



**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:

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

Nominated by:

Co-opted Trustees:

Mrs Vivienne Bosworth	(appointed on 1 st 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 27 th 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

THE KING HENRY VIII ENDOWED TRUST, WARWICK
(Founded by Letters Patent dated 15 May 1545)

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK
(Founded by Letters Patent dated 15 May 1545)

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 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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK
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TRUSTEES' REPORT

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 through 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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK
(Founded by Letters Patent dated 15 May 1545)

TRUSTEES' REPORT

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

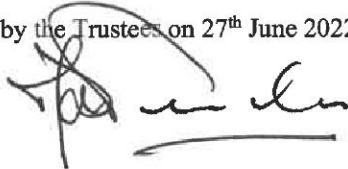
The Trustees give regard to the Charity Commission guidance on public benefit and consider that in so far as the objectives of the Trust are to provide for religious, educational and other charitable activities within the town of Warwick. The Trustees consider that these objectives are met through the 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



Clerk and Receiver



12 High Street
Warwick
CV34 4AP

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KING HENRY VIII ENDOWED TRUST, WARWICK

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KING HENRY VIII ENDOWED TRUST, WARWICK

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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE KING HENRY VIII ENDOWED TRUST, WARWICK**

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's 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 ACTIVITIES
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		4	-	-	-	-	913,514	913,514
Other Trading Activities			-	-	-	-	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)
Net gains on investments		11	(1,517,654)	600,001	(917,653)	(1,454,568)	8,661,789	7,207,221
NET INCOME/(EXPENDITURE)				8,788,239	8,788,239	-	1,912,941	1,912,941
Transfers between funds		10	(1,517,654)	9,388,240	7,870,586	(1,454,568)	10,574,730	9,120,162
			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

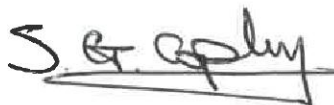
	Notes	GROUP		CHARITY	
		2021	2020	2021	2020
		£	£	£	£
FIXED ASSETS					
Investments	11	<u>74,337,389</u>	<u>56,944,429</u>	<u>74,337,390</u>	<u>56,944,430</u>
CURRENT ASSETS					
Debtors: due within one year	12	<u>819,946</u>	<u>8,919,414</u>	<u>1,719,490</u>	<u>6,798,945</u>
Cash at bank and in hand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

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



THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

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							
Charitable activities (payments to beneficiaries)	5	-	(197,733)	(197,733)	-	(154,699)	(154,699)
Support costs	16	(1,517,657)	-	(1,517,657)	(1,454,931)	-	(1,454,931)
Governance costs	7	-	(84,195)	(84,195)	-	(79,305)	(79,305)
	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)
Net gains on investments	11	(1,517,654)	2,754,380	1,236,726	(1,454,568)	13,195,488	11,740,920
		-	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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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
	<u>819,946</u>	<u>8,919,414</u>	<u>1,719,490</u>	<u>6,798,945</u>

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	-	-
	<u>2,952,226</u>	<u>6,364,159</u>	<u>254,284</u>	<u>283,583</u>

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
	<u>72,366,823</u>	<u>68,208,170</u>	<u>69,435,152</u>	<u>59,739,486</u>
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors	2,035,197	2,916,017	18,445	17,600
	<u>2,035,197</u>	<u>2,916,017</u>	<u>18,445</u>	<u>17,600</u>

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

15 PERMANENT ENDOWMENT FUND (Restricted Funds)									
	Original gift £	Unapplied total return £	GROUP Total 2021 £	Total 2020 £	Original gift £	Unapplied total return £	CHARITY 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	

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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
 <i>2 Other Grants of less than £1000 each</i>	 370
	<u>213,533</u>

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Note	Fixed asset investments £	Net Current assets £	GROUP Total 2021 £	Total 2020 £	Fixed asset investments £	Net Current assets £	CHARITY Total 2021 £	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
		<u>74,337,389</u>	<u>2,333,028</u>	<u>76,670,417</u>	<u>68,799,831</u>	<u>74,337,390</u>	<u>2,099,299</u>	<u>76,436,689</u>	<u>66,411,724</u>

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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.

