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Eversheds LLP – 115 Colmore Row, Birmingham, B3 3AL

BANKERS

HSBC Bank Plc – 126 The Parade, Leamington Spa, CV32 4AJ

PROPERTY MANAGING AGENTS

Cushman & Wakefield – 1 Colmore Square, Birmingham, B4 6AJ

AGRICULTURAL AGENTS

Margetts – 12 High Street, Warwick, CV34 4AP

LAND DEVELOPMENT & PLANNING

Catesby Estates plc – The Visitor Centre, Dollman Road, Dollman Farm, Houlton, Rugby, CV23 1AG

PRINCIPAL OFFICE

12 High Street, Warwick, CV34 4AP

CHARITY REGISTRATION NUMBER 232862

TRUSTEES' REPORT

Report of the Trustees for year ending 31st December 2023

The Trustees present their Annual Report and Financial Statements of the charity for the year ended 31st December 2023 and confirm that the Financial Statements comply with current statutory requirements, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland published in October 2019 and the Trust's governing instruments.

The Annual Report and Financial Statements are prepared on a consolidated basis: including the charity and its wholly owned subsidiary KH8 Limited, which has had an accounting reference of 31st May from 31st May 2018 onwards. The financial information within this report relates to the consolidated group numbers and includes KH8 Limited results for the 12 months ended 31st December.

Reference and administrative details

The King Henry VIII Endowed Trust, Warwick's principal office, its list of Trustees and all its key advisors are set out on page 2 to these Financial Statements.

The Trust's £1 investment in the share capital of its subsidiary KH8 Limited is jointly held in trust by Mr S Copley and Mr J Edwards as nominees for the Trustees.

Structure, Governance and Management

The Trust was established by Letters Patent on the 15th May 1545. The Trust's current governing documents are based on a Scheme approved by the Charity Commissioners on the 23rd November 1978. This has been amended by further Charity Commission Schemes and Orders.

In accordance with the governing documents, the Trust is managed by up to twelve Trustees: eight Co-optative and four Nominative. The Nominative Trustees are appointed respectively by the Bishop of Coventry, the Archdeacon of Warwick, Warwick Independent Schools Foundation and Warwick Town Council.

The Co-optative Trustees are recruited through a combination of advertising and directly approaching potential candidates. In appointing Co-optative Trustees, the Trustees take into account the skills and experience of the potential new Trustee in relation to the function and purpose of the Trust.

The Chairman of the Trustees is responsible for the induction of any new Trustee. This involves awareness of a Trustee's responsibilities, the history and purpose of the Trust, the governing documents, administrative procedures and organisational processes. Trustees are encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

In 2023 the Trustees held four full Trustees Meetings, four Grants Committee Meetings and four Finance & Investment Committee Meetings. Trustees also attended one meeting of the Europa Way Consortium, which is a joint venture with The Charity of Thomas Oken and Nicholas Eyffler and a private trust which is developing land owned by its members adjacent to Europa Way Warwick. The Trust's involvement is through its subsidiary KH8 Limited, which holds the land to be developed. The directors of KH8 Limited are all Trustees of the charity. KH8 Limited exists to maximise the return on the land held and to donate the net profits back to the charity.

At full Trustee Meetings the Trustees debate and agree the broad strategy and activities of the Trust including grant making, investments and risk management. The approval of individual grants up to £25,000 is undertaken by the Grants Committee, which also monitors the extent of grant making during the year. The Finance & Investment Committee monitors the performance of the Trust's property, COIF and financial investment portfolio together with the financial performance of the Trust. The activities and performance of these sub committees are reviewed at full Trustee Meetings. The Trust's involvement in the Europa Way Consortium, chaired by a Trustee, has been an ongoing activity during the year and the progress of the Europa Way Consortium and the implications for the Trust are reported at each full Trustee Meeting.

The Trust has chosen to have no employees to avoid the risks of employment. Its Clerk & Receiver, Deputy Clerk and Accountant are all self-employed or operate through a service company. The Trustees receive no remuneration or benefits.

TRUSTEES' REPORT

Objectives

The objective of the Trust is to provide income for Warwick's Anglican Churches, the Warwick Independent Schools Foundation (WISF) and grants for the benefit of the inhabitants of the Old Borough of Warwick, achieved through the distribution of funds arising from the investment of the Trust's Permanent Endowment. The Trust's governing documents require that funds be distributed on the basis of 50% to Warwick's Anglican Churches (Church Share), 30% to WISF (School Share) and 20% distributed as discretionary grants for the benefit of the inhabitants of Warwick (Town Share). Funds distributed to the five Anglican churches are used to pay the stipend and housing costs of the clergy with residual funds being used for the furtherance of religious and charitable activities in each of the parishes. Funds provided to WISF are used primarily to provide bursaries for pupils from the Old Borough of Warwick who would otherwise be unable to attend the school, with the remainder used on supporting activities for Warwick schools and other community activities. Grants under the Town Share regularly include support to local schools, hospitals, Myton Hospice, care and counselling organisations, non-Church of England churches, youth organisations, senior citizens, sporting organisations, museums and arts organisations, charitable support networks and support to individuals either directly or via other grant making charities.

Achievements in the year

During 2023 the Trust distributed a total of £2,467,139 to beneficiaries with £1,316,858 being distributed to the five Anglican churches in the town, £680,151 to the Warwick Independent Schools Foundation and £470,130 in discretionary grants to beneficiaries in the town of Warwick.

During the year the Church distributions funded the stipends and housing costs of the clergy for each to the five parishes. Funds provided to the Parochial Church Councils have been used for a range of activities including the maintenance and repair of church buildings and community buildings adjacent to churches, community activities within parishes including support for young people, the elderly and the disabled. Under the 'Project Pool' parishes bid for funds, with projects being assessed on the extent of their community benefit. The total allocated to the 'Project Pool' in the year was £561,598 (2022: £452,994).

The majority of distributions to the Warwick Independent Schools Foundation during 2023 have been used to provide bursaries for children who are resident in Warwick. The Foundation provides these bursaries on a means-tested basis. The Foundation also uses some of the funds to support other Warwick schools (such as exam revision and summer activities) and other community-based initiatives (such as Warwick as a Singing Town).

Grants from the Town Share were made to 44 different organisations. Local state schools continue to be significant beneficiaries. Other major grants were to Bring Back Guy's Cliffe, Central Ajax Football Club, Citizens Advice, Lord Leycester's Hospital, Myton Hospice, Playbox Theatre, Springfield Mind and Warwick Pursuits Festival. Smaller grants have supported a range of activities including Warwick Town Council, Warwick Sport Clubs and various counselling charities.

The Trust's involvement in the Europa Way Consortium, though its subsidiary, has been an ongoing activity during the year. The Consortium continued to work with Catesby Estates plc during the year to complete the outstanding infrastructure requirement. The vast majority of this was completed by the year end, although some very limited activities will continue through 2024 and possibly into 2025. The Trust's share of costs for the year was £123,126, which was for site infrastructure and highways upgrades.

Financial Review of the year

During the year, total income from the Permanent Endowment amounted to £1,244,881 (2022: £1,061,837) with rents, licences and wayleaves from the Trust's property portfolio totalling £391,527 (2022: £389,026) and dividends and interest income from financial investments totalling £853,354 (2022: £672,811).

The cost of raising funds for Other Trading Activities was £(133,056) (2022: £157,631). The cost of achieving the Trust's other income relating to property management expenses and investment management expenses totalled £323,651 (2022: £204,655). Other costs relate to support activities of £102,702 and governance costs of £27,210.

The Trust's investments increased in value by £7,401,288 (2022: decreased £5,627,656).

Total Net Income (including investment gains) of £8,325,662 (2022: Net Expenditure including investment losses £5,053,519) is the total return on the Trust's Permanent Endowment, a return of 5.8% (2022: -6.6%) for the year.

The funds made available for distribution to beneficiaries in 2023 is determined by the application of the long-term distribution rate within the Trust's Investment Policy, set at 3.35% since 2016. Overall, the proportion of the Permanent Endowment made available in 2023 was £2,267,170 (2022: £2,054,190).

In addition to income from the Permanent Endowment there was interest income of £11,466 (2022: £597) from the Town Share reserves in the Beneficiaries Income Fund.

The investments held in the CCLA General Investment COIF and in ETFs held by Meridiem are Accumulation Units. At 31st December 2023, these investments accounted for 47% of total investments. Income is simply reinvested within the funds rather than paid out as a dividend, which means that the income from these units is reflected in Net Gains/Losses on Investments rather than in Investment Income.

Reserves

The Trustees do not, as a matter of policy, retain significant reserves. The Trust does however ensure that sufficient cash resources are available to meet the distribution to beneficiaries.

The distributions to the Churches (inc. re the Project Pool) and WISF are made in full during the year with regular quarterly payments.

The Town Share, which is available for grant making, typically has a reserve of about nine to twelve months' distribution. This allows scope for flexibility within grant making. At the year-end the balance was £184,560 (2022: £189,790).

Investments and Investment Policy

The Trust's Investment Policy aims to produce stable, sustainable income to beneficiaries that preserves their long-term purchasing power whilst also preserving the real value of the endowment over the long term. This is achieved in part by the adoption of Total Returns accounting from 1st January 2012. This was permitted by a Charity Commission Order dated 22nd September 2011. Further details on Total Returns and the calculation of the income to be applied each year are set out in Note 1 to the Financial Statements.

The Investment Policy also includes the basis for the amounts to be made available for distribution for beneficiaries. The distribution is based on the Yale Spending Rule. The methodology developed by Yale University and adopted by a number of Endowment Funds incorporates a number of key elements: the carrying forward of a proportion of the prior year's distribution, the use of CPI as an appropriate inflation factor and the Long Term Sustainable Distribution Rate (LTSDR) applied to the value of investments. The Investment Policy requires that these elements are kept under regular review. From 2016 the LTSDR has remained at 3.35%. In order to meet the 3.35% LTSDR and to cover net operating expenses (c. 0.22% of the endowment) the Trustees have set an investment target of 3.5% total return, after adjusting for inflation.

As part of the regular review of the Investment Policy and the parameters used in the Yale Spending Rule methodology to calculate the Appropriation each year the Trustees have currently agreed that the weighting between prior year Appropriation/asset value would be 50:50 from 1st January 2020. (See Note 1 – 'Total Return' and 'Income Application' – for further details.)

The Trust's asset allocation seeks to diversify risk whilst achieving optimum returns over the long term. Overall asset allocation is based on a strategic overview undertaken with Asset Risk Consultants. Within that framework, financial investments are managed though CCLA's COIF Investment Fund or are managed by Meridiem, partly on a discretionary basis and partly on an execution-only basis for ETF trackers. (Meridiem replaced Quilter Cheviot in Q1.) Whilst the ETF trackers are equity based, the other investments are allocated over a range of financial instruments, including equities, bonds and commodities. Property is split between direct holdings and 2 property funds managed by Savills and CCLA. Cash funds are with Royal London Asset Management. The Trust's investments are constantly reviewed and changes made when appropriate and on professional advice.

The Trust seeks to manage investments having regard for social, environmental and ethical standards. It recognises that the financial assets are subject to the investment managers' own policies in relation to social, environmental, ethical and governance standards and behaviour. The Trust also invests in land and property, where it ensures that it meets all legislation and that the value of the assets is not undermined by ignoring these issues.

Land for development

The land at Europa Way is held by KH8 Limited, the Trust's wholly owned subsidiary, which was set up to develop and then sell the land. The final parcel of land for residential development was sold in 2020. The only land retained is to be transferred to local authorities free of charge to meet planning obligations for public highways.

The Trustees continue to engage professional advisors to help promote its land holdings.

Risk Management

The Trustees maintain a register of the major strategic, business and operational risks that the Trust faces, which is reviewed on a regular basis. Risks are minimised through the clear delegation of responsibility for the mitigation of each area of risk and regular reporting of action taken at full Trustee Meetings and Sub Committee Meetings.

Trustees consider that the major long term financial risk is the potential for reduced returns on investments negatively impacting the value of the permanent endowment to the detriment of current and future beneficiaries. In particular the impact of inflation reducing real returns and lower investment values in the medium term are concerns for the Trust. Recognising these issues, the Trust has adopted the use of a total returns approach in order to stabilise distributions to beneficiaries and maintains close contacts with its investment managers, investment advisor and property managing agents with respect to the future outlook for investments.

The major operational risk relates to the limited resources utilised by the Trust and the dependence upon key individuals to undertake the Trust's activities. The Trust relies upon the Clerk and Deputy Clerk to undertake day to day activities and encourages Trustees to take interest in particular aspects of the Trust's activities in order to provide the necessary cover should this be necessary.

Plans for Future Periods

As a permanently endowed charity, where the majority of distribution to beneficiaries is clearly defined within the governing documents, the primary focus on future plans is the management of the Trust's investments.

Public Benefit

The Trustees give regard to the Charity Commission guidance on public benefit and consider that in so far as the objectives of the Trust are to provide for religious, educational and other charitable activities within the town of Warwick. The Trustees consider that these objectives are met through the distribution of funds in accordance with the Trust's governing documents, which fulfil the public benefit requirement.

Statement as to disclosure of information to auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Trustees on 24th June 2024 and signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver

12 High Street
Warwick
CV34 4AP

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". and applicable law. The Financial Statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those Financial Statements, the Trustees are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Charities SORP;

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable accounting standards have been followed and give details of any departures; and

e. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the Financial Statements comply with the requirements of the Charities Act 2011. 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.

Opinion

We have audited the consolidated financial statements of The King Henry VIII Endowed Trust, Warwick (the "parent charity") and its subsidiaries (the "group") for the year ended 31st December 2023 which comprise the Consolidated Statements of Financial Activities, Charity Statements of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st December 2022 and of the group's and the parent charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 annual, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 7, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 the Act and relevant regulations made or having effect thereunder.

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 the 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. Based on our understanding of the Group and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

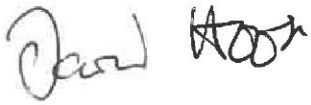
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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' trustees as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



David Hoose
Forvis Mazars LLP Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 24 June 2024

Forvis Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2023

INCOME & ENDOWMENTS FROM:	Note	Beneficiaries income fund	Permanent endowment fund	Total 2023	Beneficiaries income fund	Permanent endowment fund	Total 2022
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	391,527	391,527	-	389,026	389,026
- Dividends	2	-	722,919	722,919	-	654,215	654,215
- Interest	3	11,466	130,435	141,901	597	18,596	19,193
Total income		11,466	1,244,881	1,256,347	597	1,061,837	1,062,434
EXPENDITURE ON:							
Raising funds – Investments	4	-	(323,651)	(323,651)	-	(204,655)	(204,655)
Raising funds – Other Trading	5	-	133,056	133,056	-	(157,631)	(157,631)
Charitable activities (payments to beneficiaries)	15	(2,467,139)	-	(2,467,139)	(1,965,666)	-	(1,965,666)
Support costs	6	-	(102,702)	(102,702)	-	(99,985)	(99,985)
Governance costs	7	-	(27,210)	(27,210)	-	(25,429)	(25,429)
Total expenditure		(2,467,139)	(320,507)	(2,787,646)	(1,965,666)	(487,700)	(2,453,366)
		(2,455,673)	924,374	(1,531,299)	(1,965,069)	574,137	(1,390,932)
Net gains/(losses) on investments	10	-	7,401,288	7,401,288	-	(5,627,656)	(5,627,656)
NET INCOME/(EXPENDITURE)		(2,455,673)	8,325,662	5,869,989	(1,965,069)	(5,053,519)	(7,018,588)
Transfers between funds (Appropriation to beneficiaries)	9	2,267,170	(2,267,170)	-	2,054,190	(2,054,190)	-
NET MOVEMENT IN FUNDS		(188,503)	6,058,492	5,869,989	89,121	(7,107,709)	(7,018,588)
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2023		373,063	69,278,766	69,651,829	283,942	76,386,475	76,670,417
Fund balances carried forward at 31st December 2023		184,560	75,337,258	75,521,818	373,063	69,278,766	69,651,829

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2023

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2023	Beneficiaries income fund	Permanent endowment fund	Total 2022
INCOME & ENDOWMENTS FROM:							
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	391,527	391,527	-	389,026	389,026
- Dividends	2	-	722,919	722,919	-	654,215	654,215
- Interest	3	11,466	179,900	191,366	597	71,789	72,386
- Gift Aid donation from KH8 Ltd		-	133,675	133,675	-	-	-
Total income		11,466	1,428,021	1,439,487	597	1,115,030	1,115,627
EXPENDITURE ON:							
Raising funds	4	-	(323,651)	(323,651)	-	(204,655)	(204,655)
Charitable activities (payments to beneficiaries)	15	(2,467,139)	-	(2,467,139)	(1,965,666)	-	(1,965,666)
Support costs	6	-	(99,108)	(99,108)	-	(97,129)	(97,129)
Governance costs	7	-	(16,835)	(16,835)	-	(15,914)	(15,914)
Total expenditure		(2,467,139)	(439,594)	(2,906,733)	(1,965,666)	(317,698)	(2,283,364)
		(2,455,673)	988,427	(1,467,246)	(1,965,069)	797,332	(1,167,737)
Net gains/(losses) on investments	10	-	7,401,288	7,401,288	-	(5,627,656)	(5,627,656)
NET INCOME/(EXPENDITURE)		(2,455,673)	8,389,715	5,934,042	(1,965,069)	(4,830,324)	(6,795,393)
Transfers between funds (Appropriation to beneficiaries)	9	2,267,170	(2,267,170)	-	2,054,190	(2,054,190)	-
NET MOVEMENT IN FUNDS		(188,503)	6,122,545	5,934,042	89,121	(6,884,514)	(6,795,393)
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2023		373,063	69,268,233	69,641,296	283,942	76,152,747	76,436,689
Fund balances carried forward at 31st December 2023		184,560	75,390,778	75,575,338	373,063	69,268,233	69,641,296

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2023

	Notes	GROUP 2023 £	GROUP 2022 £	CHARITY 2023 £	CHARITY 2022 £
FIXED ASSETS					
Investments	10	**74,407,071**	67,589,510	**74,407,072**	67,589,511
CURRENT ASSETS					
Debtors: due within one year	11	**244,339**	193,955	**717,432**	1,760,222
Cash at bank and in hand		**1,803,193**	3,892,876	**855,901**	608,135
		2,047,532	4,086,831	**1,573,333**	2,368,357
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	**(932,785)**	(2,024,512)	**(405,067)**	(316,572)
NET CURRENT ASSETS		**1,114,747**	2,062,319	**1,168,266**	2,051,785
NET ASSETS		**75,521,818**	69,651,829	**75,575,338**	69,641,296
RESTRICTED FUNDS					
Permanent Endowment Funds	14	**75,337,258**	69,278,766	**75,390,778**	69,268,233
Beneficiaries Income Fund	15	**184,560**	373,063	**184,560**	373,063
		75,521,818	69,651,829	**75,575,338**	69,641,296

The financial statements on pages 11 to 29 were approved and authorised for issue by the Trustees on 24th June 2024 and were signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver

THE KING HENRY VIII ENDOWED TRUST, WARWICK

STATEMENT OF CASH FLOWS
For the year ended 31st December 2023

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Statement of Cash Flows				
Cash from operating activities:				
Net cash provided by/(used in) operating activities	**(3,929,757)**	(2,755,089)	**(1,775,448)**	(2,261,808)
Cash from investing activities:				
Dividends, interest and rents	**1,256,347**	1,062,434	**1,305,812**	1,115,627
Income from Subsidiary	**-**	-	**133,675**	-
Proceeds from sale of investments	**20,143,011**	5,441,120	**20,143,011**	5,441,120
Purchases of investments	**(19,559,284)**	(4,320,897)	**(19,559,284)**	(4,320,897)
Net cash provided by investing activities	**1,840,074**	2,182,657	**2,023,214**	2,235,850
Cash from financing activities:				
Net cash from financing activities	**-**	-	**-**	-
Change in cash & cash equivalents in year	**(2,089,683)**	(572,432)	**247,766**	(25,958)
Cash & cash equiv. at the beginning of year	**3,892,876**	4,465,308	**608,135**	634,093
Cash and cash equivalents at the end of year	**1,803,193**	3,892,876	**855,901**	608,135
Reconciliation of Net Expenditure to Cash Flow from Operating Activities				
Net income/(expenditure) for the year	**5,869,989**	(7,018,588)	**5,934,042**	(6,795,393)
Adjustments:				
(Gains)/Losses on Investments	**(7,401,288)**	5,627,656	**(7,401,288)**	5,627,656
Dividends, interest and rents	**(1,256,347)**	(1,062,434)	**(1,305,812)**	(1,115,627)
Income from Subsidiary	**-**	-	**(133,675)**	-
Decrease/(Increase) in stocks	**-**	-	**-**	-
Decrease/(Increase) in debtors	**(50,384)**	625,991	**1,042,790**	(40,732)
(Decrease)/Increase in creditors	**(1,091,727)**	(927,714)	**88,495**	62,288
Net cash provided by/(used in) operations	**(3,929,757)**	(2,755,089)	**(1,775,448)**	(2,261,808)
Analysis of Cash and Cash Equivalents				
Cash in hand	**1,803,193**	3,892,876	**855,901**	608,135
Total cash & cash equivalents	**1,803,193**	3,892,876	**855,901**	608,135

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. In preparing the financial statements, the charity has followed Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the year-end valuations of commercial property and land, especially land with development potential (see the Investments and Investment Policy, Land for Development and Risk Management sections of the Trustees' Annual Report for more information).

Basis of Consolidation

The financial statements of the charity and its subsidiary, KH8 Limited, are consolidated on a line-by-line basis to produce the 'Group' numbers. KH8 Limited's accounting reference is 31st May, but the financial information within this report includes KH8 Limited results for the 12 months ended 31st December.

Group related party transactions

The company has taken advantage of the related parties exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

Incoming resources

Incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and their monetary value can be measured with sufficient reliability.

Rents receivable

Rents receivable are accounted for in the year to which they relate on an accruals basis.

Investment income

Investment income is accounted for in the year to which it relates on an accruals basis for COIF investments and on a receivable basis for listed investments. The income is gross of management fees/costs.

Interest receivable

Interest receivable is accounted for in the year to which it relates on an accruals basis. It is accounted for in the year to which it relates on an accruals basis.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants to Town Share beneficiaries

Grants are made to third parties in furtherance of the charitable objectives of the Trust. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

Cost of generating funds – re Investments

The costs of generating funds consist of property management expenses and investment management costs.

Cost of generating funds – re Other Trading Income

The cost of sales related to the sale of land in the charity's subsidiary, KH8 Limited.

Charitable activities

Charitable activities consists of grants made.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and Trustee related costs. Support costs in connection with Governance matters are considered insignificant and have not been separately analysed.

Property related professional fees

All professional fees are charged to income and expenditure in the year in which they are incurred unless they specifically relate to the purchase and sale of properties and are treated as capital, or are in the subsidiary and relate to the development land, in which case they are added to the value of Stock.

Fixed asset investments

Properties are stated at professional valuation at the year end. COIF investments are stated at market value provided by the fund manager of the COIF Charity Funds. Listed investments are stated at market value provided by Meridiem, investment managers.

The Statement of Financial Activities includes the net gain/loss on revaluation.

Investment in Subsidiary

The investment in the Trust's subsidiary, KH8 Limited, is 100% owned. The Trust's £1 investment in the subsidiary's share capital is shown as a fixed asset investment. The share is jointly held in trust by Mr S Copley and Mr J Edwards as nominees for the Trustees.

Stock

Stock is the cost of land held for sale, including SDLT, plus development costs and professional fees incurred specifically related to protecting or enhancing the value of the land and to bring the land to market, after adjusting for cost of sale, which is the proportion of expected total costs to attribute to the expected total income recorded in Income.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Total Returns

The accumulated total return (i.e. all net income and any capital gains/losses) less any part previously set aside for distribution to beneficiaries is treated as the "unapplied total return". Each year the total return in the year is added to the "unapplied total return" and the amount then applied (i.e. distributed) is deducted.

When implementing the total returns approach it was not possible to accurately identify the split of the Permanent Endowment Fund between the "original gift" that cannot be distributed to beneficiaries and the "unapplied total return" which can. It was therefore agreed to use the value of the Permanent Endowment Fund (previously the Capital Fund) at the date of the 1978 Scheme as the "original gift". This was £338,281.

At 1st January 2012 the Permanent Endowment Fund was split into the "original gift" of £338,281 and the "unapplied total return" of £23,182,056.

Income Application

Under Total Returns, it is the Trustees' responsibility to determine what amount should be transferred from the "unapplied total return" for distribution to beneficiaries, on a basis that is equitable for both current and future beneficiaries.

The broad principle adopted by Trustees is to adopt a level of distribution that is consistently achievable over the economic cycle and which also allows for the permanent endowment to grow in line with inflation. This Long Term Sustainable Distribution rate is set in the Investment Policy and from 1st January 2016 was set at 3.35% (2015 and previously: 4%). The actual Appropriation in the year is calculated as:

- 50% of the previous year's Appropriation increased in line with inflation (using CPI), plus
- 50% of the closing asset values for the prior year multiplied by the "Long Term Sustainable Distribution Rate".

Funds accounting

Funds held by the charity are:

a. Permanent Endowment Fund – this fund represents the original endowment adjusted by subsequent gains and losses on investments, and since 1st January 2012 the net income less the income applied. In note 16 this is subdivided into the "original gift" and "unapplied total return" as required by accounting for Total Returns.

b. Beneficiaries Income Fund – this fund is the funds attributable to the beneficiaries. The opening balance is the funds applied to beneficiaries but not distributed by the year end. The additions during the year are the income applied from the Permanent Endowment and interest income earned on funds not distributed. The basis of the allocation of the distribution is in the note on Objectives on page 4.

Tax

KH8 Limited, the subsidiary, intends to distribute all profits under gift aid therefore no corporation tax is payable.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results in the future could differ from these estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimations are necessarily applied are in relation to:

a. Recognition of the profit on the sale of land in KH8 Limited and the valuation of stock at the reporting date

   To determine the profit the Trustees have had to estimate the total eventual sales revenue from, and any future development costs for, the land. The overall profit has then been prorated based on existing sales as a proportion of total forecast sales. This then derives the cost of sale and the closing stock. Now that all land has been sold the only variable is the eventual final cost, which should be known by the end of 2024.

b. Valuation of investment properties

   The Group carries its investment properties at fair value and engages independent valuers to determine fair value on an open market value on an existing use basis. The calculated fair value of the investment property therefore uses assumptions, of which the most sensitive relate to market conditions.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

2 DIVIDENDS

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
COIF Property Fund	**116,511**	116,511	**116,511**	116,511
Savills Charities Property Fund	**149,628**	97,327	**149,628**	97,327
Royal London Asset Management – cash funds	**219,312**	54,168	**219,312**	54,168
Listed investments	**237,468**	386,209	**237,468**	386,209
	722,919	654,215	**722,919**	654,215

3 INTEREST

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Banks	**55,309**	14,303	**17,618**	803
Investment Managers	**86,592**	4,890	**86,592**	4,890
Interest on Loan to Subsidiary	**-**	-	**87,156**	66,693
	141,901	19,193	**191,366**	72,386

4 COST OF RAISING FUNDS – Re INVESTMENTS

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Property management expenses	**106,060**	55,498	**106,060**	55,498
Investment management expenses	**217,591**	149,157	**217,591**	149,157
	323,651	204,655	**323,651**	204,655

Investment management expenses includes investment manager fees and fees for strategic advice. There are no capital transaction charges netted off against purchases or sales.

5 COST OF RAISING FUNDS – Re OTHER TRADING

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Cost from Sale re land sales	**(133,056)**	157,631	-	-
	(133,056)	157,631	-	-

6 SUPPORT COSTS

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Administration fees	**87,931**	88,834	**84,548**	86,315
Sundry expenses	**14,771**	11,151	**14,560**	10,814
	102,702	99,985	**99,108**	97,129

7 GOVERNANCE COSTS

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Auditors' remuneration – for audit	**22,500**	20,900	**14,400**	13,500
Auditors' remuneration – for taxation compliance	**2,275**	2,115	**-**	-
Trustees' indemnity insurance	**1,036**	960	**1,036**	960
Trustees' meeting costs	**1,399**	1,454	**1,399**	1,454
	27,210	25,429	**16,835**	15,914

8 TRUSTEES

None of the Trustees received any remuneration during either the current or previous year. No expenses were reimbursed to Trustees during the year (2022: Nil).

9 TRANSFERS BETWEEN FUNDS

The Beneficiaries Income Fund transfer of £2,267,170 (2022: £2,054,190) is the Appropriation from the "unapplied total return" element of the Permanent Endowment Fund for the year as calculated by the Yale Spending Rule.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

10 INVESTMENTS – GROUP

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM £	Cash £	Total 2023 £	Total 2022 £
Market value at 1st January 2023	**7,447,220**	**22,266,990**	**2,448,205**	**29,797,600**	**4,890,350**	**739,145**	**67,589,510**	74,337,389
Acquisitions at cost	**65,756**	-	-	**19,493,528**	-	-	**19,559,284**	4,320,897
Sales proceeds from disposals	-	-	-	**(19,294,530)**	**(800,000)**	-	**(20,094,530)**	(5,645,907)
(Decrease)/increase in cash	-	-	-	-	-	**(48,481)**	**(48,481)**	204,787
Realised gains/(losses) in the year	-	-	-	**841,570**	**6,517**	-	**848,087**	(532,903)
Unrealised gains/(losses) in the year	**424,024**	**2,356,592**	**(146,706)**	**3,859,332**	**59,959**	-	**6,553,201**	(5,094,753)
Market value at 31st December 2023	**7,937,000**	**24,623,582**	**2,301,499**	**34,697,500**	**4,156,826**	**690,664**	**74,407,071**	67,589,510
Historical Cost				**29,469,308**				

The historical cost of properties and COIF investments are not known.

Properties were valued by J Leedham (MRICS) at Cushman & Wakefield and A Goldie MRICS of Margetts at 31st December 2023 in accordance with the RICS Appraisal and Valuation Manual (The Red Book). The previous revaluation was carried out at 31st December 2022. There are no properties that exceed 5% of the total investment value.

COIF, Savills and Royal London Asset Management investments are stated at market value at 31st December 2023 as provided by the fund managers.

Listed investments are stated at market value at 31st December 2023 as provided by Meridiem, investment manager. £8,696,476 is invested in investments in the UK and £26,001,024 in investments overseas.

10 INVESTMENTS - CHARITY

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM investments £	Investment in Subsidiary £	Cash £	Total 2023 £	Total 2022 £
Market value at 1st January 2023	**7,447,220**	**22,266,990**	**2,448,205**	**29,797,600**	**4,890,350**	**1**	**739,145**	**67,589,511**	74,337,390
Acquisitions at cost	**65,756**	-	-	**19,493,528**	-	-	-	**19,559,284**	4,320,897
Sales proceeds from disposals	-	-	-	**(19,294,530)**	**(800,000)**	-	-	**(20,094,530)**	(5,645,907)
(Decrease)/increase in cash	-	-	-	-	-	-	**(48,481)**	**(48,481)**	204,787
Realised gains/(losses) in the year	-	-	-	**841,570**	**6,517**	-	-	**848,087**	(532,903)
Unrealised gains/(losses) in the year	**424,024**	**2,356,592**	**(146,706)**	**3,859,332**	**59,959**	-	-	**6,553,201**	(5,094,753)
Market value at 31st December 2023	**7,937,000**	**24,623,582**	**2,301,499**	**34,697,500**	**4,156,826**	**1**	**690,664**	**74,407,072**	67,589,511
Historical Cost				**29,469,308**					

The investment in the subsidiary is in KH8 Limited. Further details, and its Profit & Loss Account and Balance Sheet are in note 21.

11 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade Debtors	**63,618**	115,076	**63,618**	115,076
Bad debt provision	**(9,935)**	-	**(9,935)**	-
Accrued Income	**180,555**	75,592	**157,563**	54,771
Prepayments	**-**	-	**-**	-
VAT	**10,101**	3,287	**-**	-
Loan to Subsidiary	**-**	-	**506,186**	1,590,375
	244,339	193,955	**717,432**	1,760,222

The loan from the Charity to the Subsidiary is repayable once the land held by KH8 Limited is sold. Interest is charged at 3% above the Bank of England Base Rate.

12 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade Creditors	**233,168**	330,296	**666**	8,914
VAT	**18,396**	14,748	**18,396**	14,748
Amounts owed to other charities	**219,449**	983,872	**-**	-
Grants to beneficiaries	**227,514**	163,624	**227,514**	163,624
Accruals	**115,629**	157,161	**158,491**	129,286
Other Creditors	**118,629**	374,811	**-**	-
	932,785	2,024,512	**405,067**	316,572

Other Creditors is forecast future costs included in the Stock calculation in respect of the land development in KH8 Limited.

13 FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£	£	**£**	£
Financial assets measured at fair value through the Statement of Financial Activities				
Investments	**65,779,407**	59,403,145	**65,779,407**	59,403,145
Loan	**-**	-	**506,186**	1,590,375
Debtors	**244,339**	193,955	**211,246**	169,847
Cash	**2,493,857**	4,632,021	**1,546,565**	1,347,280
	68,517,603	64,229,121	**68,043,404**	62,510,647
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors	**471,012**	1,328,916	**19,061**	23,661
	471,012	1,328,916	**19,061**	23,661

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

14 PERMANENT ENDOWMENT FUND (Restricted Funds)

	GROUP				CHARITY			
	Original gift £	Unapplied total return £	Total 2023 £	Total 2022 £	Original gift £	Unapplied total return £	Total 2023 £	Total 2022 £
Balance at 1st January	**338,281**	**68,940,485**	**69,278,766**	76,386,475	**338,281**	**68,929,952**	**69,268,233**	76,152,747
Net incoming/(outgoing) resources before transfers	-	**924,374**	**924,374**	574,137	-	**988,427**	**988,427**	797,332
Gains/(loss) on investments	-	**7,401,288**	**7,401,288**	(5,627,656)	-	**7,401,288**	**7,401,288**	(5,627,656)
Total Return in Year	-	**8,325,662**	**8,325,662**	(5,053,519)	-	**8,389,715**	**8,389,715**	(4,830,324)
Applied income for the year	-	**(2,267,170)**	**(2,267,170)**	(2,054,190)	-	**(2,267,170)**	**(2,267,170)**	(2,054,190)
Net Movement in Year	-	**6,058,492**	**6,058,492**	(7,107,709)	-	**6,122,545**	**6,122,545**	(6,884,514)
Balance at 31st December	**338,281**	**74,998,977**	**75,337,258**	69,278,766	**338,281**	**75,052,497**	**75,390,778**	69,268,233

15 BENEFICIARIES INCOME FUND – GROUP & CHARITY (Restricted Funds)

	Balance at 1st January 2023 £	Appropriation for year £	Interest received £	Approved for payment in year £	Balance at 31st December 2023 £
Warwick Anglican Churches					
Housing allowances:					
- Parish of St Michael	-	8,785		(8,785)	-
- Parish of St Paul	-	8,785		(8,785)	-
- Parish of All Saints	-	8,785		(8,785)	-
- Parish of St Nicholas	-	8,785		(8,785)	-
Stipends:					
- Vicar of St Michael	-	37,832		(37,832)	-
- Vicar of St Paul	-	38,150		(38,150)	-
- Vicar of All Saints	-	37,646		(37,646)	-
- Vicar of St Mary	-	2,949		(2,949)	-
- Vicar of St Nicholas	-	38,032		(38,032)	-
The Coventry Diocesan Board of Finance Limited	-	189,749		(189,749)	-
PCC of St Michael	-	51,894		(51,894)	-
PCC of St Paul	-	51,894		(51,894)	-
PCC of All Saints	-	51,894		(51,894)	-
PCC of St Mary	-	174,662		(174,662)	-
PCC of St Nicholas	-	51,894		(51,894)	-
Project Pool	183,273	561,598		(744,871)	-
Warwick Anglican Churches - Total	183,273	1,133,585		(1,316,858)	-
Warwick Independent Schools Foundation	-	680,151		(680,151)	-
Warwick Town	189,790	453,434	11,466	(470,130)	184,560
	373,063	2,267,170	11,466	(2,467,139)	184,560

Stipends paid above include: Pension contributions £29,099 (2022: £46,712) and National Insurance & Apprenticeship Levy £8,998 (2022: £11,026).

At 31st December 2023 grants totalling £227,514 (2022: £163,624) have been approved but remain unpaid. These have been provided for in creditors.

16 TOWN GRANTS AWARDED – GROUP & CHARITY

	Total £
Institutions and Societies (>£1,000)	
Achieving Results in Communities	7,000
All Saints C of E Junior School & Emscote Infant School	15,000
Armonico Consort	5,816
Aylesford Primary School	2,359
Aylesford Secondary School	14,300
Bring Back Guy's Cliffe	37,000
Budbrooke Primary School	2,000
Castel Froma	10,000
Central Ajax Football Club	25,000
Citizens Advice – South Warwickshire	20,000
Coten End Primary School	6,194
Cruse Bereavement Care	2,500
Evergreen School	8,000
Friendship Project for Children	4,250
Guy's Gift	2,700
Heathcote Primary School	6,964
Insight Counselling	4,800
Lord Leycester's Hospital	30,000
Motionhouse	4,970
Myton Hospice	25,000
Myton School	29,454
Newburgh Primary School	8,000
New Life Church	7,615
Parenting Project	5,000
Playbox Theatre	20,000
Relate – Coventry & Warwickshire	2,000
Safeline	8,000
Springfield Mind	20,000
St Mary Immaculate Church	1,500
St Mary's Church PCC	(5,361)
St Mary's Primary School	7,000
The Gap	16,126
Warwick Air Cadets 1368	1,481
Warwick District Scouts	5,000
Warwick Folk Festival	12,000
Warwick Pursuits Festival	20,500
2nd Warwick Sea Scouts	3,405
3rd Warwick Scouts	6,000
Warwick Tennis Club	7,558
Warwick Town Council	5,960
Warwickshire Vision Support	5,000
Westgate Primary School	6,653
Woodloes Primary School	7,700
You Can Flourish	14,000
	448,444
Individual Grants	
3 Grants to individuals	21,685
	470,129

16 TOWN GRANTS AWARDED – GROUP & CHARITY (continued)

There were £163,624 grants awarded but not paid at 31st December 2022. Of these, in 2023 £73,484 were paid, grants were reduced by £11,796 and £78,344 remained outstanding at 31st December 2023.

Total Grants awarded and paid in 2023 were £332,755 and total grants awarded in 2023 but outstanding at 31st December 2023 were £149,170

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Note	GROUP Fixed asset investments £	GROUP Net Current assets £	GROUP Total 2023 £	GROUP Total 2022 £	CHARITY Fixed asset investments £	CHARITY Net Current assets £	CHARITY Total 2023 £	CHARITY Total 2022 £
Permanent Endowment Fund	14	**74,407,071**	**930,187**	**75,337,258**	69,278,766	**74,407,072**	**983,706**	**75,390,778**	69,268,233
Beneficiaries Income Fund	15	-	**184,560**	**184,560**	373,063	-	**184,560**	**184,560**	373,063
		74,407,071	**1,114,747**	**75,521,818**	69,651,829	**74,407,072**	**1,168,266**	**75,575,338**	69,641,296

18 TAXATION

No liability to income or capital gains tax arises as the Trust's activities are charitable. The subsidiary's taxable profit is nil.

19 RELATED PARTY TRANSACTIONS

The Trust has taken advantage of the exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

During the year two trustees, Mr Jobburn and Mrs Ashe, were also Governors of Warwick Independent Schools Foundation. One as the Foundation's nomination as a Nominative Trustee and one as the Trust's Nominative Governor to the Foundation. The Foundation receives 30% of the Trust's income each year as required under the Trust Scheme as directed by the Charity Commission.

Rev. Brown is Vicar of St. Michael's, Budbrooke, which receives a proportion of the Church Share as required by the Trust Scheme. He receives no personal benefit and his appointment as a trustee has been approved by the Charity Commission.

21 INVESTMENT IN SUBSIDIARY

The Trust is the beneficial owner of KH8 Limited, which was set up to hold, develop and sell land at Europa Way. It is incorporated in England (company number 8485559).

	2023 £	2022 £
Income	-	-
Cost of Sales	**133,056**	(157,631)
Administrative expenses	**(13,970)**	(12,371)
OPERATING PROFIT/(LOSS)	**119,086**	(170,002)
Interest Receivable	**37,691**	13,500
Interest Payable	**(87,156)**	(66,693)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	**69,621**	(223,195)
Tax on profit on ordinary activities	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**69,621**	(223,195)

	2023 £	2022 £
CURRENT ASSETS		
Cash	**947,291**	3,284,741
Debtors	**33,093**	24,108
	980,384	3,308,849
CREDITORS: Amounts falling due within one year	**(1,033,904)**	(3,298,314)
NET CURRENT ASSETS	**(53,520)**	10,535
NET ASSETS	**(53,520)**	10,535
CAPITAL AND RESERVES		
Called up share capital	**1**	1
Profit and loss account	**(53,521)**	10,534
SHAREHOLDERS' SURPLUS	**(53,520)**	10,535

THE KING HENRY VIII ENDOWED TRUST, WARWICK

England & Wales - Charity number 232862

Accounts



THE KING HENRY VIII ENDOWED TRUST, WARWICK

Trustees' Report and Consolidated Financial Statements

Year ended 31st December 2022

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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THE KING HENRY VIII ENDOWED TRUST, WARWICK

TRUSTEES AND ADVISERS

TRUSTEES

Nominated Trustees:	Nominated by:
Rev David Brown	Bishop of Coventry
Mr Stephen Copley	Archdeacon of Warwick
Cllr Stephen Cross	Warwick Town Council
Mrs Marie-Bernadette Ashe	Warwick Independent Schools Foundation

Co-opted Trustees:

Mrs Vivienne Bosworth	(appointed on 1st April 2022)
Mr John Edwards	
Mr Ian Furlong	
Mrs Susan Grinnell	
Mr Stephen Jobburn	(Chairman)
Miss Kathryn Parr	
Mr Michael Peachey	(retired on 10th December 2022)

CLERK AND RECEIVER

Mr Jonathan Wassall – 12 High Street, Warwick, CV34 4AP

AUDITOR

Mazars LLP – First Floor, Two Chamberlain Square, Birmingham, B3 3AX

INVESTMENT MANAGERS/ADVISORS

CCLA Investment Management Ltd – 85 Queen Victoria Street, London, EC4V 4ET
Quilter Cheviot Ltd – 1st Floor, 7 Dominus Way, Leicester, LE1 6TU
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD
Asset Risk Consultants Ltd – 7 New Street, St Peter Port, Guernsey, GY1 2PF

SOLICITORS

Lodders LLP – 10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Eversheds LLP – 115 Colmore Row, Birmingham, B3 3AL

BANKERS

HSBC Bank Plc – 126 The Parade, Leamington Spa, CV32 4AJ

PROPERTY MANAGING AGENTS

Cushman & Wakefield – 1 Colmore Square, Birmingham, B4 6AJ

AGRICULTURAL AGENTS

Margetts – 12 High Street, Warwick, CV34 4AP

LAND DEVELOPMENT & PLANNING

Catesby Estates plc – The Visitor Centre, Dollman Road, Dollman Farm, Houlton, Rugby, CV23 1AG
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD

PRINCIPAL OFFICE - 12 High Street, Warwick, CV34 4AP

CHARITY REGISTRATION NUMBER 232862

TRUSTEES' REPORT

Report of the Trustees for year ending 31st December 2022

The Trustees present their Annual Report and Financial Statements of the charity for the year ended 31st December 2022 and confirm that the Financial Statements comply with current statutory requirements, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland published in October 2019 and the Trust's governing instruments.

The Annual Report and Financial Statements are prepared on a consolidated basis: including the charity and its wholly owned subsidiary KH8 Limited, which has had an accounting reference of 31st May from 31st May 2018 onwards. The financial information within this report relates to the consolidated group numbers and includes KH8 Limited results for the 12 months ended 31st December.

Reference and administrative details

The King Henry VIII Endowed Trust, Warwick's principal office, its list of Trustees and all its key advisors are set out on page 2 to these Financial Statements.

The Trust's £1 investment in the share capital of its subsidiary KH8 Limited is jointly held in trust by Mr S Jobburn, Mr S Copley and Mr J Edwards as nominees for the Trustees.

Structure, Governance and Management

The Trust was established by Letters Patent on the 15th May 1545. The Trust's current governing documents are based on a Scheme approved by the Charity Commissioners on the 23rd November 1978. This has been amended by further Charity Commission Schemes and Orders.

In accordance with the governing documents, the Trust is managed by up to twelve Trustees: eight Co-optative and four Nominative. The Nominative Trustees are appointed respectively by the Bishop of Coventry, the Archdeacon of Warwick, Warwick Independent Schools Foundation and Warwick Town Council.

The Co-optative Trustees are recruited through a combination of advertising and directly approaching potential candidates. In appointing Co-optative Trustees, the Trustees take into account the skills and experience of the potential new Trustee in relation to the function and purpose of the Trust.

The Chairman of the Trustees is responsible for the induction of any new Trustee. This involves awareness of a Trustee's responsibilities, the history and purpose of the Trust, the governing documents, administrative procedures and organisational processes. Trustees are encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

In 2022 the Trustees held four full Trustees Meetings, four Grants Committee Meetings and four Finance & Investment Committee Meetings. Trustees also attended two meetings of the Europa Way Consortium, which is a joint venture with The Charity of Thomas Oken and Nicholas Eyffler and a private trust which is developing land owned by its members adjacent to Europa Way Warwick. The Trust's involvement is through its subsidiary KH8 Limited, which holds the land to be developed. The directors of KH8 Limited are all Trustees of the charity. KH8 Limited exists to maximise the return on the land held and to donate the net profits back to the charity.

At full Trustee Meetings the Trustees debate and agree the broad strategy and activities of the Trust including grant making, investments and risk management. The approval of individual grants up to £15,000 is undertaken by the Grants Committee, which also monitors the extent of grant making during the year. The Finance & Investment Committee monitors the performance of the Trust's property, COIF and financial investment portfolio together with the financial performance of the Trust. The activities and performance of these sub committees are reviewed at full Trustee Meetings. The Trust's involvement in the Europa Way Consortium, chaired by a Trustee, has been an ongoing activity during the year and the progress of the Europa Way Consortium and the implications for the Trust are reported at each full Trustee Meeting.

The Trust has chosen to have no employees to avoid the risks of employment. Its Clerk & Receiver, Deputy Clerk and Accountant are all self-employed or operate through a service company. The Trustees receive no remuneration or benefits.

TRUSTEES' REPORT

Objectives

The objective of the Trust is to provide income for Warwick's Anglican Churches, the Warwick Independent Schools Foundation (WISF) and grants for the benefit of the inhabitants of the Old Borough of Warwick, achieved through the distribution of funds arising from the investment of the Trust's Permanent Endowment. The Trust's governing documents require that funds be distributed on the basis of 50% to Warwick's Anglican Churches (Church Share), 30% to WISF (School Share) and 20% distributed as discretionary grants for the benefit of the inhabitants of Warwick (Town Share). Funds distributed to the five Anglican churches are used to pay the stipend and housing costs of the clergy with residual funds being used for the furtherance of religious and charitable activities in each of the parishes. Funds provided to WISF are used primarily to provide bursaries for pupils from the Old Borough of Warwick who would otherwise be unable to attend the school, with the remainder used on supporting activities for Warwick schools and other community activities. Grants under the Town Share regularly include support to local schools, hospitals, Myton Hospice, care and counselling organisations, non-Church of England churches, youth organisations, senior citizens, sporting organisations, museums and arts organisations, charitable support networks and support to individuals either directly or via other grant making charities.

Achievements in the year

During 2022 the Trust distributed a total of £1,965,666 to beneficiaries with £847,811 being distributed to the five Anglican churches in the town, £616,257 to the Warwick Independent Schools Foundation and £474,598 in discretionary grants to beneficiaries in the town of Warwick.

During the year the Church distributions funded the stipends and housing costs of the clergy for each to the five parishes. Funds provided to the Parochial Church Councils have been used for a range of activities including the maintenance and repair of church buildings and community buildings adjacent to churches, community activities within parishes including support for young people, the elderly and the disabled. Under the 'Project Pool' parishes bid for funds, with projects being assessed on the extent of their community benefit. The total allocated to the 'Project Pool' in the year was £452,994 (2021: £213,176).

The majority of distributions to the Warwick Independent Schools Foundation during 2022 have been used to provide bursaries for children who are resident in Warwick. The Foundation provides these bursaries on a means-tested basis. The Foundation also uses some of the funds to support other Warwick schools (such as exam revision and summer activities) and other community based initiatives (such as Warwick as a Singing Town).

Grants from the Town Share were made to 44 different organisations. Local state schools continue to be significant beneficiaries. Other major grants were to Chase Meadow Community Centre, Citizens Advice, Lord Leycester Hospital, South Warwickshire NHS Foundation Trust, Springfield Mind, St Mary's PCC and Warwick District Council. Smaller grants have supported a range of activities including Warwick Town Council, Warwick Sport Clubs and various counselling charities.

The Trust's involvement in the Europa Way Consortium, though its subsidiary, has been an ongoing activity during the year. The Consortium continued to work with Catesby Estates plc during the year to complete the outstanding infrastructure requirement. Most of this was completed by the year end, although some limited activities will continue to the end of 2023. The Trust's share of costs for the year was £240,943, which was for site infrastructure and highways upgrades.

Financial Review of the year

During the year, total income from the Permanent Endowment amounted to £1,061,837 (2021: £914,370) with rents, licences and wayleaves from the Trust's property portfolio totalling £389,026 (2021: £362,590) and dividends and interest income from financial investments totalling £672,811 (2021: £551,780).

The cost of raising funds for Other Trading Activities was £157,631 (2021: £2,024). The cost of achieving the Trust's other income relating to property management expenses and investment management expenses totalled £204,655 (2021: £197,733). Other costs relate to support activities of £99,985 and governance costs of £25,429.

The Trust's investments decreased in value by £5,627,656 (2021: Increased £8,788,239), with a net £1.0 million withdrawn during the year.

Total Net Expenditure (including investment losses) of £5,049,844 (2021: Net Income £9,388,240) is the total return on the Trust's Permanent Endowment, a return of -6.6% (2021: 13.7%) for the year.

The funds made available for distribution to beneficiaries in 2022 is determined by the application of the long-term distribution rate within the Trust's Investment Policy, set at 3.35% since 2016. Overall, the proportion of the Permanent Endowment made available in 2022 was £2,054,190 (2021: £1,535,180).

In addition to income from the Permanent Endowment there was interest income of £597 (2021: £3) from the Town Share reserves in the Beneficiaries Income Fund.

The investments held in the CCLA General Investment COIF and in ETFs held by Quilter Cheviot are Accumulation Units. At 31st December 2022, these investments accounted for 47% of total investments. Income is simply reinvested rather than paid out as a dividend, which means that the income from these units is reflected in Net Gains/Losses on Investments rather than in Investment Income.

Reserves

The Trustees do not, as a matter of policy, retain significant reserves. The Trust does however ensure that sufficient cash resources are available to meet the distribution to beneficiaries.

The distributions to the Churches and WISF are made in full during the year with regular quarterly payments. Payment to the Project Pool is made as required for specific projects. At the year-end the balance was £183,273 (2021: £30,989).

The Town Share, which is available for grant making, typically has a reserve of about nine to twelve months' distribution. This allows scope for flexibility within grant making. At the year-end the balance was £189,790 (2021: £252,953).

Investments and Investment Policy

The Trust's Investment Policy aims to produce stable, sustainable income to beneficiaries that preserves their long-term purchasing power whilst also preserving the real value of the endowment over the long term. This is achieved in part by the adoption of Total Returns accounting from 1st January 2012. This was permitted by a Charity Commission Order dated 22nd September 2011. Further details on Total Returns and the calculation of the income to be applied each year are set out in Note 1 to the Financial Statements.

The Investment Policy also includes the basis for the amounts to be made available for distribution for beneficiaries. The distribution is based on the Yale Spending Rule. The methodology developed by Yale University and adopted by a number of Endowment Funds incorporates a number of key elements: the carrying forward of a proportion of the prior year's distribution, the use of CPI as an appropriate inflation factor and the Long Term Sustainable Distribution Rate (LTSDR) applied to the value of investments. The Investment Policy requires that these elements are kept under regular review. From 2016 the LTSDR has remained at 3.35%. In order to meet the 3.35% LTSDR and to cover net operating expenses (c. 0.22% of the endowment) the Trustees have set an investment target of 3.5% total return, after adjusting for inflation.

As part of the regular review of the Investment Policy and the parameters used in the Yale Spending Rule methodology to calculate the Appropriation each year the Trustees have currently agreed that the weighting between prior year Appropriation/asset value would be 50:50 from 1st January 2020. (See Note 1 – 'Total Return' and 'Income Application' – for further details.)

The Trust's asset allocation seeks to diversify risk whilst achieving optimum returns over the long term. Overall asset allocation is based on a strategic overview undertaken with Asset Risk Consultants. Within that framework, financial investments are managed though CCLA's COIF Investment Fund or are managed by Quilter Cheviot, partly on a discretionary basis and partly on an execution-only basis for ETF trackers. Whilst the ETF trackers are equity based, the other investments are allocated over a range of financial instruments, including equities, bonds and commodities. Property is split between direct holdings and 2 property funds managed by Savills and CCLA. Cash funds are with Royal London Asset Management. The Trust's investments are constantly reviewed and changes made when appropriate and on professional advice.

The Trust seeks to manage investments having regard for social, environmental and ethical standards. It recognises that the financial assets are subject to the investment managers' own policies in relation to social, environmental, ethical and governance standards and behaviour. The Trust also invests in land and property, where it ensures that it meets all legislation and that the value of the assets is not undermined by ignoring these issues.

Land for development

The land at Europa Way is held by KH8 Limited, the Trust's wholly owned subsidiary, which was set up to develop and then sell the land. The final parcel of land for residential development was sold in 2020. The only land retained is to be transferred to local authorities free of charge to meet planning obligations for public highways.

The Trustees continue to engage professional advisors to help promote its land holdings.

Risk Management

The Trustees maintain a register of the major strategic, business and operational risks that the Trust faces, which is reviewed on a regular basis. Risks are minimised through the clear delegation of responsibility for the mitigation of each area of risk and regular reporting of action taken at full Trustee Meetings and Sub Committee Meetings.

Trustees consider that the major long term financial risk is the potential for reduced returns on investments negatively impacting the value of the permanent endowment to the detriment of current and future beneficiaries. In particular the impact of inflation reducing real returns and lower investment values in the medium term are concerns for the Trust. Recognising these issues, the Trust has adopted the use of a total returns approach in order to stabilise distributions to beneficiaries and maintains close contacts with its investment managers, investment advisor and property managing agents with respect to the future outlook for investments.

The major operational risk relates to the limited resources utilised by the Trust and the dependence upon key individuals to undertake the Trust's activities. The Trust relies upon the Clerk and Deputy Clerk to undertake day to day activities and encourages Trustees to take interest in particular aspects of the Trust's activities in order to provide the necessary cover should this be necessary.

Plans for Future Periods

As a permanently endowed charity where the majority of distribution to beneficiaries is clearly defined within the governing documents the primary focus on future plans is the management of the Trust's investments.

Public Benefit

The Trustees give regard to the Charity Commission guidance on public benefit and consider that in so far as the objectives of the Trust are to provide for religious, educational and other charitable activities within the town of Warwick. The Trustees consider that these objectives are met through the distribution of funds in accordance with the Trust's governing documents, which fulfil the public benefit requirement.

Statement as to disclosure of information to auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Trustees on 26th June 2023 and signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver

12 High Street
Warwick
CV34 4AP

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". and applicable law. The Financial Statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those Financial Statements, the Trustees are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Charities SORP;

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable accounting standards have been followed and give details of any departures; and

e. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the Financial Statements comply with the requirements of the Charities Act 2011. 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.

Opinion

We have audited the consolidated financial statements of King Henry VIII Endowed Trust, Warwick (the "parent charity") and its subsidiaries (the "group") for the year ended 31st December 2022 which comprise the Consolidated Statements of Financial Activities, Charity Statements of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st December 2022 and of the group's and the parent charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 annual, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 7, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 the Act and relevant regulations made or having effect thereunder.

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 the 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. Based on our understanding of the Group and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

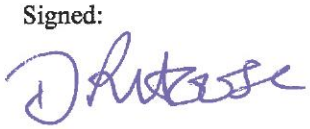
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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' trustees as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



David Hoose
Mazars LLP Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 10th JULY 2023

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2022

INCOME & ENDOWMENTS FROM:	Note	Beneficiaries income fund	Permanent endowment fund	Total 2022	Beneficiaries income fund	Permanent endowment fund	Total 2021
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	389,026	389,026	-	362,590	362,590
- Dividends	2	-	654,215	654,215	-	551,769	551,769
- Interest	3	597	18,596	19,193	3	11	14
Total income		597	1,061,837	1,062,434	3	914,370	914,373
EXPENDITURE ON:							
Raising funds – Investments	4	-	(204,655)	(204,655)	-	(197,733)	(197,733)
Raising funds – Other Trading	5	-	(157,631)	(157,631)	-	(2,024)	(2,024)
Charitable activities (payments to beneficiaries)	15	(1,965,666)	-	(1,965,666)	(1,517,657)	-	(1,517,657)
Support costs	6	-	(99,985)	(99,985)	-	(92,302)	(92,302)
Governance costs	7	-	(25,429)	(25,429)	-	(22,310)	(22,310)
Total expenditure		(1,965,666)	(487,700)	(2,453,366)	(1,517,657)	(314,369)	(1,832,026)
		(1,965,069)	574,137	(1,390,932)	(1,517,654)	600,001	(917,653)
Net (losses)/gains on investments	10	-	(5,627,656)	(5,627,656)	-	8,788,239	8,788,239
NET INCOME/(EXPENDITURE)		(1,965,069)	(5,053,519)	(7,018,588)	(1,517,654)	9,388,240	7,870,586
Transfers between funds (Appropriation to beneficiaries)	9	2,054,190	(2,054,190)	-	1,535,180	(1,535,180)	-
NET MOVEMENT IN FUNDS		89,121	(7,107,709)	(7,018,588)	17,526	7,853,060	7,870,586
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2022		283,942	76,386,475	76,670,417	266,416	68,533,415	68,799,831
Fund balances carried forward at 31st December 2022		373,063	69,278,766	69,651,829	283,942	76,386,475	76,670,417

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2022

	Notes	GROUP 2022 £	GROUP 2021 £	CHARITY 2022 £	CHARITY 2021 £
FIXED ASSETS					
Investments	10	**67,589,510**	74,337,389	**67,589,511**	74,337,390
CURRENT ASSETS					
Debtors: due within one year	11	**193,955**	819,946	**1,760,222**	1,719,490
Cash at bank and in hand		**3,892,876**	4,465,308	**608,135**	634,093
		4,086,831	5,285,254	**2,368,357**	2,353,583
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	**(2,024,512)**	(2,952,226)	**(316,572)**	(254,284)
NET CURRENT ASSETS		**2,062,319**	2,333,028	**2,051,785**	2,099,299
NET ASSETS		**69,651,829**	76,670,417	**69,641,296**	76,436,689
RESTRICTED FUNDS					
Permanent Endowment Funds	14	**69,278,766**	76,386,475	**69,268,233**	76,152,747
Beneficiaries Income Fund	15	**373,063**	283,942	**373,063**	283,942
		69,651,829	76,670,417	**69,641,296**	76,436,689

The financial statements on pages 11 to 28 were approved and authorised for issue by the Trustees on 26th June 2023 and were signed on their behalf by:

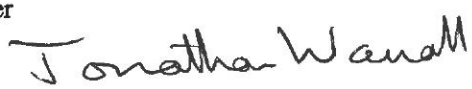
Chairman



Chairman of Finance & Investment Committee



Clerk and Receiver



THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2022

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2022	Beneficiaries income fund	Permanent endowment fund	Total 2021
INCOME & ENDOWMENTS FROM:							
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	389,026	389,026	-	362,590	362,590
- Dividends	2	-	654,215	654,215	-	551,769	551,769
- Interest	3	597	71,789	72,386	3	83,315	83,318
- Gift Aid donation from KH8 Ltd		-	-	-	-	2,052,094	2,052,094
Total income		597	1,115,030	1,115,627	3	3,049,768	3,049,771
EXPENDITURE ON:							
Raising funds	4	-	(204,655)	(204,655)	-	(197,733)	(197,733)
Charitable activities (payments to beneficiaries)	15	(1,965,666)	-	(1,965,666)	(1,517,657)	-	(1,517,657)
Support costs	6	-	(97,129)	(97,129)	-	(84,195)	(84,195)
Governance costs	7	-	(15,914)	(15,914)	-	(13,460)	(13,460)
Total expenditure		(1,965,666)	(317,698)	(2,283,364)	(1,517,657)	(295,388)	(1,813,045)
		(1,965,069)	797,332	(1,167,737)	(1,517,654)	2,754,380	1,236,726
Net (losses)/gains on investments	10	-	(5,627,656)	(5,627,656)	-	8,788,239	8,788,239
NET INCOME/(EXPENDITURE)		(1,965,069)	(4,830,324)	(6,795,393)	(1,517,654)	11,542,619	10,024,965
Transfers between funds (Appropriation to beneficiaries)	9	2,054,190	(2,054,190)	-	1,535,180	(1,535,180)	-
NET MOVEMENT IN FUNDS		89,121	(6,884,514)	(6,795,393)	17,526	10,007,439	10,024,965
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2022		283,942	76,152,747	76,436,689	266,416	66,145,308	66,411,724
Fund balances carried forward at 31st December 2022		373,063	69,268,233	69,641,296	283,942	76,152,747	76,436,689

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

STATEMENT OF CASH FLOWS
For the year ended 31st December 2022

	GROUP		CHARITY	
	2022	2021	2022	2021
	£	£	£	£
Statement of Cash Flows				
Cash from operating activities:				
Net cash provided by/(used in) operating activities	**(2,755,089)**	2,855,509	**(2,261,808)**	3,237,111
Cash from investing activities:				
Dividends, interest and rents	**1,062,434**	914,373	**1,115,627**	997,677
Income from Subsidiary	**-**	-	**-**	2,052,094
Proceeds from sale of investments	**5,441,120**	6,282,780	**5,441,120**	6,282,780
Purchases of investments	**(4,320,897)**	(14,887,501)	**(4,320,897)**	(14,887,501)
Net cash provided by investing activities	**2,182,657**	(7,690,348)	**2,235,850**	(5,554,950)
Cash from financing activities:				
Net cash from financing activities	**-**	-	**-**	-
Change in cash & cash equivalents in year	**(572,432)**	(4,834,839)	**(25,958)**	(2,317,839)
Cash & cash equiv. at the beginning of year	**4,465,308**	9,300,147	**634,093**	2,951,932
Cash and cash equivalents at the end of year	**3,892,876**	4,465,308	**608,135**	634,093
Reconciliation of Net Expenditure to Cash Flow from Operating Activities				
Net income/(expenditure) for the year	**(7,018,588)**	7,870,586	**(6,795,393)**	10,024,965
Adjustments:				
(Gains)/Losses on Investments	**5,627,656**	(8,788,239)	**5,627,656**	(8,788,239)
Dividends, interest and rents	**(1,062,434)**	(914,373)	**(1,115,627)**	(997,677)
Income from Subsidiary	**-**	-	**-**	(2,052,094)
Decrease/(Increase) in stocks	**-**	-	**-**	-
Decrease/(Increase) in debtors	**625,991**	8,099,468	**(40,732)**	5,079,455
(Decrease)/Increase in creditors	**(927,714)**	(3,411,933)	**62,288**	(29,299)
Net cash provided by/(used in) operations	**(2,755,089)**	2,855,509	**(2,261,808)**	3,237,111
Analysis of Cash and Cash Equivalents				
Cash in hand	**3,892,876**	4,465,308	**608,135**	634,093
Total cash & cash equivalents	**3,892,876**	4,465,308	**608,135**	634,093

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2022

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1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. In preparing the financial statements, the charity has followed Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the year-end valuations of commercial property and land, especially land with development potential (see the Investments and Investment Policy, Land for Development and Risk Management sections of the Trustees' Annual Report for more information).

Basis of Consolidation

The financial statements of the charity and its subsidiary, KH8 Limited, are consolidated on a line-by-line basis to produce the 'Group' numbers. KH8 Limited's accounting reference is 31st May, but the financial information within this report includes KH8 Limited results for the 12 months ended 31st December.

Group related party transactions

The company has taken advantage of the related parties exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

Incoming resources

Incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and their monetary value can be measured with sufficient reliability.

Rents receivable

Rents receivable are accounted for in the year to which they relate on an accruals basis.

Investment income

Investment income is accounted for in the year to which it relates on an accruals basis for COIF investments and on a receivable basis for listed investments. The income is gross of management fees/costs.

Interest receivable

Interest receivable is accounted for in the year to which it relates on an accruals basis. It is accounted for in the year to which it relates on an accruals basis.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants to Town Share beneficiaries

Grants are made to third parties in furtherance of the charitable objectives of the Trust. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

Cost of generating funds – re Investments

The costs of generating funds consist of property management expenses and investment management costs.

Cost of generating funds – re Other Trading Income

The cost of sales related to the sale of land in the charity's subsidiary, KH8 Limited.

Charitable activities

Charitable activities consists of grants made.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and Trustee related costs. Support costs in connection with Governance matters are considered insignificant and have not been separately analysed.

Property related professional fees

All professional fees are charged to income and expenditure in the year in which they are incurred unless they specifically relate to the purchase and sale of properties and are treated as capital, or are in the subsidiary and relate to the development land, in which case they are added to the value of Stock.

Fixed asset investments

Properties are stated at professional valuation at the year end. COIF investments are stated at market value provided by the fund manager of the COIF Charity Funds. Listed investments are stated at market value provided by Quilter Cheviot, stockbrokers.

The Statement of Financial Activities includes the net gain/loss on revaluation.

Investment in Subsidiary

The investment in the Trust's subsidiary, KH8 Limited, is 100% owned. The Trust's £1 investment in the subsidiary's share capital is shown as a fixed asset investment. The share is jointly held in trust by Mr S Jobburn, Mr S Copley and Mr J Edwards as nominees for the Trustees.

Stock

Stock is the cost of land held for sale, including SDLT, plus development costs and professional fees incurred specifically related to protecting or enhancing the value of the land and to bring the land to market, after adjusting for cost of sale, which is the proportion of expected total costs to attribute to the expected total income recorded in Income.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Total Returns

The accumulated total return (i.e. all net income and any capital gains/losses) less any part previously set aside for distribution to beneficiaries is treated as the "unapplied total return". Each year the total return in the year is added to the "unapplied total return" and the amount then applied (i.e. distributed) is deducted.

When implementing the total returns approach it was not possible to accurately identify the split of the Permanent Endowment Fund between the "original gift" that cannot be distributed to beneficiaries and the "unapplied total return" which can. It was therefore agreed to use the value of the Permanent Endowment Fund (previously the Capital Fund) at the date of the 1978 Scheme as the "original gift". This was £338,281.

At 1st January 2012 the Permanent Endowment Fund was split into the "original gift" of £338,281 and the "unapplied total return" of £23,182,056.

Income Application

Under Total Returns, it is the Trustees' responsibility to determine what amount should be transferred from the "unapplied total return" for distribution to beneficiaries, on a basis that is equitable for both current and future beneficiaries.

The broad principle adopted by Trustees is to adopt a level of distribution that is consistently achievable over the economic cycle and which also allows for the permanent endowment to grow in line with inflation. This Long Term Sustainable Distribution rate is set in the Investment Policy and from 1st January 2016 was set at 3.35% (2015 and previously: 4%). The actual Appropriation in the year is calculated as:

- 50% of the previous year's Appropriation increased in line with inflation (using CPI), plus
- 50% of the closing asset values for the prior year multiplied by the "Long Term Sustainable Distribution Rate".

Funds accounting

Funds held by the charity are:

a. Permanent Endowment Fund – this fund represents the original endowment adjusted by subsequent gains and losses on investments, and since 1st January 2012 the net income less the income applied. In note 16 this is subdivided into the "original gift" and "unapplied total return" as required by accounting for Total Returns.

b. Beneficiaries Income Fund – this fund is the funds attributable to the beneficiaries. The opening balance is the funds applied to beneficiaries but not distributed by the year end. The additions during the year are the income applied from the Permanent Endowment and interest income earned on funds not distributed. The basis of the allocation of the distribution is in the note on Objectives on page 4.

Tax

KH8 Limited, the subsidiary, intends to distribute all profits under gift aid therefore no corporation tax is payable.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results in the future could differ from these estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimations are necessarily applied are in relation to:

a. Recognition of the profit on the sale of land in KH8 Limited and the valuation of stock at the reporting date

   To determine the profit the Trustees have had to estimate the total eventual sales revenue from, and any future development costs for, the land. The overall profit has then been prorated based on existing sales as a proportion of total forecast sales. This then derives the cost of sale and the closing stock. Now that all land has been sold the only variable is the eventual final cost, which should be known by the end of 2023.

b. Valuation of investment properties

   The Group carries its investment properties at fair value and engages independent valuers to determine fair value on an open market value on an existing use basis. The calculated fair value of the investment property therefore uses assumptions, of which the most sensitive relate to market conditions.

2 DIVIDENDS

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
COIF Property Fund	**116,511**	76,028	**116,511**	76,028
Savills Charities Property Fund	**97,327**	55,278	**97,327**	55,278
Royal London Asset Management – cash funds	**54,168**	14,058	**54,168**	14,058
Listed investments	**386,209**	406,405	**386,209**	406,405
	654,215	551,769	**654,215**	551,769

3 INTEREST

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Banks	**14,303**	14	**803**	14
Stockbroker	**4,890**	-	**4,890**	-
Interest on Loan to Subsidiary	**-**	-	**66,693**	83,304
	19,193	14	**72,386**	83,318

4 COST OF RAISING FUNDS – Re INVESTMENTS

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Property management expenses	**55,498**	45,834	**55,498**	45,834
Investment management expenses	**149,157**	151,899	**149,157**	151,899
	204,655	197,733	**204,655**	197,733

Investment management expenses includes stockbroker fees and fees for strategic advice. There are no capital transaction charges netted off against purchases or sales.

5 COST OF RAISING FUNDS – Re OTHER TRADING

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Cost from Sale re land sales	**157,631**	2,024	**-**	-
	157,631	2,024	-	-

6 SUPPORT COSTS

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Administration fees	**88,834**	82,121	**86,315**	74,122
Sundry expenses	**11,151**	10,181	**10,814**	10,073
	99,985	92,302	**97,129**	84,195

7 GOVERNANCE COSTS

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Auditors' remuneration – for audit	**20,900**	19,020	**13,500**	11,970
Auditors' remuneration – for taxation compliance	**2,115**	1,800	**-**	-
Trustees' indemnity insurance	**960**	939	**960**	939
Trustees' meeting costs	**1,454**	551	**1,454**	551
	25,429	22,310	**15,914**	13,460

8 TRUSTEES

None of the Trustees received any remuneration during either the current or previous year. No expenses were reimbursed to Trustees during the year (2021: Nil).

9 TRANSFERS BETWEEN FUNDS

The Beneficiaries Income Fund transfer of £2,054,190 (2021: £1,535,180) is the Appropriation from the "unapplied total return" element of the Permanent Endowment Fund for the year as calculated by the Yale Spending Rule.

10 INVESTMENTS – GROUP

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM £	Cash £	Total 2022 £	Total 2021 £
Market value at 1st January 2022	**7,255,820**	**24,848,521**	**2,657,397**	**33,355,861**	**5,687,814**	**531,976**	**74,337,389**	56,944,429
Acquisitions at cost	**-**	**-**	**-**	**4,320,897**	**-**	**-**	**4,320,897**	14,887,501
Sales proceeds from disposals	**-**	**(300,000)**	**-**	**(4,585,907)**	**(760,000)**	**-**	**(5,645,907)**	(5,354,680)
(Decrease)/increase in cash	**-**	**-**	**-**	**-**	**-**	**204,787**	**204,787**	(928,100)
Realised (losses)/gains in the year	**-**	**(29,266)**	**-**	**(505,455)**	**1,818**	**-**	**(532,903)**	265,954
Unrealised (losses)/ gains in the year	**191,400**	**(2,252,265)**	**(209,192)**	**(2,787,796)**	**(39,282)**	**2,382**	**(5,094,753)**	8,522,285
Market value at 31st December 2022	**7,447,220**	**22,266,990**	**2,448,205**	**29,797,600**	**4,890,350**	**739,145**	**67,589,510**	74,337,389
Historical Cost				**27,136,707**				

The historical cost of properties and COIF investments are not known.

Properties were valued by J Leedham (MRICS) at Cushman & Wakefield and A Goldie MRICS of Margetts at 31st December 2022 in accordance with the RICS Appraisal and Valuation Manual (The Red Book). The previous revaluation was carried out at 31st December 2021. There are no properties that exceed 5% of the total investment value.

COIF, Savills and Royal London Asset Management investments are stated at market value at 31st December 2022 as provided by the fund managers.

Listed investments are stated at market value at 31st December 2022 as provided by Quilter Cheviot, stockbroker. £8,157,580 is invested in investments in the UK and £21,640,020 in investments overseas.

10 INVESTMENTS - CHARITY

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM investments £	Investment in Subsidiary £	Cash £	Total 2022 £	Total 2021 £
Market value at 1st January 2022	**7,255,820**	**24,848,521**	**2,657,397**	**33,355,861**	**5,687,814**	**1**	**531,976**	**74,337,390**	56,944,430
Acquisitions at cost	-	-	-	**4,320,897**	-	-	-	**4,320,897**	14,887,501
Sales proceeds from disposals	-	**(300,000)**	-	**(4,585,907)**	**(760,000)**	-	-	**(5,645,907)**	(5,354,680)
(Decrease)/Increase in cash	-	-	-	-	-	-	**204,787**	**204,787**	(928,100)
Realised (losses)/gains in the year	-	**(29,266)**	-	**(505,455)**	**1,818**	-	-	**(532,903)**	265,954
Unrealised (losses)/ gains in the year	**191,400**	**(2,252,265)**	**(209,192)**	**(2,787,796)**	**(39,282)**	-	**2,382**	**(5,094,753)**	8,522,285
Market value at 31st December 2022	**7,447,220**	**22,266,990**	**2,448,205**	**29,797,600**	**4,890,350**	**1**	**739,145**	**67,589,511**	74,337,390
Historical Cost				**27,136,707**					

The investment in the subsidiary is in KH8 Limited. Further details, and its Profit & Loss Account and Balance Sheet are in note 21.

11 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade Debtors	**115,076**	79,156	**115,076**	79,156
Accrued Income	**75,592**	73,475	**54,771**	52,654
Prepayments	**-**	4,607	**-**	4,607
VAT	**3,287**	662,708	**-**	-
Loan to Subsidiary	**-**	-	**1,590,375**	1,583,073
	193,955	819,946	**1,760,222**	1,719,490

The loan from the Charity to the Subsidiary is repayable once the land held by KH8 Limited is sold. Interest is charged at 3% above the Bank of England Base Rate.

12 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade Creditors	**330,296**	801,045	**8,914**	565
VAT	**14,748**	17,880	**14,748**	17,880
Amounts owed to other charities	**983,872**	1,216,272	**-**	-
Grants to beneficiaries	**163,624**	117,911	**163,624**	117,911
Accruals	**157,161**	300,995	**129,286**	117,928
Other Creditors	**374,811**	498,123	**-**	-
	2,024,512	2,952,226	**316,572**	254,284

Other Creditors is forecast future costs included in the Stock calculation in respect of the land development in KH8 Limited.

13 FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£	£	**£**	£
Financial assets measured at fair value through the Statement of Financial Activities				
Investments	**59,403,145**	66,549,593	**59,403,145**	66,549,593
Loan	**-**	-	**1,590,375**	1,583,073
Debtors	**193,955**	819,946	**169,847**	136,417
Cash	**4,632,021**	4,997,284	**1,347,280**	1,166,069
	64,229,121	72,366,823	**62,510,647**	69,435,152
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors	**1,328,916**	2,035,197	**23,661**	18,445
	1,328,916	2,035,197	**23,661**	18,445

14 PERMANENT ENDOWMENT FUND (Restricted Funds)

	GROUP				CHARITY			
	Original gift £	**Unapplied total return £**	**Total 2022 £**	Total 2021 £	**Original gift £**	**Unapplied total return £**	**Total 2022 £**	Total 2021 £
Balance at 1st January	**338,281**	**76,048,194**	**76,386,475**	68,533,415	**338,281**	**75,814,466**	**76,152,747**	66,145,308
Net incoming/(outgoing) resources before transfers	-	**574,137**	**574,137**	600,001	-	**797,332**	**797,332**	2,754,380
Gains/(loss) on investments	-	**(5,627,656)**	**(5,627,656)**	8,788,239	-	**(5,627,656)**	**(5,627,656)**	8,788,239
Total Return in Year	-	**(5,053,519)**	**(5,053,519)**	9,388,240	-	**(4,830,324)**	**(4,830,324)**	11,542,619
Applied income for the year	-	**(2,054,190)**	**(2,054,190)**	(1,535,180)	-	**(2,054,190)**	**(2,054,190)**	(1,535,180)
Net Movement in Year	-	**(7,107,709)**	**(7,107,709)**	7,853,060	-	**(6,884,514)**	**(6,884,514)**	10,007,439
Balance at 31st December	**338,281**	**68,940,485**	**69,278,766**	76,386,475	**338,281**	**68,929,952**	**69,268,233**	76,152,747

15 BENEFICIARIES INCOME FUND – GROUP & CHARITY (Restricted Funds)

	Balance at 1st January 2022 £	Appropriation for year £	Interest received £	Approved for payment in year £	Balance at 31st December 2022 £
Warwick Anglican Churches					
Housing allowances:					
- Parish of St Michael	-	8,365		(8,365)	-
- Parish of St Paul	-	8,365		(8,365)	-
- Parish of All Saints	-	8,365		(8,365)	-
- Parish of St Nicholas	-	8,365		(8,365)	-
Stipends:					
- Vicar of St Michael	-	38,766		(38,766)	-
- Vicar of St Paul	-	38,909		(38,909)	-
- Vicar of All Saints	-	38,989		(38,989)	-
- Vicar of St Mary	-	38,931		(38,931)	-
- Vicar of St Nicholas	-	39,167		(39,167)	-
The Coventry Diocesan Board of Finance Limited	-	228,222		(228,222)	-
PCC of St Michael	-	46,958		(46,958)	-
PCC of St Paul	-	46,958		(46,958)	-
PCC of All Saints	-	46,958		(46,958)	-
PCC of St Mary	-	158,047		(158,047)	-
PCC of St Nicholas	-	46,958		(46,958)	-
Project Pool	30,989	452,994		(300,710)	183,273
Warwick Anglican Churches - Total	30,989	1,027,095		(874,811)	183,273
Warwick Independent Schools Foundation	-	616,257		(616,257)	-
Warwick Town	252,953	410,838	597	(474,598)	189,790
	283,942	2,054,190	597	(1,965,666)	373,063

Stipends paid above include: Pension contributions £46,712 (2021: £50,165) and National Insurance & Apprenticeship Levy £11,026 (2021: £11,088).

At 31st December 2022 grants totalling £163,624 (2021: £117,911) have been approved but remain unpaid. These have been provided for in creditors.

16 TOWN GRANTS AWARDED – GROUP & CHARITY

	Total £
Institutions and Societies (>£1,000)	
All Saints C of E Junior School & Emscote Infant School	13,000
Armonico Consort	2,785
Aylesford Primary School	7,000
Aylesford Secondary School	8,300
Books Beyond Words	3,000
Budbrooke Primary School	2,000
Chase Meadow Community Centre	25,000
Citizens Advice – South Warwickshire	21,775
Coten End Pre-School	2,242
Coten End Primary School	8,000
Cruse Bereavement Care	2,520
Evergreen School	8,000
Friendship Project for Children	3,900
Guy's Cliffe Walled Garden	4,000
Guy's Gift	1,890
Heathcote Primary School	6,000
Insight Counselling	4,800
Junior Angling Club (Kingfisher Pools)	11,344
Lord Leycester Hospital	30,000
Myton School	12,400
Newburgh Primary School	2,000
New Life Church	8,683
Parenting Project	7,500
Relate – Coventry & Warwickshire	2,000
Safeline	7,500
South Warwickshire NHS Foundation Trust	45,000
Spa Theatre Juniors	2,500
Springfield Mind	20,000
St Mary Immaculate Church	1,500
St Mary Immaculate Catholic Primary School	2,202
St Mary's Primary School	2,000
St Mary's PCC	114,250
The Gap	5,218
Warwick Boat Club	1,400
Warwick District Council	50,000
Warwick & Kenilworth Choral Society	1,000
2nd Warwick Sea Scouts	2,635
Warwick Sports Club (Tennis)	6,819
Warwick Town Council	1,710
Warwick Young Carers	7,500
Westgate Primary School	2,000
Woodloes Primary School	3,000
2 Other Grants of less than £1000 each	225
	474,598

There were £117,911 grants awarded but not paid at 31st December 2021. Of these, in 2022 £93,190 were paid, grants were reduced by £10,275 and £14,446 remained outstanding at 31st December 2022.

Total Grants awarded and paid in 2022 were £335,695 and total grants awarded in 2022 but outstanding at 31st December 2022 were £149,178

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Note	GROUP Fixed asset investments £	GROUP Net Current assets £	GROUP Total 2022 £	GROUP Total 2021 £	CHARITY Fixed asset investments £	CHARITY Net Current assets £	CHARITY Total 2022 £	CHARITY Total 2021 £
Permanent Endowment Fund	14	**67,589,510**	**1,689,256**	**69,278,766**	76,386,475	**67,589,511**	**1,678,722**	**69,268,233**	76,152,747
Beneficiaries Income Fund	15	**-**	**373,063**	**373,063**	283,942	**-**	**373,063**	**373,063**	283,942
		67,589,510	**2,062,319**	**69,651,829**	76,670,417	**67,589,511**	**2,051,785**	**69,641,296**	76,436,689

18 TAXATION

No liability to income or capital gains tax arises as the Trust's activities are charitable. The subsidiary's taxable profit is nil.

19 RELATED PARTY TRANSACTIONS

The Trust has taken advantage of the exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

During the year two trustees, Mr Jobburn and Mrs Ashe, were also Governors of Warwick Independent Schools Foundation. One as the Foundation's nomination as a Nominative Trustee and one as the Trust's Nominative Governor to the Foundation. The Foundation receives 30% of the Trust's income each year as required under the Trust Scheme as directed by the Charity Commission.

Rev. Brown is Vicar of St. Michael's, Budbrooke, which receives a proportion of the Church Share as required by the Trust Scheme. He receives no personal benefit and his appointment as a trustee has been approved by the Charity Commission.

21 INVESTMENT IN SUBSIDIARY

The Trust is the beneficial owner of KH8 Limited, which was set up to hold, develop and sell land at Europa Way. It is incorporated in England (company number 8485559).

	2022 £	2021 £
Income	-	-
Cost of Sales	**(157,631)**	(2,024)
Administrative expenses	**(12,371)**	(16,957)
OPERATING LOSS	**(170,002)**	(18,981)
Interest Receivable	**13,500**	-
Sundry Income	-	-
Interest Payable	**(66,693)**	(83,304)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	**(223,195)**	(102,285)
Tax on profit on ordinary activities	-	-
LOSS FOR THE FINANCIAL YEAR	**(223,195)**	(102,285)

	2022 £	2021 £
CURRENT ASSETS		
Cash	**3,284,741**	3,831,216
Debtors	**24,108**	683,529
	3,308,849	4,514,745
CREDITORS: Amounts falling due within one year	**(3,298,314)**	(4,281,015)
NET CURRENT ASSETS	**10,535**	233,730
NET ASSETS	**10,535**	233,730
CAPITAL AND RESERVES		
Called up share capital	**1**	1
Profit and loss account	**10,534**	233,729
SHAREHOLDERS' SURPLUS	**10,535**	233,730

THE KING HENRY VIII ENDOWED TRUST, WARWICK

England & Wales - Charity number 232862

Accounts



THE KING HENRY VIII ENDOWED TRUST, WARWICK

Trustees' Report and Consolidated Financial Statements

Year ended 31st December 2021

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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THE KING HENRY VIII ENDOWED TRUST, WARWICK

TRUSTEES AND ADVISERS

TRUSTEES

Nominated Trustees:	**Nominated by:**
Rev David Brown	Bishop of Coventry
Mr Stephen Copley	Archdeacon of Warwick
Cllr Stephen Cross	Warwick Town Council
Mrs Marie-Bernadette Ashe	Warwick Independent Schools Foundation

Co-opted Trustees:

Mrs Vivienne Bosworth	(appointed on 1st April 2022)
Mr John Edwards	
Mr Ian Furlong	
Mrs Susan Grinnell	
Mr Stephen Jobburn	
Miss Kathryn Parr	
Mr Michael Peachey	(Chairman)
Mr Neil Thurley	(retired on 27th November 2021)

CLERK AND RECEIVER

Mr Jonathan Wassall – 12 High Street, Warwick, CV34 4AP

AUDITOR

Mazars LLP – First Floor, Two Chamberlain Square, Birmingham, B3 3AX

INVESTMENT MANAGERS/ADVISORS

CCLA Investment Management Ltd – 85 Queen Victoria Street, London, EC4V 4ET
Quilter Cheviot Ltd – 1st Floor, 7 Dominus Way, Leicester, LE1 6TU
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD
Asset Risk Consultants Ltd – 7 New Street, St Peter Port, Guernsey, GY1 2PF

SOLICITORS

Lodders LLP – 10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Gowling WLG (UK) LLP – Two Snowhill, Birmingham, B4 4WR
Eversheds LLP – 115 Colmore Row, Birmingham, B3 3AL

BANKERS

HSBC Bank Plc – 126 The Parade, Leamington Spa, CV32 4AJ

PROPERTY MANAGING AGENTS

Cushman & Wakefield – 1 Colmore Square, Birmingham, B4 6AJ

AGRICULTURAL AGENTS

Margetts – 12 High Street, Warwick, CV34 4AP

LAND DEVELOPMENT & PLANNING

Catesby Estates plc – The Visitor Centre, Dollman Road, Dollman Farm, Houlton, Rugby, CV23 1AG
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD

PRINCIPAL OFFICE - 12 High Street, Warwick, CV34 4AP

CHARITY REGISTRATION NUMBER 232862

TRUSTEES' REPORT

Report of the Trustees for year ending 31st December 2021

The Trustees present their Annual Report and Financial Statements of the charity for the year ended 31st December 2021 and confirm that the Financial Statements comply with current statutory requirements, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland published in October 2019 and the Trust's governing instruments.

The Annual Report and Financial Statements are prepared on a consolidated basis: including the charity and its wholly owned subsidiary KH8 Limited, which has had an accounting reference of 31st May from 31st May 2018 onwards. The financial information within this report relates to the consolidated group numbers and includes KH8 Limited results for the 12 months ended 31st December.

Reference and administrative details

The King Henry VIII Endowed Trust, Warwick's principal office, its list of Trustees and all its key advisors are set out on page 2 to these Financial Statements.

The Trust's £1 investment in the share capital of its subsidiary KH8 Limited is jointly held in trust by Mr S Jobburn, Mr S Copley and Mr J Edwards as nominees for the Trustees.

Structure, Governance and Management

The Trust was established by Letters Patent on the 15th May 1545. The Trust's current governing documents are based on a Scheme approved by the Charity Commissioners on the 23rd November 1978. This has been amended by further Charity Commission Schemes and Orders.

In accordance with the governing documents, the Trust is managed by up to twelve Trustees: eight Co-optative and four Nominative. The Nominative Trustees are appointed respectively by the Bishop of Coventry, the Archdeacon of Warwick, Warwick Independent Schools Foundation and Warwick Town Council.

The Co-optative Trustees are recruited through a combination of advertising and directly approaching potential candidates. In appointing Co-optative Trustees, the Trustees take into account the skills and experience of the potential new Trustee in relation to the function and purpose of the Trust.

The Chairman of the Trustees is responsible for the induction of any new Trustee. This involves awareness of a Trustee's responsibilities, the history and purpose of the Trust, the governing documents, administrative procedures and organisational processes. Trustees are encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

In 2021 the Trustees held four full Trustees Meetings, four Grants Committee Meetings and four Finance & Investment Committee Meetings. Trustees also attended four meetings of the Europa Way Consortium, which is a joint venture with The Charity of Thomas Oken and Nicholas Eyffler and a private trust which is developing land owned by its members adjacent to Europa Way Warwick. The Trust's involvement is through its subsidiary KH8 Limited, which holds the land to be developed. The directors of KH8 Limited are all Trustees of the charity. KH8 Limited exists to maximise the return on the land held and to donate the net profits back to the charity.

At full Trustee Meetings the Trustees debate and agree the broad strategy and activities of the Trust including grant making, investments and risk management. The approval of individual grants up to £15,000 is undertaken by the Grants Committee, which also monitors the extent of grant making during the year. The Finance & Investment Committee monitors the performance of the Trust's property, COIF and financial investment portfolio together with the financial performance of the Trust. The activities and performance of these sub committees are reviewed at full Trustee Meetings. The Trust's involvement in the Europa Way Consortium, chaired by a Trustee, has been an ongoing activity during the year and the progress of the Europa Way Consortium and the implications for the Trust are reported at each full Trustee Meeting.

The Trust has chosen to have no employees to avoid the risks of employment. Its Clerk & Receiver, Deputy Clerk and Accountant are all self-employed or operate through a service company. The Trustees receive no remuneration or benefits.

TRUSTEES' REPORT

Objectives

The objective of the Trust is to provide income for Warwick's Anglican Churches, the Warwick Independent Schools Foundation (WISF) and grants for the benefit of the inhabitants of the Old Borough of Warwick, achieved through the distribution of funds arising from the investment of the Trust's Permanent Endowment. The Trust's governing documents require that funds be distributed on the basis of 50% to Warwick's Anglican Churches (Church Share), 30% to WISF (School Share) and 20% distributed as discretionary grants for the benefit of the inhabitants of Warwick (Town Share). Funds distributed to the five Anglican churches are used to pay the stipend and housing costs of the clergy with residual funds being used for the furtherance of religious and charitable activities in each of the parishes. Funds provided to WISF are used primarily to provide bursaries for pupils from the Old Borough of Warwick who would otherwise be unable to attend the school, with the remainder used on supporting activities for Warwick schools and other community activites. Grants under the Town Share regularly include support to local schools, hospitals, Myton Hospice, care and counselling organisations, non-Church of England churches, youth organisations, senior citizens, sporting organisations, museums and arts organisations, charitable support networks and support to individuals either directly or via other grant making charities.

Achievements in the year

During 2021 the Trust distributed a total of £1,517,657 to beneficiaries with £843,570 being distributed to the five Anglican churches in the town, £460,554 to the Warwick Independent Schools Foundation and £213,533 in discretionary grants to beneficiaries in the town of Warwick.

During the year the Church distributions funded the stipends and housing costs of the clergy for each to the five parishes. Funds provided to the Parochial Church Councils have been used for a range of activities including the maintenance and repair of church buildings and community buildings adjacent to churches, community activities within parishes including support for young people, the elderly and the disabled. Under the 'Project Pool' parishes bid for funds, with projects being assessed on the extent of their community benefit. The total allocated to the 'Project Pool' in the year was £213,176 (2020: £86,132).

The majority of distributions to the Warwick Independent Schools Foundation during 2021 have been used to provide bursaries for children who are resident in Warwick. The Foundation provides these bursaries on a means-tested basis. The Foundation has now started to use some of the funds to support other Warwick schools (such as exam revision and summer activities) and other community based initiatives (such as Warwick as a Singing Town).

Grants from the Town Share were made to 38 different organisations. Local state schools continue to be significant beneficiaries. Other major grants were to Myton Hospice, Citizens Advice, Lord Leycester Hospital, Springfield Mind and The Gap. Smaller grants have supported a range of activities including Warwick Town Council, Warwick Sport Clubs, Fusiliers Museum, Friends of Warwick Station and various counselling charities. 50% of all grants awarded benefitted local schools or young people.

The Trust's involvement in the Europa Way Consortium, though its subsidiary, has been an ongoing activity during the year. The Consortium continued to work with Catesby Estates plc during the year to complete the outstanding infrastructure requirement. Most of this was completed by the year end, although some limited activities will continue to the end of 2022 or early 2023. The Trust's share of costs for the year was £1,487,715, which was for site infrastructure and highways upgrades.

Financial Review of the year

During the year, total income from the Permanent Endowment amounted to £914,370 (2020: £18,088,889) with rents, licences and wayleaves from the Trust's property portfolio totalling £362,590 (2020: £345,772) and dividends and interest income from financial investments totalling £551,780 (2020: £549,479).

The cost of raising funds for Other Trading Activities was £2,024 (2020: £9,164,332). The cost of achieving the Trust's other income relating to property management expenses and investment management expenses totalled £197,733 (2020: £154,699). Other costs relate to support activities of £92,302 and governance costs of £22,310.

The Trust's investments increased in value by £8,788,239 (2020: £1,912,941), in addition to £8.7 million invested during the year.

Total Net Income (including investment gains) of £9,388,240 (2020: £10,574,730) is the total return on the Trust's Permanent Endowment, a return of 13.7% (2020: 17.9%) for the year.

The funds made available for distribution to beneficiaries in 2021 is determined by the application of the long-term distribution rate within the Trust's Investment Policy, set at 3.35% since 2016. Overall, the proportion of the Permanent Endowment made available in 2021 was £1,535,180 (2020: £1,155,208).

In addition to income from the Permanent Endowment there was interest income of £3 (2020: £363) from the Town Share reserves in the Beneficiaries Income Fund.

In April 2020, investments held in the CCLA General Investment COIF were switched from Income Units to Accumulation Units and all investments in ETFS held by Quilter Cheviot are Accumulation Units. At 31st December 2021, these investments accounted for 48% of total investments. Income is simply reinvested rather than paid out as a dividend, which means that the income from these units is reflected in Net Gains on Investments rather than in Investment Income.

Reserves

The Trustees do not, as a matter of policy, retain significant reserves. The Trust does however ensure that sufficient cash resources are available to meet the distribution to beneficiaries.

The distributions to the Churches and WISF are made in full during the year with regular quarterly payments. Payment to the Project Pool is made as required for specific projects. At the year end the balance was £30,989 (2020: £106,969).

The Town Share, which is available for grant making, typically has a reserve of about nine to twelve months' distribution. This allows scope for flexibility within grant making. At the year end the balance was £252,953 (2020: £159,447).

Investments and Investment Policy

The Trust's Investment Policy aims to produce stable, sustainable income to beneficiaries that preserves their long-term purchasing power whilst also preserving the real value of the endowment over the long term. This is achieved in part by the adoption of Total Returns accounting from 1st January 2012. This was permitted by a Charity Commission Order dated 22nd September 2011. Further details on Total Returns and the calculation of the income to be applied each year are set out in Note 1 to the Financial Statements.

The Investment Policy also includes the basis for the amounts to be made available for distribution for beneficiaries. The distribution is based on the Yale Spending Rule. The methodology developed by Yale University and adopted by a number of Endowment Funds incorporates a number of key elements: the carrying forward of a proportion of the prior year's distribution, the use of CPI as an appropriate inflation factor and the Long Term Sustainable Distribution Rate (LTSDR) applied to the value of investments. The Investment Policy requires that these elements are kept under regular review. From 2016 the LTSDR has remained at 3.35%. In order to meet the 3.35% LTSDR and to cover net operating expenses (c. 0.22% of the endowment) the Trustees have set an investment target of 4.5% total return, after adjusting for inflation.

As part of the regular review of the Investment Policy and the parameters used in the Yale Spending Rule methodology to calculate the Appropriation each year the Trustees have currently agreed that the weighting between prior year Appropriation/asset value would be 50:50 from 1st January 2020. (See Note 1 – 'Total Return' and 'Income Application' – for further details.)

The Trust's asset allocation seeks to diversify risk whilst achieving optimum returns over the long term. Overall asset allocation is based on a strategic overview undertaken with Asset Risk Consultants. Within that framework, financial investments are managed though CCLA's COIF Investment Fund or are managed by Quilter Cheviot, partly on a discretionary basis and partly on an execution-only basis for ETF trackers. Whilst the ETF trackers are equity based, the other investments are allocated over a range of financial instruments, including equities, bonds and commodities. Property is split between direct holdings and 2 property funds managed by Savills and CCLA. Cash funds are with Royal London Asset Management. The Trust's investments are constantly reviewed and changes made when appropriate and on professional advice.

The Trust seeks to manage investments having regard for social, environmental and ethical standards. It recognises that the financial assets are subject to the investment managers' own policies in relation to social, environmental, ethical and governance standards and behaviour. The Trust also invests in land and property, where it ensures that it meets all legislation and that the value of the assets is not undermined by ignoring these issues.

Land for development

The land at Europa Way is held by KH8 Limited, the Trust's wholly owned subsidiary, which was set up to develop and then sell the land. The final parcel of land for residential development was sold in 2020. The only land retained is to be transferred to local authorities free of charge to meet planning obligations for public highways.

The Trustees continue to engage professional advisors to help promote its land holdings.

Risk Management

The Trustees maintain a register of the major strategic, business and operational risks that the Trust faces, which is reviewed on a regular basis. Risks are minimised through the clear delegation of responsibility for the mitigation of each area of risk and regular reporting of action taken at full Trustee Meetings and Sub Committee Meetings.

Trustees consider that the major long term financial risk is the potential for reduced returns on investments negatively impacting the value of the permanent endowment to the detriment of current and future beneficiaries. In particular the impact of inflation reducing real returns and lower investment values in the medium term are concerns for the Trust. Recognising these issues, the Trust has adopted the use of a total returns approach in order to stabilise distributions to beneficiaries and maintains close contacts with its investment managers, investment advisor and property managing agents with respect to the future outlook for investments.

Covid 19 had negligible impact during the year and is not expected to have a material impact in 2022.

The major operational risk relates to the limited resources utilised by the Trust and the dependence upon key individuals to undertake the Trust's activities. The Trust relies upon the Clerk and Deputy Clerk to undertake day to day activities and encourages Trustees to take interest in particular aspects of the Trust's activities in order to provide the necessary cover should this be necessary.

Post Balance Sheet Events

The Russian invasion of Ukraine is also not expected to have significant impact.

Plans for Future Periods

As a permanently endowed charity where the majority of distribution to beneficiaries is clearly defined within the governing documents the primary focus on future plans is the management of the Trust's investments.

Public Benefit

The Trustees give regard to the Charity Commission guidance on public benefit and consider that in so far as the objectives of the Trust are to provide for religious, educational and other charitable activities within the town of Warwick. The Trustees consider that these objectives are met through the distribution of funds in accordance with the Trust's governing documents, which fulfil the public benefit requirement.

Statement as to disclosure of information to auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Trustees on 27th June 2022 and signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee S. G. Copley

Clerk and Receiver Jonathan Wacstaff

12 High Street
Warwick
CV34 4AP

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". and applicable law. The Financial Statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those Financial Statements, the Trustees are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Charities SORP;

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable accounting standards have been followed and give details of any departures; and

e. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the Financial Statements comply with the requirements of the Charities Act 2011. 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.

Opinion

We have audited the consolidated financial statements of King Henry VIII Endowed Trust, Warwick (the "parent charity") and its subsidiaries (the "group") for the year ended 31st December 2021 which comprise the Consolidated Statements of Financial Activities, Charity Statements of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st December 2021 and of the group's and the parent charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 annual, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 7, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 the Act and relevant regulations made or having effect thereunder.

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 the 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. Based on our understanding of the Group and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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' trustees as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



David Hoose
Mazars LLP Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 13 July 2022

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2021

INCOME & ENDOWMENTS FROM:	Note	Beneficiaries income fund	Permanent endowment fund	Total 2021	Beneficiaries income fund	Permanent endowment fund	Total 2020
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	**362,590**	**362,590**	-	345,772	345,772
- Dividends	2	-	**551,769**	**551,769**	-	514,907	514,907
- Interest	3	**3**	**11**	**14**	363	34,572	34,935
- Sundry income		-	-	-	-	913,514	913,514
Other Trading Activities	4	-	-	-	-	16,280,124	16,280,124
Total income		**3**	**914,370**	**914,373**	363	18,088,889	18,089,252
EXPENDITURE ON:							
Raising funds – Investments	5	-	**(197,733)**	**(197,733)**	-	(154,699)	(154,699)
Raising funds – Other Trading	6	-	**(2,024)**	**(2,024)**	-	(9,164,332)	(9,164,332)
Charitable activities (payments to beneficiaries)	16	**(1,517,657)**	-	**(1,517,657)**	(1,454,931)	-	(1,454,931)
Support costs	7	-	**(92,302)**	**(92,302)**	-	(85,755)	(85,755)
Governance costs	8	-	**(22,310)**	**(22,310)**	-	(22,314)	(22,314)
Total expenditure		**(1,517,657)**	**(314,369)**	**(1,832,026)**	(1,454,931)	(9,427,100)	(10,882,031)
		(1,517,654)	**600,001**	**(917,653)**	(1,454,568)	8,661,789	7,207,221
Net gains on investments	11	-	**8,788,239**	**8,788,239**	-	1,912,941	1,912,941
NET INCOME/(EXPENDITURE)		**(1,517,654)**	**9,388,240**	**7,870,586**	(1,454,568)	10,574,730	9,120,162
Transfers between funds	10	**1,535,180**	**(1,535,180)**	-	1,155,208	(1,155,208)	-
NET MOVEMENT IN FUNDS		**17,526**	**7,853,060**	**7,870,586**	(299,360)	9,419,522	9,120,162
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2021		**266,416**	**68,533,415**	**68,799,831**	565,776	59,113,893	59,679,669
Fund balances carried forward at 31st December 2021		**283,942**	**76,386,475**	**76,670,417**	266,416	68,533,415	68,799,831

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2021

	Notes	GROUP 2021 £	GROUP 2020 £	CHARITY 2021 £	CHARITY 2020 £
FIXED ASSETS					
Investments	11	**74,337,389**	56,944,429	**74,337,390**	56,944,430
CURRENT ASSETS					
Debtors: due within one year	12	**819,946**	8,919,414	**1,719,490**	6,798,945
Cash at bank and in hand		**4,465,308**	9,300,147	**634,093**	2,951,932
		5,285,254	18,219,561	**2,353,583**	9,750,877
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	**(2,952,226)**	(6,364,159)	**(254,284)**	(283,583)
NET CURRENT ASSETS		**2,333,028**	11,855,402	**2,099,299**	9,467,294
NET ASSETS		**76,670,417**	68,799,831	**76,436,689**	66,411,724
RESTRICTED FUNDS					
Permanent Endowment Funds	15	**76,386,475**	68,533,415	**76,152,747**	66,145,308
Beneficiaries Income Fund	16	**283,942**	266,416	**283,942**	266,416
		76,670,417	68,799,831	**76,436,689**	66,411,724

The financial statements on pages 11 to 28 were approved and authorised for issue by the Trustees on 27th June 2022 and were signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver Jonathan Warnett

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2021

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2021	Beneficiaries income fund	Permanent endowment fund	Total 2020
INCOME & ENDOWMENTS FROM:							
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	362,590	362,590	-	345,772	345,772
- Dividends	2	-	551,769	551,769	-	514,907	514,907
- Interest	3	3	83,315	83,318	363	231,326	231,689
- Gift Aid donation from KH8 Ltd		-	2,052,094	2,052,094	-	12,351,061	12,351,061
Total income		3	3,049,768	3,049,771	363	13,443,066	13,443,429
EXPENDITURE ON:							
Raising funds	5	-	(197,733)	(197,733)	-	(154,699)	(154,699)
Charitable activities (payments to beneficiaries)	16	(1,517,657)	-	(1,517,657)	(1,454,931)	-	(1,454,931)
Support costs	7	-	(84,195)	(84,195)	-	(79,305)	(79,305)
Governance costs	8	-	(13,460)	(13,460)	-	(13,574)	(13,574)
Total expenditure		(1,517,657)	(295,388)	(1,813,045)	(1,454,931)	(247,578)	(1,702,509)
		(1,517,654)	2,754,380	1,236,726	(1,454,568)	13,195,488	11,740,920
Net gains on investments	11	-	8,788,239	8,788,239	-	1,912,941	1,912,941
NET INCOME/(EXPENDITURE)		(1,517,654)	11,542,619	10,024,965	(1,454,568)	15,108,429	13,653,861
Transfers between funds	10	1,535,180	(1,535,180)	-	1,155,208	(1,155,208)	-
NET MOVEMENT IN FUNDS		17,526	10,007,439	10,024,965	(299,360)	13,953,221	13,653,861
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2021		266,416	66,145,308	66,411,724	565,776	52,192,087	52,757,863
Fund balances carried forward at 31st December 2021		283,942	76,152,747	76,436,689	266,416	66,145,308	66,411,724

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

STATEMENT OF CASH FLOWS
For the year ended 31st December 2021

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Statement of Cash Flows				
Cash from operating activities:				
Net cash provided by/(used in) operating activities	**2,855,509**	12,390,673	**3,237,111**	2,251,193
Cash from investing activities:				
Dividends, interest and rents	**914,373**	895,614	**997,677**	1,092,368
Income from Subsidiary	**-**	-	**2,052,094**	12,351,061
Proceeds from sale of investments	**6,282,780**	12,100,200	**6,282,780**	12,100,200
Purchases of investments	**(14,887,501)**	(36,501,723)	**(14,887,501)**	(36,501,723)
Net cash provided by investing activities	**(7,690,348)**	(23,505,909)	**(5,554,950)**	(10,958,094)
Cash from financing activities:				
Net cash from financing activities	**-**	-	**-**	-
Change in cash & cash equivalents in year	**(4,834,839)**	(11,115,236)	**(2,317,839)**	(8,706,901)
Cash & cash equiv. at the beginning of year	**9,300,147**	20,415,383	**2,951,932**	11,658,833
Cash and cash equivalents at the end of year	**4,465,308**	9,300,147	**634,093**	2,951,932
Reconciliation of Net Expenditure to Cash Flow from Operating Activities				
Net income/(expenditure) for the year	**7,870,586**	9,120,162	**10,024,965**	13,653,861
Adjustments:				
(Gains)/Losses on Investments	**(8,788,239)**	(1,912,941)	**(8,788,239)**	(1,912,941)
Dividends, interest and rents	**(914,373)**	(895,614)	**(997,677)**	(1,092,368)
Income from Subsidiary	**-**	-	**(2,052,094)**	(12,351,061)
Decrease/(Increase) in stocks	**-**	2,295,576	**-**	-
Decrease/(Increase) in debtors	**8,099,468**	5,103,874	**5,079,455**	6,016,383
(Decrease)/Increase in creditors	**(3,411,933)**	(1,320,384)	**(29,299)**	(2,062,681)
Net cash provided by/(used in) operations	**2,855,509**	12,390,673	**3,237,111**	2,251,193
Analysis of Cash and Cash Equivalents				
Cash in hand	**4,465,308**	9,300,147	**634,093**	2,951,932
Total cash & cash equivalents	**4,465,308**	9,300,147	**634,093**	2,951,932

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. In preparing the financial statements, the charity has followed Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the year-end valuations of commercial property and land, especially land with development potential (see the Investments and Investment Policy, Land for Development and Risk Management sections of the Trustees' Annual Report for more information).

Basis of Consolidation

The financial statements of the charity and its subsidiary, KH8 Limited, are consolidated on a line-by-line basis to produce the 'Group' numbers. KH8 Limited's accounting reference is 31st May, but the financial information within this report includes KH8 Limited results for the 12 months ended 31st December.

Group related party transactions

The company has taken advantage of the related parties exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

Incoming resources

Incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and their monetary value can be measured with sufficient reliability.

Rents receivable

Rents receivable are accounted for in the year to which they relate on an accruals basis.

Investment income

Investment income is accounted for in the year to which it relates on an accruals basis for COIF investments and on a receivable basis for listed investments. The income is gross of management fees/costs.

Other trading income

Other trading income is sale of land in the charity's subsidiary, KH8 Limited. Revenue from the sale of land is recognised when all the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest receivable

Interest receivable is accounted for in the year to which it relates on an accruals basis. It is accounted for in the year to which it relates on an accruals basis.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants to Town Share beneficiaries

Grants are made to third parties in furtherance of the charitable objectives of the Trust. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

Cost of generating funds – re Investments

The costs of generating funds consist of property management expenses and investment management costs.

Cost of generating funds – re Other Trading Income

The cost of sales related to the sale of land in the charity's subsidiary, KH8 Limited.

Charitable activities

Charitable activities consists of grants made.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and Trustee related costs. Support costs in connection with Governance matters are considered insignificant and have not been separately analysed.

Property related professional fees

All professional fees are charged to income and expenditure in the year in which they are incurred unless they specifically relate to the purchase and sale of properties and are treated as capital, or are in the subsidiary and relate to the development land, in which case they are added to the value of Stock.

Fixed asset investments

Properties are stated at professional valuation at the year end. COIF investments are stated at market value provided by the fund manager of the COIF Charity Funds. Listed investments are stated at market value provided by Quilter Cheviot, stockbrokers.

The Statement of Financial Activities includes the net gain/loss on revaluation.

Investment in Subsidiary

The investment in the Trust's subsidiary, KH8 Limited, is 100% owned. The Trust's £1 investment in the subsidiary's share capital is shown as a fixed asset investment. The share is jointly held in trust by Mr S Jobburn, Mr S Copley and Mr J Edwards as nominees for the Trustees.

Stock

Stock is the cost of land held for sale, including SDLT, plus development costs and professional fees incurred specifically related to protecting or enhancing the value of the land and to bring the land to market, after adjusting for cost of sale, which is the proportion of expected total costs to attribute to the expected total income recorded in Income.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Total Returns

The accumulated total return (i.e. all net income and any capital gains/losses) less any part previously set aside for distribution to beneficiaries is treated as the "unapplied total return". Each year the total return in the year is added to the "unapplied total return" and the amount then applied (i.e. distributed) is deducted.

When implementing the total returns approach it was not possible to accurately identify the split of the Permanent Endowment Fund between the "original gift" that cannot be distributed to beneficiaries and the "unapplied total return" which can. It was therefore agreed to use the value of the Permanent Endowment Fund (previously the Capital Fund) at the date of the 1978 Scheme as the "original gift". This was £338,281.

At 1st January 2012 the Permanent Endowment Fund was split into the "original gift" of £338,281 and the "unapplied total return" of £23,182,056.

Income Application

Under Total Returns, it is the Trustees' responsibility to determine what amount should be transferred from the "unapplied total return" for distribution to beneficiaries, on a basis that is equitable for both current and future beneficiaries.

The broad principle adopted by Trustees is to adopt a level of distribution that is consistently achievable over the economic cycle and which also allows for the permanent endowment to grow in line with inflation. This Long Term Sustainable Distribution rate is set in the Investment Policy and from 1st January 2016 was set at 3.35% (2015 and previously: 4%). The actual Appropriation in the year is calculated as:

- 50% of the previous year's Appropriation increased in line with inflation (using CPI), plus
- 50% of the closing asset values for the prior year multiplied by the "Long Term Sustainable Distribution Rate".

Funds accounting

Funds held by the charity are:

a. Permanent Endowment Fund – this fund represents the original endowment adjusted by subsequent gains and losses on investments, and since 1st January 2012 the net income less the income applied. In note 17 this is subdivided into the "original gift" and "unapplied total return" as required by accounting for Total Returns.

b. Beneficiaries Income Fund – this fund is the funds attributable to the beneficiaries. The opening balance is the funds applied to beneficiaries but not distributed by the year end. The additions during the year are the income applied from the Permanent Endowment and interest income earned on funds not distributed. The basis of the allocation of the distribution is in the note on Objectives on page 4.

Tax

KH8 Limited, the subsidiary, intends to distribute all profits under gift aid therefore no corporation tax is payable.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results in the future could differ from these estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimations are necessarily applied are in relation to the recognition of the profit on the sale of land in KH8 Limited and the valuation of stock at the reporting date.

To determine the profit the Trustees have had to estimate the total eventual sales revenue from, and any future development costs for, the land. The overall profit has then been prorated based on existing sales as a proportion of total forecast sales. This then derives the cost of sale and the closing stock. Now that all land has been sold the only variable is the eventual final cost, which should be known by 2023.

2 DIVIDENDS

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
COIF Investment Fund	**-**	87,014	**-**	87,014
COIF Property Fund	**76,028**	51,130	**76,028**	51,130
Savills Charities Property Fund	**55,278**	44,339	**55,278**	44,339
Royal London Asset Management – cash funds	**14,058**	29,791	**14,058**	29,791
Listed investments	**406,405**	302,633	**406,405**	302,633
	551,769	514,907	**551,769**	514,907

3 INTEREST

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Banks	**14**	31,010	**14**	15,433
Europa Way Consortium members	**-**	3,925	**-**	-
Interest on Loan to Subsidiary	**-**	-	**83,304**	216,256
	14	34,935	**83,318**	231,689

4 OTHER TRADING ACTIVITIES

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Land sales	-	16,280,124	-	-
	-	16,280,124	-	-

5 COST OF RAISING FUNDS – Re INVESTMENTS

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Property management expenses	**45,834**	12,853	**45,834**	12,853
Investment management expenses	**151,899**	141,846	**151,899**	141,846
	197,733	154,699	**197,733**	154,699

Investment management expenses includes stockbroker fees and fees for strategic advice. There are no capital transaction charges netted off against purchases or sales.

6 COST OF RAISING FUNDS – Re OTHER TRADING

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Cost from Sale re land sales	**2,024**	9,164,332	**-**	-
	2,024	9,164,332	**-**	-

7 SUPPORT COSTS

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Administration fees	**82,121**	75,300	**74,122**	68,997
Sundry expenses	**10,181**	10,455	**10,073**	10,308
	92,302	85,755	**84,195**	79,305

8 GOVERNANCE COSTS

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Auditors' remuneration – for audit	**19,020**	18,700	**11,970**	11,800
Auditors' remuneration – for taxation compliance	**1,800**	1,840	**-**	-
Trustees' indemnity insurance	**939**	1,749	**939**	1,749
Trustees' meeting costs	**551**	25	**551**	25
	22,310	22,314	**13,460**	13,574

9 TRUSTEES

None of the Trustees received any remuneration during either the current or previous year. No expenses were reimbursed to Trustees during the year (2020: Nil).

10 TRANSFERS BETWEEN FUNDS

The Beneficiaries Income Fund transfer of £1,535,180 (2020: £1,155,208) is the Appropriation from the "unapplied total return" element of the Permanent Endowment Fund for the year as calculated by the Yale Spending Rule.

11 INVESTMENTS – GROUP

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM £	Cash £	Total 2021 £	Total 2020 £
Market value at 1st January 2021	**6,955,820**	**19,854,117**	**1,008,151**	**23,465,662**	**4,200,603**	**1,460,076**	**56,944,429**	30,629,965
Acquisitions at cost	-	**1,500,000**	**1,500,000**	**10,387,501**	**1,500,000**	-	**14,887,501**	36,501,723
Sales proceeds from disposals	-	-	-	**(5,354,680)**	-	-	**(5,354,680)**	(9,910,785)
(Decrease)/increase in cash	-	-	-	-	-	**(928,100)**	**(928,100)**	(2,189,415)
Realised (losses)/gains in the year	-	-	-	**265,954**	-	-	**265,954**	(1,558,625)
Unrealised (losses)/ gains in the year	**300,000**	**3,494,404**	**149,246**	**4,591,424**	**(12,789)**	-	**8,522,285**	3,471,566
Market value at 31st December 2021	**7,255,820**	**24,848,521**	**2,657,397**	**33,355,861**	**5,687,814**	**531,976**	**74,337,389**	56,944,429
Historical Cost				**26,705,127**				

The historical cost of properties and COIF investments are not known.

Properties were valued by J Leedham (MRICS) at Cushman & Wakefield and A Goldie MRICS of Margetts at 31st December 2021 in accordance with the RICS Appraisal and Valuation Manual (The Red Book). The previous revaluation was carried out at 31st December 2020. There are no properties that exceed 5% of the total investment value.

COIF, Savills and Royal London Asset Management investments are stated at market value at 31st December 2021 as provided by the fund managers.

Listed investments are stated at market value at 31st December 2021 as provided by Quilter Cheviot, stockbroker. £8,483,407 is invested in investments in the UK and £24,872,454 in investments overseas.

11 INVESTMENTS - CHARITY

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM investments £	Investment in Subsidiary £	Cash £	Total 2021 £	Total 2020 £
Market value at 1st January 2021	**6,955,820**	**19,854,117**	**1,008,151**	**23,465,662**	**4,200,603**	**1**	**1,460,076**	**56,944,430**	30,629,966
Acquisitions at cost	**-**	**1,500,000**	**1,500,000**	**10,387,501**	**1,500,000**	**-**	**-**	**14,887,501**	36,501,724
Sales proceeds from disposals	**-**	**-**	**-**	**(5,354,680)**	**-**	**-**	**-**	**(5,354,680)**	(9,910,785)
(Decrease)/Increase in cash	**-**	**-**	**-**	**-**	**-**	**-**	**(928,100)**	**(928,100)**	(2,189,415)
Realised (losses)/gains in the year	**-**	**-**	**-**	**265,954**	**-**	**-**	**-**	**265,954**	(1,558,625)
Unrealised (losses)/ gains in the year	**300,000**	**3,494,404**	**149,246**	**4,591,424**	**(12,789)**	**-**	**-**	**8,522,285**	3,471,565
Market value at 31st December 2021	**7,255,820**	**24,848,521**	**2,657,397**	**33,355,861**	**5,687,814**	**1**	**531,976**	**74,337,390**	56,944,430
Historical Cost				**26,705,127**					

The investment in the subsidiary is in KH8 Limited. Further details, and its Profit & Loss Account and Balance Sheet are in note 22.

12 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade Debtors	**79,156**	8,169,713	**79,156**	29,651
Accrued Income	**73,475**	42,919	**52,654**	22,098
Prepayments	**4,607**	4,651	**4,607**	4,651
VAT	**662,708**	702,131	**-**	-
Loan to Subsidiary	**-**	-	**1,583,073**	6,742,545
	819,946	8,919,414	**1,719,490**	6,798,945

The loan from the Charity to the Subsidiary is repayable once the land held by KH8 Limited is sold. Interest is charged at 3% above the Bank of England Base Rate.

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade Creditors	**801,045**	1,219,535	**565**	1,598
VAT	**17,880**	16,002	**17,880**	16,002
Amounts owed to other charities	**1,216,272**	1,680,480	**-**	-
Grants to beneficiaries	**117,911**	160,868	**117,911**	160,868
Accruals	**300,995**	1,343,460	**117,928**	105,115
Other Creditors	**498,123**	1,943,814	**-**	-
	2,952,226	6,364,159	**254,284**	283,583

Other Creditors is forecast future costs included in the Stock calculation in respect of the land development in KH8 Limited.

14 FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	**£**	£
Financial assets measured at fair value through the Statement of Financial Activities				
Investments	**66,549,593**	48,528,533	**66,549,593**	48,528,533
Loan	**-**	-	**1,583,073**	6,742,545
Debtors	**819,946**	8,919,414	**136,417**	56,400
Cash	**4,997,284**	10,760,223	**1,166,069**	4,412,008
	72,366,823	68,208,170	**69,435,152**	59,739,486
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors	**2,035,197**	2,916,017	**18,445**	17,600
	2,035,197	2,916,017	**18,445**	17,600

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2021

15 PERMANENT ENDOWMENT FUND (Restricted Funds)

	GROUP				CHARITY			
	Original gift £	**Unapplied total return £**	**Total 2021 £**	Total 2020 £	**Original gift £**	**Unapplied total return £**	**Total 2021 £**	Total 2020 £
Balance at 1st January	**338,281**	**68,195,134**	**68,533,415**	59,113,893	**338,281**	**65,807,027**	**66,145,308**	52,192,087
Net incoming/(outgoing) resources before transfers	-	**600,001**	**600,001**	8,661,789	-	**2,754,380**	**2,754,380**	13,195,488
Gains/(loss) on investments	-	**8,788,239**	**8,788,239**	1,912,941	-	**8,788,239**	**8,788,239**	1,912,941
Applied income for the year	-	**(1,535,180)**	**(1,535,180)**	(1,155,208)	-	**(1,535,180)**	**(1,535,180)**	(1,155,208)
Balance at 31st December	**338,281**	**76,048,194**	**76,386,475**	68,533,415	**338,281**	**75,814,466**	**76,152,747**	66,145,308

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2021

16 BENEFICIARIES INCOME FUND – GROUP & CHARITY (Restricted Funds)

	Balance at 1st January 2021 £	Appropriation for year £	Interest received £	Approved for payment in year £	Balance at 31st December 2021 £
Warwick Anglican Churches					
Housing allowances:					
- Parish of St Michael	-	7,503		(7,503)	-
- Parish of St Paul	-	7,503		(7,503)	-
- Parish of All Saints	-	7,503		(7,503)	-
- Parish of St Nicholas	-	7,503		(7,503)	-
Stipends:					
- Vicar of St Michael	-	39,196		(39,196)	-
- Vicar of St Paul	-	39,380		(39,380)	-
- Vicar of All Saints	-	38,711		(38,711)	-
- Vicar of St Mary	-	39,467		(39,467)	-
- Vicar of St Nicholas	-	39,499		(39,499)	-
The Coventry Diocesan Board of Finance Limited	-	226,265		(226,265)	-
PCC of St Michael	-	44,551		(44,551)	-
PCC of St Paul	-	44,551		(44,551)	-
PCC of All Saints	-	44,551		(44,551)	-
PCC of St Mary	-	149,945		(149,945)	-
PCC of St Nicholas	-	44,551		(44,551)	-
Project Pool	106,969	213,176		(289,156)	30,989
Warwick Anglican Churches - Total	106,969	767,590		(843,570)	30,989
Warwick Independent Schools Foundation	-	460,554		(460,554)	-
Warwick Town	159,447	307,036	3	(213,533)	252,953
	266,416	1,535,180	3	(1,517,657)	283,942

Stipends paid above include: Pension contributions £50,165 (2020: £49,172) and National Insurance & Apprenticeship Levy £11,088 (2020: £11,297).

At 31st December 2021 grants totalling £117,911 (2020: £160,868) have been approved but remain unpaid. These have been provided for in creditors.

17 TOWN GRANTS AWARDED – GROUP & CHARITY

	Total £
Institutions and Societies (>£1,000)	
All Saints C of E Junior School & Emscote Infant School	13,000
Aylesford Primary School	4,000
Aylesford Secondary School	12,798
Budbrooke Primary School	2,000
Citizens Advice – South Warwickshire	20,000
Coten End Primary School	8,000
Cruse Bereavement Care	2,500
Evergreen School	8,000
Friends of Warwick Station	2,500
Friendship Project for Children	3,750
Guy's Gift	1,200
Heathcote Parish Church	(30,000)
Heathcote Primary School	4,400
Helping Hands Community Project	(4,365)
Insight Counselling	2,400
Kid Squad	1,000
Lord Leycester Hospital	30,000
Myton Hospice	17,230
Myton School	15,222
Newburgh Primary School	3,000
New Hope Counselling	1,300
New Life Church	8,886
Oken & Eyffler Charity (Springfield Mind)	20,000
Parenting Project	7,500
Relate – Coventry & Warwickshire	2,000
St Mary Immaculate Catholic Primary School	7,000
The Gap	10,000
Warwick Cricket Club	3,000
Warwick & Kenilworth Choral Society	2,335
Warwick LEA School Pupils – Summer Activities	5,662
Warwick Sports Club (Tennis)	3,607
Warwick Town Council	1,553
Warwickshire Royal Regiment of Fusiliers Museum	3,350
Warwickshire Vision Support	5,889
Westgate Primary School	6,446
Woodloes Primary School	8,000
2 Other Grants of less than £1000 each	370
	213,533

There were £160,868 grants awarded but not paid at 31st December 2020. Of these, in 2021 £102,852 were paid, grants were reduced by £43,016 and £15,000 remained outstanding at 31st December 2021.

Total Grants awarded and paid in 2021 were £153,638 and total grants awarded in 2021 but outstanding at 31st December 2021 were £102,911.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Note	GROUP Fixed asset investments £	GROUP Net Current assets £	GROUP Total 2021 £	GROUP Total 2020 £	CHARITY Fixed asset investments £	CHARITY Net Current assets £	CHARITY Total 2021 £	CHARITY Total 2020 £
Permanent Endowment Fund	17	**74,337,389**	**2,049,086**	**76,386,475**	68,533,415	**74,337,390**	**1,815,357**	**76,152,747**	66,145,308
Beneficiaries Income Fund	18	-	**283,942**	**283,942**	266,416	-	**283,942**	**283,942**	266,416
		74,337,389	**2,333,028**	**76,670,417**	68,799,831	**74,337,390**	**2,099,299**	**76,436,689**	66,411,724

19 TAXATION

No liability to income or capital gains tax arises as the Trust's activities are charitable. The subsidiary's taxable profit is nil.

20 RELATED PARTY TRANSACTIONS

The Trust has taken advantage of the exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

During the year two trustees, Mr Jobburn and Mrs Ashe, were also Governors of Warwick Independent Schools Foundation. One as the Foundation's nomination as a Nominative Trustee and one as the Trust's Nominative Governor to the Foundation. The Foundation receives 30% of the Trust's income each year as required under the Trust Scheme as directed by the Charity Commission.

Rev. Brown is Vicar of St. Michael's, Budbrooke, which receives a proportion of the Church Share as required by the Trust Scheme. He receives no personal benefit and his appointment as a trustee has been approved by the Charity Commission.

21 POST BALANCE SHEET EVENTS

On 24th February 2022 Russia invaded Ukraine. The Trustees have considered the potential impact of this, including the impact of mitigation measures and uncertainties, and have concluded it is not considered to be significant. This is considered to be a non adjusting post balance sheet event.

22 INVESTMENT IN SUBSIDIARY

The Trust is the beneficial owner of KH8 Limited, which was set up to hold, develop and sell land at Europa Way. It is incorporated in England (company number 8485559).

	2021 £	2020 £
Income	-	16,280,124
Cost of Sales	**(2,024)**	(9,164,332)
Administrative expenses	**(16,957)**	(15,187)
OPERATING PROFIT	**(18,981)**	7,100,605
Interest Receivable	-	19,502
Sundry Income	-	913,514
Interest Payable	**(83,304)**	(216,256)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**(102,285)**	7,817,365
Tax on profit on ordinary activities	**-**	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	**(102,285)**	7,817,365

	2021 £	2020 £
CURRENT ASSETS		
Cash	**3,831,216**	6,348,216
Debtors	**683,529**	8,863,014
	4,514,745	15,211,230
CREDITORS: Amounts falling due within one year	**(4,281,015)**	(12,823,121)
NET CURRENT ASSETS	**233,730**	2,388,109
NET ASSETS	**233,730**	2,388,109
CAPITAL AND RESERVES		
Called up share capital	**1**	1
Profit and loss account	**233,729**	2,388,108
SHAREHOLDERS' SURPLUS	**233,730**	2,388,109

Sundry income in 2020 is compensation received from Western Power Distribution relating to power cables across the development land in KH8 Limited.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

England & Wales - Charity number 232862

Accounts



THE KING HENRY VIII ENDOWED TRUST, WARWICK

Trustees' Report and Consolidated Financial Statements

Year ended 31st December 2020

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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THE KING HENRY VIII ENDOWED TRUST, WARWICK

TRUSTEES AND ADVISERS

TRUSTEES

Nominated Trustees:	Nominated by:
Rev David Brown	Bishop of Coventry
Mr Stephen Copley	Archdeacon of Warwick
Cllr Stephen Cross	Warwick Town Council
Mrs Marie-Bernadette Ashe	Warwick Independent Schools Foundation

Co-opted Trustees:

Mr John Edwards
Mr Ian Furlong
Mrs Susan Grinnell
Mr Stephen Jobburn
Miss Kathryn Parr
Mr Michael Peachey (Chairman)
Mr Neil Thurley

CLERK AND RECEIVER

Mr Jonathan Wassall – 12 High Street, Warwick, CV34 4AP

AUDITOR

Mazars LLP – First Floor, Two Chamberlain Square, Birmingham, B3 3AX

INVESTMENT MANAGERS/ADVISORS

CCLA Investment Management Ltd – 85 Queen Victoria Street, London, EC4V 4ET
Quilter Cheviot Ltd– Provincial House, 37 New Walk, Leicester, LE1 6TU
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD
Asset Risk Consultants Ltd – 7 New Street, St Peter Port, Guernsey, GY1 2PF

SOLICITORS

Lodders LLP – 10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Gowling WLG (UK) LLP – Two Snowhill, Birmingham, B4 4WR
Eversheds LLP – 115 Colmore Row, Birmingham, B3 3AL

BANKERS

HSBC Bank Plc – 126 The Parade, Leamington Spa, CV32 4AJ

PROPERTY MANAGING AGENTS

Cushman & Wakefield – 1 Colmore Square, Birmingham, B4 6AJ

AGRICULTURAL AGENTS

Margetts – 12 High Street, Warwick, CV34 4AP

LAND DEVELOPMENT & PLANNING

Catesby Estates plc – Catesby House, 5b Tournament Court, Edgehill Drive, Warwick, CV34 6LG
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD

PRINCIPAL OFFICE - 12 High Street, Warwick, CV34 4AP

CHARITY REGISTRATION NUMBER 232862

TRUSTEES' REPORT

Report of the Trustees for year ending 31st December 2020

The Trustees present their Annual Report and Financial Statements of the charity for the year ended 31st December 2020 and confirm that the Financial Statements comply with current statutory requirements, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland published in October 2019 and the Trust's governing instruments.

The Annual Report and Financial Statements are prepared on a consolidated basis: including the charity and its wholly owned subsidiary KH8 Limited, which has had an accounting reference of 31st May from 31st May 2018 onwards. The financial information within this report relates to the consolidated group numbers and includes KH8 Limited results for the 12 months ended 31st December.

Reference and administrative details

The King Henry VIII Endowed Trust, Warwick's principal office, its list of Trustees and all its key advisors are set out on page 1 to these Financial Statements.

The Trust's £1 investment in the share capital of its subsidiary KH8 Limited is jointly held in trust by Mr S Jobburn, Mr S Copley and Mr J Edwards as nominees for the Trustees.

Structure, Governance and Management

The Trust was established by Letters Patent on the 15th May 1545. The Trust's current governing documents are based on a Scheme approved by the Charity Commissioners on the 23rd November 1978. This has been amended by further Charity Commission Schemes and Orders.

In accordance with the governing documents, the Trust is managed by up to twelve Trustees: eight Co-optative and four Nominative. The Nominative Trustees are appointed respectively by the Bishop of Coventry, the Archdeacon of Warwick, Warwick Independent Schools Foundation and Warwick Town Council.

The Co-optative Trustees are recruited through a combination of advertising and directly approaching potential candidates. In appointing Co-optative Trustees, the Trustees take into account the skills and experience of the potential new Trustee in relation to the function and purpose of the Trust.

The Chairman of the Trustees is responsible for the induction of any new Trustee. This involves awareness of a Trustee's responsibilities, the history and purpose of the Trust, the governing documents, administrative procedures and organisational processes. Trustees are encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

In 2020, the Trustees held four full Trustees Meetings, four Grants Committee Meetings and four Finance & Investment Committee Meetings. Trustees also attended three meetings of the Europa Way Consortium, which is a joint venture with The Charity of Thomas Oken and Nicholas Eyffler and a private trust which is developing land owned by its members adjacent to Europa Way Warwick. The Trust's involvement is through its subsidiary KH8 Limited, which holds the land to be developed. The directors of KH8 Limited are all Trustees of the charity. KH8 Limited exists to maximise the return on the land held and to donate the net profits back to the charity.

At full Trustee Meetings the Trustees debate and agree the broad strategy and activities of the Trust including grant making, investments and risk management. The approval of individual grants up to £15,000 is undertaken by the Grants Committee, which also monitors the extent of grant making during the year. The Finance & Investment Committee monitors the performance of the Trust's property, COIF and financial investment portfolio together with the financial performance of the Trust. The activities and performance of these sub committees are reviewed at full Trustee Meetings. The Trust's involvement in the Europa Way Consortium, chaired by a Trustee, has been a significant activity during the year and represents a major opportunity to realise value for the Trust and its beneficiaries. The progress of the Europa Way Consortium and the implications for the Trust is reported at each full Trustee Meeting.

The Trust has chosen to have no employees to avoid the risks of employment. Its Clerk & Receiver, Deputy Clerk and Accountant are all self-employed or operate through a service company. The Trustees receive no remuneration or benefits.

TRUSTEES' REPORT

Objectives

The objective of the Trust is to provide income for Warwick's Anglican Churches, the Warwick Independent Schools Foundation (WISF) and grants for the benefit of the inhabitants of the Old Borough of Warwick, achieved through the distribution of funds arising from the investment of the Trust's Permanent Endowment. The Trust's governing documents require that funds be distributed on the basis of 50% to Warwick's Anglican Churches (Church Share), 30% to WISF (School Share) and 20% distributed as discretionary grants for the benefit of the inhabitants of Warwick (Town Share). Funds distributed to the five Anglican churches are used to pay the stipend and housing costs of the clergy with residual funds being used for the furtherance of religious and charitable activities in each of the parishes. Funds provided to WISF are used exclusively to provide bursaries for pupils from the Old Borough of Warwick who would otherwise be unable to attend the school. Grants under the Town Share regularly include support to local schools, hospitals, Myton Hospice, non-Church of England churches, youth organisations, senior citizens, sporting organisations, museums and arts organisations, charitable support networks and support to individuals either directly or via other grant making charities.

Achievements in the year

During 2020 the Trust distributed a total of £1,454,931 to beneficiaries with £666,933 being distributed to the five Anglican churches in the town, £470,549 to the Warwick Independent Schools Foundation and £317,449 in discretionary grants to beneficiaries in the town of Warwick.

During the year the Church distributions funded the stipends and housing costs of the clergy for each to the five parishes and part payment of the costs of clergy support at the Myton Hospice located in Warwick. Funds provided to the Parochial Church Councils have been used for a range of activities including the maintenance and repair of church buildings and community buildings adjacent to churches, community activities within parishes including support for young people, the elderly and the disabled. Under the 'Project Pool' parishes bid for funds, with projects being assessed on the extent of their community benefit. The total allocated to the 'Project Pool' in the year was £86,132 (2019: £285,600).

The distributions to the Warwick Independent Schools Foundation during 2020 have been used to provide bursaries for children who are resident in Warwick. The Foundation provides these bursaries on a means-tested basis.

Grants from the Town Share were made to 35 different organisations. Local state schools continue to be significant beneficiaries. Other major grants were to Warwick Apprenticing Charities, Myton Hospice, Chase Meadow Community Centre, New Life Church, Heathcote Parish Church, Citizens Advice and 2nd Warwick Sea Scouts. Smaller grants have supported a range of activities including Warwick Town Council, Warwick Sport Club, Playbox Theatre Company and various counselling charities. 46% of all grants awarded benefitted local schools or young people.

The Trust's involvement in the Europa Way Consortium, though its subsidiary, has been a significant activity during the year. The Consortium continued to work with Catesby Estates plc during the year and a large proportion of the infrastructure work was completed by the year end, with the remainder expected to be completed by late Spring. The Trust's share of costs for the year was £4,924,942, which was for site infrastructure and highways upgrades. The fourth and final parcel of land was sold in February 2020. The Trust's share of income from these sales in 2020 was £16,280,124, along with £913,514 of compensation from Western Power. The related cost of sales was £9,164,332.

Financial Review of the year

During the year, total income from the Permanent Endowment amounted to £18,088,889 (2019: £9,540,465) with rents, licences and wayleaves from the Trust's property portfolio totalling £345,772 (2019: £363,827) and dividends and interest income from financial investments totalling £549,479 (2019: £740,176). The £16,280,124 land sales in KH8 Limited is in Other Trading Activities and the compensation of £913,514 is in Sundry Income.

The cost of raising funds for Other Trading Activities was £9,164,332 (2019: £3,315,974). The cost of achieving the Trust's other income relating to property management expenses and investment management expenses totalled £154,699 (2019: £156,727). Other costs relate to support activities of £85,755 and governance costs of £22,314.

The Trust's investments increased in value by £1,912,941 (2019: £13,249,897), in addition to £24.4 million invested during the year.

Total Net Income (including investment gains) of £10,574,730 (2019: £19,203,151) is the total return on the Trust's Permanent Endowment, a return of 17.9% (2019 46.4%) for the year.

The funds made available for distribution to beneficiaries in 2020 is determined by the application of the long-term distribution rate within the Trust's Investment Policy, set at 3.35% since 2016. Overall, the proportion of the Permanent Endowment made available in 2020 was £1,155,208 (2019: £1,460,768).

In addition to income from the Permanent Endowment there was interest income of £363 (2019: £1,442) from the Town Share reserves in the Beneficiaries Income Fund.

In April 2020, investments held in the CCLA General Investment COIF were switched from Income Units to Accumulation Units. Income is simply reinvested by CCLA rather then paid out as a dividend, which means that the income from these units is reflected in Net Gains on Investments rather than in Investment Income.

Reserves

The Trustees do not, as a matter of policy, retain significant reserves. The Trust does however ensure that sufficient cash resources are available to meet the distribution to beneficiaries.

The distributions to the Churches (other than to the Project Pool) and WISF are made in full during the year with regular quarterly payments. Payment to the Project Pool is made as required for specific projects. At the year end the balance was £106,969 (2019: £196,349).

The Town Share, which is available for grant making, typically has a reserve of about nine to twelve months' distribution. This allows scope for flexibility within grant making. At the year end the balance was £159,447 (2019: £245,492).

Investments and Investment Policy

The Trust's Investment Policy aims to produce stable, sustainable income to beneficiaries that preserves their long term purchasing power whilst also preserving the real value of the endowment over the long term. This is achieved in part by the adoption of Total Returns accounting from 1st January 2012. This was permitted by a Charity Commission Order dated 22nd September 2011. Further details on Total Returns and the calculation of the income to be applied each year are set out in Note 1 to the Financial Statements.

The Investment Policy also includes the basis for the amounts to be made available for distribution for beneficiaries. The distribution is based on the Yale Spending Rule. The methodology developed by Yale University and adopted by a number of Endowment Funds incorporates a number of key elements: the carrying forward of a proportion of the prior year's distribution, the use of CPI as an appropriate inflation factor and the Long Term Sustainable Distribution Rate (LTSDR) applied to the value of investments. The Investment Policy requires that these elements are kept under regular review. From 2016 the LTSDR has remained at 3.35%. In order to meet the 3.35% LTSDR and to cover net operating expenses (c. 0.22% of the endowment) the Trustees have set an investment target of 4.5% total return, after adjusting for inflation.

As part of the review of the Investment Policy and the parameters used in the Yale Spending Rule methodology to calculate the Appropriation each year the Trustees had previously agreed to amend the weighting between prior year Appropriation/asset value from 80:20 to 50:50 from 1st January 2017. For 2019, it was agreed as a one-off, to calculate the Appropriation based on 2018 increased by inflation. The 2020 calculation reverted back to the regular calculation, but also included investments made in January 2020. (See Note 1 – 'Total Return' and 'Income Application' – for further details.)

The Trust's asset allocation seeks to diversify risk whilst achieving optimum returns over the long term. Overall asset allocation is based on a strategic overview undertaken with Asset Risk Consultants. Within that framework, financial investments are managed though CCLA's COIF Investment Fund or are managed by Quilter Cheviot, partly on a discretionary basis and partly on an execution-only basis for ETF trackers. Whilst the ETF trackers are equity based the other investments are allocated over a range of financial instruments, including equities, bonds and commodities. Property is split between direct holdings and 2 property funds managed by Savills and CCLA. Cash funds are with Royal London Asset Management. The Trust's investments are constantly reviewed and changes made when appropriate and on professional advice.

The Trust seeks to manage investments having regard for social, environmental and ethical standards. It recognises that the financial assets are subject to the investment managers' own policies in relation to social, environmental, ethical and governance standards and behaviour. The Trust also invests in land and property, where it ensures that it meets all legislation and that the value of the assets is not undermined by ignoring these issues.

Land for development

The land at Europa Way is held by KH8 Limited, the Trust's wholly owned subsidiary, which was set up to develop and then sell the land. The final parcel of land for residential development was sold during the year. At the end of the year the only land retained was land waiting to be transferred to local authorities free of charge to meet planning obligations.

The Trustees have engaged professional advisors to help promote its land holdings.

Risk Management

The Trustees maintain a register of the major strategic, business and operational risks that the Trust faces, which is reviewed on a regular basis. Risks are minimised through the clear delegation of responsibility for the mitigation of each area of risk and regular reporting of action taken at full Trustee Meetings and Sub Committee Meetings.

Trustees consider that the major long term financial risk is the potential for reduced returns on investments negatively impacting the value of the permanent endowment to the detriment of current and future beneficiaries. In particular the impact of inflation reducing real returns and lower investment property values in the medium term are concerns for the Trust. Recognising these issues, the Trust has adopted the use of a total returns approach in order to stabilise distributions to beneficiaries and maintains close contacts with its investment managers, investment advisor and property managing agents with respect to the future outlook for investments.

Covid 19 had negligible impact during the year and is not expected to have a material impact in 2021.

The major operational risk relates to the limited resources utilised by the Trust and the dependence upon key individuals to undertake the Trust's activities. The Trust relies upon the Clerk and Deputy Clerk to undertake day to day activities and encourages Trustees to take interest in particular aspects of the Trust's activities in order to provide the necessary cover should this be necessary.

Plans for Future Periods

As a permanently endowed charity where the majority of distribution to beneficiaries is clearly defined within the governing documents the primary focus on future plans is the management of the Trust's investments.

Land sales from Europa Way and Hampton Magna have now been completed, with final payment received in January 2021. This will be invested in line with the Investment Policy.

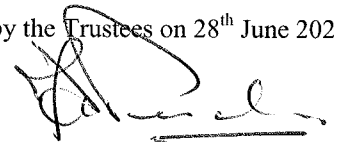
Public Benefit

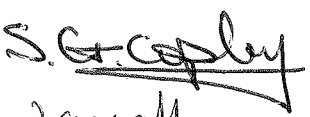
The Trustees give regard to the Charity Commission guidance on public benefit and consider that in so far as the objectives of the Trust are to provide for religious, educational and other charitable activities within the town of Warwick. The Trustees consider that these objectives are met through the distribution of funds in accordance with the Trust's governing documents, which fulfil the public benefit requirement.

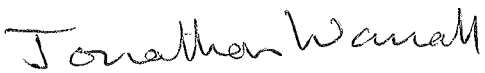
Statement as to disclosure of information to auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Trustees on 28th June 2021 and signed on their behalf by:

Chairman 

Chairman of Finance & Investment Committee 

Clerk and Receiver 

12 High Street
Warwick
CV34 4AP

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". and applicable law. The Financial Statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those Financial Statements, the Trustees are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Charities SORP;

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable accounting standards have been followed and give details of any departures; and

e. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the Financial Statements comply with the requirements of the Charities Act 2011. 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.

Opinion

We have audited the consolidated financial statements of King Henry VIII Endowed Trust, Warwick (the "parent charity") and its subsidiaries (the "group") for the year ended 31st December 2020 which comprise the Consolidated Statements of Financial Activities, Charity Statements of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st December 2020 and of the group's and the parent charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 annual, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 7, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 the Act and relevant regulations made or having effect thereunder.

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 the 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. Based on our understanding of the Group and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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' trustees as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

David Hoose

David Hoose
Mazars LLP Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 14/07/2021

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2020

INCOME & ENDOWMENTS FROM:	Note	Beneficiaries income fund	Permanent endowment fund	Total 2020	Beneficiaries income fund	Permanent endowment fund	Total 2019
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	345,772	345,772	-	363,827	363,827
- Dividends	2	-	514,907	514,907	-	684,515	684,515
- Interest	3	363	34,572	34,935	1,442	55,661	57,103
- Sundry income		-	913,514	913,514	-	51,709	51,709
Other Trading Activities	4	-	16,280,124	16,280,124	-	8,384,753	8,384,753
Total income		363	18,088,889	18,089,252	1,442	9,540,465	9,541,907
EXPENDITURE ON:							
Raising funds – Investments	5	-	(154,699)	(154,699)	-	(156,727)	(156,727)
Raising funds – Other Trading	6	-	(9,164,332)	(9,164,332)	-	(3,315,974)	(3,315,974)
Charitable activities (payments to beneficiaries)	18	(1,454,931)	-	(1,454,931)	(1,501,577)	-	(1,501,577)
Support costs	7	-	(85,755)	(85,755)	-	(87,708)	(87,708)
Governance costs	8	-	(22,314)	(22,314)	-	(26,802)	(26,802)
Total expenditure		(1,454,931)	(9,427,100)	(10,882,031)	(1,501,577)	(3,587,211)	(5,088,788)
		(1,454,568)	8,661,789	7,207,221	(1,500,135)	5,953,254	4,453,119
Net gains on investments	11	-	1,912,941	1,912,941	-	13,249,897	13,249,897
NET INCOME/(EXPENDITURE)		(1,454,568)	10,574,730	9,120,162	(1,500,135)	19,203,151	17,703,016
Transfers between funds	10	1,155,208	(1,155,208)	-	1,460,768	(1,460,768)	-
NET MOVEMENT IN FUNDS		(299,360)	9,419,522	9,120,162	(39,367)	17,742,383	17,703,016
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2020		565,776	59,113,893	59,679,669	605,143	41,371,510	41,976,653
Fund balances carried forward at 31st December 2020		266,416	68,533,415	68,799,831	565,776	59,113,893	59,679,669

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITES
For the year ended 31st December 2020

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2020	Beneficiaries income fund	Permanent endowment fund	Total 2019
INCOME & ENDOWMENTS FROM:							
Investment income		£	£	£	£	£	£
- Rents, licence fees and wayleaves		-	345,772	345,772	-	363,827	363,827
- Dividends	2	-	514,907	514,907	-	684,515	684,515
- Interest	3	363	231,326	231,689	1,442	274,138	275,580
- Gift Aid donation from KH8 Ltd		-	12,351,061	12,351,061	-	7,257,515	7,257,515
Total income		363	13,443,066	13,443,429	1,442	8,579,995	8,581,437
EXPENDITURE ON:							
Raising funds	5	-	(154,699)	(154,699)	-	(156,727)	(156,727)
Charitable activities (payments to beneficiaries)	18	(1,454,931)	-	(1,454,931)	(1,501,577)	-	(1,501,577)
Support costs	7	-	(79,305)	(79,305)	-	(82,812)	(82,812)
Governance costs	8	-	(13,574)	(13,574)	-	(15,383)	(15,383)
Total expenditure		(1,454,931)	(247,578)	(1,702,509)	(1,501,577)	(254,922)	(1,756,499)
		(1,454,568)	13,195,488	11,740,920	(1,500,135)	8,325,073	6,824,938
Net gains on investments	11	-	1,912,941	1,912,941	-	13,249,897	13,249,897
NET INCOME/(EXPENDITURE)		(1,454,568)	15,108,429	13,653,861	(1,500,135)	21,574,970	20,074,835
Transfers between funds	10	1,155,208	(1,155,208)	-	1,460,768	(1,460,768)	-
NET MOVEMENT IN FUNDS		(299,360)	13,953,221	13,653,861	(39,367)	20,114,202	20,074,835
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2020		565,776	52,192,087	52,757,863	605,143	32,077,885	32,683,028
Fund balances carried forward at 31st December 2020		266,416	66,145,308	66,411,724	565,776	52,192,087	52,757,863

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2020

	Notes	GROUP 2020 £	GROUP 2019 £	CHARITY 2020 £	CHARITY 2019 £
FIXED ASSETS					
Investments	11	**56,944,429**	30,629,965	**56,944,430**	30,629,966
CURRENT ASSETS					
Stock	12	-	2,295,576	-	-
Debtors: due after one year	13	-	-	-	7,261,581
Debtors: due within one year	14	**8,919,414**	14,023,288	**6,798,945**	5,553,747
Cash at bank and in hand		**9,300,147**	20,415,383	**2,951,932**	11,658,833
		18,219,561	36,734,247	**9,750,877**	24,474,161
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	**(6,364,159)**	(7,684,543)	**(283,583)**	(2,346,264)
NET CURRENT ASSETS		**11,855,402**	29,049,704	**9,467,294**	22,127,897
NET ASSETS		**68,799,831**	59,679,669	**66,411,724**	52,757,863
RESTRICTED FUNDS					
Permanent Endowment Funds	17	**68,533,415**	59,113,893	**66,145,308**	52,192,087
Beneficiaries Income Fund	18	**266,416**	565,776	**266,416**	565,776
		68,799,831	59,679,669	**66,411,724**	52,757,863

The financial statements on pages 9 to 27 were approved and authorised for issue by the Trustees on 28th June 2021 and were signed on their behalf by:

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver Jonathan Worrall

THE KING HENRY VIII ENDOWED TRUST, WARWICK

STATEMENT OF CASH FLOWS
For the year ended 31st December 2020

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Statement of Cash Flows				
Cash from operating activities:				
Net cash provided by/(used in) operating activities	**12,390,673**	9,686,474	**2,251,193**	(5,163,801)
Cash from investing activities:				
Dividends, interest and rents	**895,614**	1,157,154	**1,092,368**	1,323,922
Income from Subsidiary	**-**	-	**12,351,061**	7,257,515
Proceeds from sale of investments	**12,100,200**	8,783,928	**12,100,200**	8,783,928
Purchases of investments	**(36,501,723)**	(1,400,750)	**(36,501,723)**	(1,400,750)
Net cash provided by investing activities	**(23,505,909)**	8,540,332	**(10,958,094)**	15,964,615
Cash from financing activities:				
Net cash from financing activities	**-**	-	**-**	-
Change in cash & cash equivalents in year	**(11,115,236)**	18,226,806	**(8,706,901)**	10,800,814
Cash & cash equiv. at the beginning of year	**20,415,383**	2,188,577	**11,658,833**	858,019
Cash and cash equivalents at the end of year	**9,300,147**	20,415,383	**2,951,932**	11,658,833
Reconciliation of Net Expenditure to Cash Flow from Operating Activities				
Net income/(expenditure) for the year	**9,120,162**	17,703,016	**13,653,861**	20,074,835
Adjustments:				
(Gains)/Losses on Investments	**(1,912,941)**	(13,249,897)	**(1,912,941)**	(13,249,897)
Dividends, interest and rents	**(895,614)**	(1,157,154)	**(1,092,368)**	(1,323,922)
Income from Subsidiary	**-**	-	**(12,351,061)**	(7,257,515)
Decrease/(Increase) in stocks	**2,295,576**	(1,674,060)	**-**	-
Decrease/(Increase) in debtors	**5,839,167**	7,973,455	**6,016,383**	(5,556,113)
(Decrease)/Increase in creditors	**(2,055,677)**	91,114	**(2,062,681)**	2,148,811
Net cash provided by/(used in) operations	**12,390,673**	9,686,474	**2,251,193**	(5,163,801)
Analysis of Cash and Cash Equivalents				
Cash in hand	**9,300,147**	20,415,383	**2,951,932**	11,658,833
Total cash & cash equivalents	**9,300,147**	20,415,383	**2,951,932**	11,658,833

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. In preparing the financial statements, the charity has followed Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the year-end valuations of commercial property and land, especially land with development potential (see the Investments and Investment Policy, Land for Development and Risk Management sections of the Trustees' Annual Report for more information).

Basis of Consolidation

The financial statements of the charity and its subsidiary, KH8 Limited, are consolidated on a line-by-line basis to produce the 'Group' numbers. KH8 Limited's accounting reference is 31st May, but the financial information within this report includes KH8 Limited results for the 12 months ended 31st December.

Group related party transactions

The company has taken advantage of the related parties exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

Incoming resources

Incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and their monetary value can be measured with sufficient reliability.

Rents receivable

Rents receivable are accounted for in the year to which they relate on an accruals basis.

Investment income

Investment income is accounted for in the year to which it relates on an accruals basis for COIF investments and on a receivable basis for listed investments. The income is gross of management fees/costs.

Sundry income

Sundry income in 2020 is compensation received from Western Power Distribution relating to power cables across the development land in KH8 Limited.

Other trading income

Other trading income is sale of land in the charity's subsidiary, KH8 Limited. Revenue from the sale of land is recognised when all the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest receivable

Interest receivable is accounted for in the year to which it relates on an accruals basis. It is accounted for in the year to which it relates on an accruals basis.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants to Town Share beneficiaries

Grants are made to third parties in furtherance of the charitable objectives of the Trust. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

Cost of generating funds – re Investments

The costs of generating funds consist of property management expenses and investment management costs.

Cost of generating funds – re Other Trading Income

The cost of sales related to the sale of land in the charity's subsidiary, KH8 Limited.

Charitable activities

Charitable activities consists of grants made.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and Trustee related costs. Support costs in connection with Governance matters are considered insignificant and have not been separately analysed.

Property related professional fees

All professional fees are charged to income and expenditure in the year in which they are incurred unless they specifically relate to the purchase and sale of properties and are treated as capital, or are in the subsidiary and relate to the development land, in which case they are added to the value of Stock.

Fixed asset investments

Properties are stated at professional valuation at the year end. COIF investments are stated at market value provided by the fund manager of the COIF Charity Funds. Listed investments are stated at market value provided by Quilter Cheviot, stockbrokers.

The Statement of Financial Activities includes the net gain/loss on revaluation.

Investment in Subsidiary

The investment in the Trust's subsidiary, KH8 Limited, is 100% owned. The Trust's £1 investment in the subsidiary's share capital is shown as a fixed asset investment. The share is jointly held in trust by Mr S Jobburn, Mr S Copley and Mr J Edwards as nominees for the Trustees.

Stock

Stock is the cost of land held for sale, including SDLT, plus development costs and professional fees incurred specifically related to protecting or enhancing the value of the land and to bring the land to market, after adjusting for cost of sale, which is the proportion of expected total costs to attribute to the expected total income recorded in Income.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Total Returns

The accumulated total return (i.e. all net income and any capital gains/losses) less any part previously set aside for distribution to beneficiaries is treated as the "unapplied total return". Each year the total return in the year is added to the "unapplied total return" and the amount then applied (i.e. distributed) is deducted.

When implementing the total returns approach it was not possible to accurately identify the split of the Permanent Endowment Fund between the "original gift" that cannot be distributed to beneficiaries and the "unapplied total return" which can. It was therefore agreed to use the value of the Permanent Endowment Fund (previously the Capital Fund) at the date of the 1978 Scheme as the "original gift". This was £338,281.

At 1st January 2012 the Permanent Endowment Fund was split into the "original gift" of £338,281 and the "unapplied total return" of £23,182,056.

Income Application

Under Total Returns, it is the Trustees' responsibility to determine what amount should be transferred from the "unapplied total return" for distribution to beneficiaries, on a basis that is equitable for both current and future beneficiaries.

The broad principle adopted by Trustees is to adopt a level of distribution that is consistently achievable over the economic cycle and which also allows for the permanent endowment to grow in line with inflation. This Long Term Sustainable Distribution rate is set in the Investment Policy and from 1st January 2016 is set at 3.35% (2015 and previously: 4%). The actual Appropriation in the year is normally calculated as:

- 50% of the previous year's Appropriation increased in line with inflation (using CPI), plus
- 50% of the closing asset values for the prior year multiplied by the "Long Term Sustainable Distribution Rate".

Until 31st December 2016 the calculation was based on 80:20, rather than the current 50:50 allocation.

Following an unusual year in 2019, where it was calculated as 2018's Appropriation plus inflation, the calculation returned to normal for 2020, with the exception that the LTSDR was applied to the closing assets of the prior year plus the investments made in January 2020.

Funds accounting

Funds held by the charity are:

a. Permanent Endowment Fund – this fund represents the original endowment adjusted by subsequent gains and losses on investments, and since 1st January 2012 the net income less the income applied. In note 17 this is subdivided into the "original gift" and "unapplied total return" as required by accounting for Total Returns.

b. Beneficiaries Income Fund – this fund is the funds attributable to the beneficiaries. The opening balance is the funds applied to beneficiaries but not distributed by the year end. The additions during the year are the income applied from the Permanent Endowment and interest income earned on funds not distributed. The basis of the allocation of the distribution is in the note on Objectives on page 2.

Tax

KH8 Limited, the subsidiary, intends to distribute all profits under gift aid therefore no corporation tax is payable.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results in the future could differ from these estimates. In this regard, the Tustees believe that the critical accounting policies where judgements or estimations are necessarily applied are in relation to the recognition of the profit on the sale of land in KH8 Limited and the valuation of stock at the reporting date.

To determine the profit the Trustees have had to estimate the total eventual sales revenue from, any future development costs for, the land. The overall profit has then been prorated based on existing sales as a proportion of total forecast sales. This then derives the cost of sale and the closing stock. Now that all land has been sold the only variable is the eventual final cost.

2 DIVIDENDS

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
COIF Investment Fund	**87,014**	249,496	**87,014**	249,496
COIF Property Fund	**51,130**	61,850	**51,130**	61,850
Savills Charities Property Fund	**44,339**	48,131	**44,339**	48,131
Royal London Asset Management – cash funds	**29,791**	-	**29,791**	-
Listed investments	**302,633**	325,038	**302,633**	325,038
	514,907	684,515	**514,907**	684,515

3 INTEREST

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Banks	**31,010**	3,806	**15,433**	3,806
Managing agents	**-**	32	**-**	32
On Sale of property	**-**	4,884	**-**	4,884
Europa Way Consortium members	**3,925**	48,381	**-**	-
Interest on Loan to Subsidiary	**-**	-	**216,256**	266,858
	34,935	57,103	**231,689**	275,580

4 OTHER TRADING ACTIVITIES

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Land sales	**16,280,124**	8,384,753	**-**	-
	16,280,124	8,384,753	**-**	-

5 COST OF RAISING FUNDS – Re INVESTMENTS

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Property management expenses	**12,853**	9,791	**12,853**	9,791
Investment management expenses	**141,846**	146,936	**141,846**	146,936
	154,699	156,727	**154,699**	156,727

Investment management expenses includes: stockbrokers fees, fees and costs charged within the CCLA COIFs and the Savills Charities Property Investment Fund and strategic management. The stockbroker has a discretionary management role and only charges a fee. There are no capital transaction charges netted off against purchases or sales.

The investment management expenses now include fees for strategic advice, which until 2019 were in Support Costs. The 2019 costs have been amended to reflect this.

6 COST OF RAISING FUNDS – Re OTHER TRADING

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Cost from Sale re land sales	**9,164,332**	3,315,974	**-**	-
	9,164,332	3,315,974	**-**	-

7 SUPPORT COSTS

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Administration fees	**75,300**	76,984	**68,997**	72,228
Sundry expenses	**10,455**	10,724	**10,308**	10,584
	85,755	87,708	**79,305**	82,812

Until 2019 investment management expenses were included in Administration Fees. They are now in Cost of Raising Funds – re Investments. The 2019 costs have been amended to reflect this.

8 GOVERNANCE COSTS

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Auditors' remuneration – for audit	**18,700**	21,229	**11,800**	12,363
Auditors' remuneration – for taxation compliance	**1,840**	2,554	**-**	-
Trustees' indemnity insurance	**1,749**	1,749	**1,749**	1,749
Trustees' meeting costs	**25**	1,270	**25**	1,271
	22,314	26,802	**13,574**	15,383

9 TRUSTEES

None of the Trustees received any remuneration during either the current or previous year. No expenses were reimbursed to Trustees during the year (2019: Nil).

10 TRANSFERS BETWEEN FUNDS

The Beneficiaries Income Fund transfer of £1,155,208 (2019: £1,460,768) is the Appropriation from the "unapplied total return" element of the Permanent Endowment Fund for the year as calculated by the Yale Spending Rule.

11 INVESTMENTS – GROUP

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM £	Cash £	Total 2020 £	Total 2019 £
Market value at 1st January 2020	**7,026,820**	**7,716,399**	**1,034,830**	**11,202,425**	**-**	**3,649,491**	**30,629,965**	24,763,246
Acquisitions at cost	**-**	**18,118,051**	**-**	**14,183,672**	**4,200,000**		**36,501,723**	1,400,750
Sales proceeds from disposals	**-**	**(7,738,051)**	**-**	**(2,172,734)**	**-**		**(9,910,785)**	(12,008,150)
(Decrease)/increase in cash	**-**	**-**	**-**	**-**	**-**	**(2,189,415)**	**(2,189,415)**	3,224,222
Realised (losses)/gains in the year	**-**	**(1,441,720)**	**-**	**(116,905)**	**-**		**(1,558,625)**	10,647,603
Unrealised (losses)/ gains in the year	**(71,000)**	**3,199,438**	**(26,679)**	**369,204**	**603**		**3,471,566**	2,602,294
Market value at 31st December 2020	**6,955,820**	**19,854,117**	**1,008,151**	**23,465,662**	**4,200,603**	**1,460,076**	**56,944,429**	30,629,965
				20,305,382				

Historical Cost

The historical cost of properties and COIF investments are not known.

Properties were valued by J Leedham (MRICS) at Cushman & Wakefield and A Goldie MRICS of Margetts at 31st December 2020 in accordance with the RICS Appraisal and Valuation Manual (The Red Book). The previous revaluation was carried out at 31st December 2019. There are no properties that exceed 5% of the total investment value.

COIF, Savills and Royal London Asset Management investments are stated at market value at 31st December 2020 as provided by the fund managers.

Listed investments are stated at market value at 31st December 2020 as provided by Quilter Cheviot, stockbroker. £14,822,835 is invested in investments in the UK and £8,642,827 in investments overseas.

11 INVESTMENTS - CHARITY

	Properties £	COIF investments £	Savills investments £	Listed investments £	RLAM investments £	Investment in Subsidiary £	Cash £	Total 2020 £	Total 2019 £
Market value at 1st January 2020	7,026,820	7,716,399	1,034,830	11,202,425	-	1	3,649,491	30,629,966	24,763,247
Acquisitions at cost	-	18,118,051	-	14,183,673	4,200,000	-		36,501,724	1,400,750
Sales proceeds from disposals	-	(7,738,051)	-	(2,172,734)	-	-		(9,910,785)	(12,008,150)
(Decrease)/Increase in cash	-	-	-	-	-	-	(2,189,415)	(2,189,415)	3,224,222
Realised (losses)/gains in the year	-	(1,441,720)	-	(116,905)	-	-		(1,558,625)	10,647,603
Unrealised (losses)/ gains in the year	(71,000)	3,199,438	(26,679)	369,203	603	-		3,471,565	2,602,294
Market value at 31st December 2020	6,955,820	19,854,117	1,008,151	23,465,662	4,200,603	1	1,460,076	56,944,430	30,629,966
Historical Cost				20,305,382					

The investment in the subsidiary is in KH8 Limited. Further details, and its Profit & Loss Account and Balance Sheet are in note 23.

12 STOCK

	GROUP 2020 £	GROUP 2019 £	CHARITY 2020 £	CHARITY 2019 £
Development land held for sale	-	2,295,576	-	-
	-	2,295,576	-	-

13 DEBTORS : AMOUNTS FALLING DUE AFTER ONE YEAR

	GROUP 2020 £	GROUP 2019 £	CHARITY 2020 £	CHARITY 2019 £
Loan to Subsidiary	-	-	-	7,261,581
	-	-	-	7,261,581

14 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 2020 £	GROUP 2019 £	CHARITY 2020 £	CHARITY 2019 £
Debtors	**8,169,713**	12,004,402	**29,651**	5,467,166
Accrued Income	**42,919**	106,009	**22,098**	81,927
Prepayments	**4,651**	4,654	**4,651**	4,654
Solicitor's client account	**-**	970,147	**-**	-
VAT	**702,131**	938,076	**-**	-
Loan to Subsidiary	**-**	-	**6,742,545**	-
	8,919,414	14,023,288	**6,798,945**	5,553,747

The loan from the Charity to the Subsidiary is repayable once the land held by KH8 Limited is sold. Interest is charged at 3% above the Bank of England Base Rate.

15 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 2020 £	GROUP 2019 £	CHARITY 2020 £	CHARITY 2019 £
Trade Creditors	**1,219,535**	1,496,841	**1,598**	648
VAT	**16,002**	2,187,738	**16,002**	2,187,738
Amounts owed to other charities	**1,680,480**	3,832,695	**-**	-
Grants to beneficiaries	**160,868**	66,915	**160,868**	66,915
Accruals	**1,343,460**	100,354	**105,115**	90,963
Other Creditors	**1,943,814**	-	**-**	-
	6,364,159	7,684,543	**283,583**	2,346,264

Other Creditors is forecast future costs included in the Stock calculation in respect of the land development in KH8 Limited.

16 FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2020	2019	**2020**	2019
	£	£	**£**	£
Financial assets measured at fair value through the Statement of Financial Activities				
Investments				
Loan	**48,528,533**	19,953,654	**48,528,533**	19,953,654
Debtors	**-**	-	**6,742,545**	7,261,581
Cash	**8,919,414**	12,044,402	**29,651**	5,467,165
	10,760,223	24,064,875	**4,412,008**	15,308,325
	68,208,170	56,062,931	**59,712,737**	47,990,725
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors				
	2,916,017	7,517,274	**17,600**	2,188,386
	2,916,017	7,517,274	**17,600**	2,188,386

17 PERMANENT ENDOWMENT FUND

	GROUP				CHARITY			
	Original gift £	Unapplied total return £	Total 2020 £	Total 2019 £	Original gift £	Unapplied total return £	Total 2020 £	Total 2019 £
Balance at 1st January	**338,281**	**58,775,612**	**59,113,893**	41,371,510	**338,281**	**51,853,806**	**52,192,087**	32,077,885
Net incoming/(outgoing) resources before transfers		**8,661,789**	**8,661,789**	5,953,254		**13,195,488**	**13,195,488**	8,325,073
Gains/(loss) on investments		**1,912,941**	**1,912,941**	13,249,897		**1,912,941**	**1,912,941**	13,249,897
Applied income for the year		**(1,155,208)**	**(1,155,208)**	(1,460,768)		**(1,155,208)**	**(1,155,208)**	(1,460,768)
Balance at 31st December	**338,281**	**68,195,134**	**68,533,415**	59,113,893	**338,281**	**65,807,027**	**66,145,308**	52,192,087

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2020

18 BENEFICIARIES INCOME FUND – GROUP & CHARITY

	Balance at 1st January 2020 £	Appropriation for year £	Interest received £	Approved for payment in year £	Balance at 31st December 2020 £
Warwick Anglican Churches					
Housing allowances:					
- Parish of St Michael	-	7,067		(7,067)	-
- Parish of St Paul	-	7,067		(7,067)	-
- Parish of All Saints	-	7,067		(7,067)	-
- Parish of St Nicholas	-	7,067		(7,067)	-
Stipends:					
- Vicar of St Michael	-	38,767		(38,767)	-
- Vicar of St Paul	-	38,959		(38,959)	-
- Vicar of All Saints	-	38,983		(38,983)	-
- Vicar of St Mary	-	38,950		(38,950)	-
- Vicar of St Nicholas	-	39,150		(39,150)	-
The Coventry Diocesan Board of Finance Limited	-	223,077		(223,077)	-
PCC of St Michael	-	40,105		(40,105)	-
PCC of St Paul	-	40,105		(40,105)	-
PCC of All Saints	(52)	40,105		(40,053)	-
PCC of St Mary	-	107,976		(107,976)	-
PCC of St Nicholas	-	40,105		(40,105)	-
Project Pool	196,349	86,132		(175,512)	106,969
Warwick Anglican Churches - Total	196,297	577,605		(666,933)	106,969
Warwick Independent Schools Foundation	123,987	346,562		(470,549)	-
Warwick Town	245,492	231,041	363	(317,449)	159,447
	565,776	1,155,208	363	(1,454,931)	266,416

Stipends paid above include: Pension contributions £49,172 (2019: £48,199) and National Insurance & Apprenticeship Levy £11,297 (2019: £10,784).

At 31st December 2020 grants totalling £160,868 (2019: £67,858) have been approved but remain unpaid. These have been provided for in creditors.

19 TOWN GRANTS AWARDED – GROUP & CHARITY

	Total £
Institutions and Societies (>£1,000)	
All Saints C of E Junior School & Emscote Infant School	2,375
Aylesford Primary School	4,704
Aylesford Secondary School	9,890
Budbrooke Primary School	2,000
Chase Meadow Community Centre	14,598
Citizens Advice – South Warwickshire	10,000
Coten End Primary School	3,000
Cruse Bereavement Care	3,000
Evergreen School	3,000
Friendship Project for Children	3,500
Heathcote Parish Church	60,000
Heathcote Primary School	2,000
Helping Hands Community Project	4,365
Myton Hospice	36,900
Myton School	12,400
Newburgh Primary School	3,000
New Hope Counselling	6,000
New Life Church	10,980
Oken & Eyffler Charity (Springfield Mind))	20,000
Playbox Theatre Company	4,500
Relate – Coventry & Warwickshire	3,000
Safeline	5,000
St Mary Immaculate Catholic Primary School	7,000
Warwick Apprenticing Charities	30,000
Warwick Boat Club	2,520
Warwick District Foodbank	4,745
Warwick LEA School Pupils – Summer Activities	2,750
2nd Warwick Sea Scouts	24,460
Warwick Sports Club	6,172
Warwick Town Council	3,000
Warwickshire Ambulance Association	1,000
Westgate Primary School	2,000
Woodloes Primary School	3,000
2 Other Grants of less than £1000 each	850
	311,709
Individuals Grants	
3 Grants to individuals	5,740
	317,449

There were £66,915 grants awarded but not paid at 31st December 2019. Of these, in 2020 £23,933 were paid, grants were reduced by £935 and £42,047 remained outstanding at 31st December 2020.

Total Grants awarded and paid in 2020 were £199,563 and total grants awarded in 2020 but outstanding at 31st December 2020 were £118,821.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Note	GROUP Fixed asset investments £	GROUP Net Current assets £	GROUP Total 2020 £	GROUP Total 2019 £	CHARITY Fixed asset investments £	CHARITY Net Current assets £	CHARITY Total 2020 £	CHARITY Total 2019 £
Permanent Endowment Fund	17	**56,944,429**	**11,588,986**	**68,533,415**	59,113,893	**56,944,430**	**9,200,878**	**66,145,308**	52,192,087
Beneficiaries Income Fund	18	-	**266,416**	**266,416**	565,776	-	**266,416**	**266,416**	565,776
		56,944,429	**11,855,402**	**68,799,831**	59,679,669	**56,944,430**	**9,467,294**	**66,411,724**	52,757,863

21 TAXATION

No liability to income or capital gains tax arises as the Trust's activities are charitable. The subsidiary's taxable profit is nil.

22 RELATED PARTY TRANSACTIONS

The Trust has taken advantage of the exemption contained in FRS102 and has not disclosed transactions with its wholly owned subsidiary.

During the year two trustees, Mr Jobburn and Mrs Ashe, were also Governors of Warwick Independent Schools Foundation. One as the Foundation's nomination as a Nominative Trustee and one as the Trust's Nominative Governor to the Foundation. The Foundation receives 30% of the Trust's income each year as required under the Trust Scheme as directed by the Charity Commission.

Rev. Brown is Vicar of St. Michael's, Budbrooke, which receives a proportion of the Church Share as required by the Trust Scheme. He receives no personal benefit and his appointment as a trustee has been approved by the Charity Commission.

Mr Thurley is a trustee of Warwick Apprenticing Charities (WAC), which received a grant of £30,000 during 2020. The Trust gives grants to WAC to allow them to provide grants to young people in Warwick. There is no personal benefit.

23 POST BALANCE SHEET EVENTS

There are no post balance sheet events.

23 INVESTMENT IN SUBSIDIARY

The Trust is the beneficial owner of KH8 Limited, which was set up to hold, develop and sell land at Europa Way. It is incorporated in England (company number 8485559).

	2020 £	2019 £
Income	**16,280,124**	8,384,753
Cost of Sales	**(9,164,332)**	(3,315,974)
Administrative expenses	**(15,187)**	(16,316)
OPERATING PROFIT	**7,100,605**	5,052,463
Interest Receivable	**19,502**	48,381
Sundry Income	**913,514**	51,709
Interest Payable	**(216,256)**	(266,858)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**7,817,365**	4,885,695
Tax on profit on ordinary activities	**-**	-
PROFIT FOR THE FINANCIAL YEAR	**7,817,365**	4,885,695

	2020 £	2019 £
CURRENT ASSETS		
Cash	**6,348,216**	8,756,550
Stock	**-**	2,295,576
Debtors	**8,863,014**	8,469,541
	15,211,230	19,521,667
CREDITORS: Amounts falling due within one year	**(12,823,121)**	(12,599,862)
NET CURRENT ASSETS	**2,388,109**	6,921,805
NET ASSETS	**2,388,109**	6,921,805
CAPITAL AND RESERVES		
Called up share capital	**1**	1
Profit and loss account	**2,388,108**	6,921,804
SHAREHOLDERS' SURPLUS	**2,388,109**	6,921,805