



**THE KING HENRY VIII ENDOWED TRUST,
WARWICK**

**Trustees' Report and Consolidated Financial
Statements**

Year ended 31st December 2017

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
Mr Stephen Copley
Mr Gerry Guest
Miss Kathryn Parr

Nominated by:

Bishop of Coventry
Archdeacon of Warwick
Warwick Town Council
Warwick Independent Schools Foundation

Co-opted Trustees:

Mr John Edwards (Chairman)
Mrs Marie-Bernadette Ashe
Mr Ian Furlong
Mr Rupert Griffiths
Mrs Susan Grinnell (appointed 6th March 2017)
Mr Stephen Jobburn
Mr Michael Peachey
Mr Neil Thurley

CLERK AND RECEIVER

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

AUDITOR

Mazars LLP – 45 Church Street, Birmingham, B3 2RT

STOCKBROKERS

CCLA – 80 Cheapside, London, EC2V 6DZ
Quilter Cheviot – Provincial House, 37 New Walk, Leicester, LE1 6TU
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD

SOLICITORS

Lodders LLP – 10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Shakespeare Martineau LLP – 1 Colmore Square, Birmingham, B4 6AA
Gowling WLG (UK) LLP – Two Snowhill, Birmingham, B4 4WR
Eversheds LLP – 115 Colmore Row, Birmingham, B3 3AL

BANKERS

HSBC Bank Plc – 11 High Street, Warwick, CV34 4AS

PROPERTY MANAGING AGENTS

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

AGRICULTURAL AGENTS

Margetts – 12 High Street, Warwick, CV34 4AP

LAND DEVELOPMENT & PLANNING

Wood Environment & Infrastructure UK Ltd – Gables House, Kenilworth Road, Leamington, CV32 6JX
Catesby Estates plc – Catesby House, 5b Tournament Court, Edgehill Drive, Warwick, CV34 6LG
Savills (UK) Ltd – 33 Margaret Street, London, W1G 0JD

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 2017

The Trustees present their Annual Report and Financial Statements of the charity for the year ended 31st December 2017 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 on 16 July 2014 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 Ltd. The financial information within this report relates to the consolidated group numbers.

Reference and administrative details

The King Henry VIII Endowed Trust, Warwick's principle 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 R Griffiths, 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 2017, the Trustees held four full Trustees Meetings, four Grants Committee Meetings, four Finance & Investment Committee Meetings and two Special 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 seeking to develop 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 that 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.

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

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(Founded by Letters Patent dated 15 May 1545)

TRUSTEES' REPORT

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 the 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 2017 the Trust distributed a total of £1,169,997 to beneficiaries with £609,802 being distributed to the five Anglican churches in the town, £327,137 to the Warwick Independent Schools Foundation and £233,038 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 £76,656 (2016: £98,351).

The distributions to the Warwick Independent Schools Foundation during 2017 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 37 different organisations. Local state schools continue to be significant beneficiaries. Other major grants were to Warwick Apprenticing Charities, South Warwickshire Heart Failure, Education and Cardiac Rehabilitation Trust, New Life Church and an initiative to relocate the skateboard park in St. Nicholas Park. Smaller grants have supported a range of activities including 2nd Warwick Sea Scouts, Friends of Myton Pool, Warwick Town Council, Age UK, Chase Meadow Community Centre, Senior Citizens Clubs and various counselling charities. 57% of all grants awarded benefitted local schools or young people.

The Trust sold two properties during the year: a small industrial estate in Bromsgrove for £2.66m and offices in Stratford for £2.72m. Both were sold for a premium over their 2016 year end valuation. Trustees considered that these properties had reached their maximum potential and that the funds would be better invested elsewhere.

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 Consortium continued to work with Catesby Estate plc during the year, who are putting in place significant infrastructure to enable the site's value to be maximised. The Trust's share of the costs incurred by Catesby on the consortium's behalf is included in Stock. In 2017 this was £410,073 (2016 £177,403).

Financial Review of the year

During the year total income from the Permanent Endowment amounted to £1,181,721 (2016: £1,113,130) with rents, licences and wayleaves from the Trust's property portfolio totalling £660,225 and dividends and interest income from financial investments totalling £521,496.

The cost of achieving the Trust's income relating to property management expenses and stockbroker fees totalled £223,116 (2016: £266,985). Other costs relate to support activities of £89,903 and governance costs of £15,244.

The Trust's investments performed well again this year, gaining in value by £2,152,038 (2016: £2,285,663).

Total Net Income (including investment gains) of £3,005,496 (2016: £3,032,512) is the total return on the Trust's Permanent Endowment, a return of 9.9% (2016 10.6%) in the year.

The funds made available for distribution to beneficiaries in 2017 is determined by the application of the long term distribution rate within the Trust's Investment Policy, set at 3.35% since 2016. The proportion of the Permanent Endowment made available in 2017 was £1,020,096 (2016: £1,090,456).

In addition to income from the Permanent Endowment there was interest income of £175 (2016: £550) from the Town Share reserves in the Beneficiaries Income Fund.

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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 distribution to the Churches and WISF are made in regular quarterly payments with a final payment following the approval of the Trust's accounts. This is normally by June of the following year.

The Town Share, which is available for grant making, typically has a reserve of about one year's distribution. This allows scope for flexibility within grant making. At the year end the balance was £160,138 (2016: £188,982).

Investments and Investment Policy

The Trust's Investment Policy aims to produce stable, sustainable income to beneficiaries that preserve 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. During 2017 the LTSDR remained at 3.35% to reflect the more challenging investment market. In order to meet the 3.35% LTSDR and to cover net operating expenses (c. 0.4% of assets) 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. (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. The listed investments are managed either by the CCLA COIF Investment fund or are managed on a discretionary basis by Quilter Cheviot. Both funds allocate investments over a range of financial instruments, including equities, bonds and commodities. Each has agreed asset allocation benchmarks to maintain diversity and assess performance. During the year some proceeds from the sale of directly held properties were invested in charity property funds: CCLA COIF Property fund and Savills' Charities Property Fund.

The Trust's investments are constantly reviewed and changes made when appropriate and on professional advice.

The Trust does not include any social, environmental or ethical constraints in its Investment Policy. In practice it ensures that it meets all legislation and, in particular to its land and property investments, ensures 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. As the intention of KH8 Limited is to further develop and then sell the land, the value of land held is treated as stock in the KH8 Limited accounts and the consolidated accounts. The agreement continued with Catesby Estates plc for them to put in place significant infrastructure to enable the site's value to be maximised.

During the year Warwick District Council's Local Plan was approved. In addition to the land at Europa Way the Trust has one land holding allocated in the Local Plan. This is a 15 acre field at Hampton Magna with an allocation for up to 130 dwellings. The Trust is actively marketing this land.

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.

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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 stockbrokers and property managing agents with respect to the future outlook for investments.

The major short term risk is failing to achieve the potential value from the sale of land for development. Developments that could significantly increase the value of the permanent endowment. To mitigate this risk the Trustees either through KH8 Limited and the Europa Way Consortium for its land at Europa Way or directly itself for other land holdings engage professional advisors to provide support and advice on planning and all land development matters.

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. Most significant amongst these are the management of the land at Europa Way, through KH8 Limited along with the Europa Way Consortium, and the sale of other land. The Europa Way land is being better prepared for sale by the agreement with a Catesby to address infrastructure issues and to make the site available in more saleable parcels. Marketing of part of the site has already commenced. Trustees would expect these sales, along with the sale of the land at Hampton Magna to be completed towards the end of 2018 or in early 2019.

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 _____ and signed on their behalf by:

Chairman

Deputy Chairman

Clerk and Receiver

12 High Street
Warwick
CV34 4AP

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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 subsidiary KH8 Limited (the group) for the year ended 31st December 2017 which comprise the Trustees' Report, the group and charity Statements of Financial Activities, the group and charity Balance Sheets 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 and charity's affairs as at 31st December 2017 and of its 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.

Use of the audit report

This report is made solely to the trustees as a body in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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 trustees as a body for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and consolidated financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group 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 6, 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 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

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

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

Signed:

Mazars LLP Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date:

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 2017

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2017	Beneficiaries income fund	Permanent endowment fund	Total 2016
		£	£	£	£	£	£
INCOME & ENDOWMENTS FROM:							
Investment income							
- Rents, licence fees and wayleaves			660,225	660,225	-	741,239	741,239
- dividends	2		519,822	519,822	-	368,000	368,000
- interest	3	175	1,674	1,849	550	3,891	4,441
Total income		<u>175</u>	<u>1,181,721</u>	<u>1,181,896</u>	<u>550</u>	<u>1,113,130</u>	<u>1,113,680</u>
EXPENDITURE ON:							
Raising funds	4		(223,116)	(223,116)		(266,985)	(266,985)
Charitable activities (payments to beneficiaries)	16	(1,169,977)		(1,169,977)	(1,108,450)		(1,108,450)
Support costs	5		(89,903)	(89,903)		(85,463)	(85,463)
Governance costs	6		(15,244)	(15,244)		(13,833)	(13,833)
Total expenditure		<u>(1,169,977)</u>	<u>(328,263)</u>	<u>(1,498,240)</u>	<u>(1,108,450)</u>	<u>(366,281)</u>	<u>(1,474,731)</u>
Net gains on investments	9	(1,169,802)	853,458	(316,344)	(1,107,900)	746,849	(361,051)
		<u>-</u>	<u>2,152,038</u>	<u>2,152,038</u>	<u>-</u>	<u>2,285,663</u>	<u>2,285,663</u>
NET INCOME/(EXPENDITURE)		<u>(1,169,802)</u>	<u>3,005,496</u>	<u>1,835,694</u>	<u>(1,107,900)</u>	<u>3,032,512</u>	<u>1,924,612</u>
Transfers between funds	8	1,020,096	(1,020,096)	-	1,090,456	(1,090,456)	-
		<u>1,020,096</u>	<u>(1,020,096)</u>	<u>-</u>	<u>1,090,456</u>	<u>(1,090,456)</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>(149,706)</u>	<u>1,985,400</u>	<u>1,835,694</u>	<u>(17,444)</u>	<u>1,942,056</u>	<u>1,924,612</u>
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2017		744,593	30,487,935	31,232,528	762,037	28,545,879	29,307,916
		<u>744,593</u>	<u>30,487,935</u>	<u>31,232,528</u>	<u>762,037</u>	<u>28,545,879</u>	<u>29,307,916</u>
Fund balances carried forward at 31st December 2017		594,887	32,473,335	33,068,222	744,593	30,487,935	31,232,528
		<u>594,887</u>	<u>32,473,335</u>	<u>33,068,222</u>	<u>744,593</u>	<u>30,487,935</u>	<u>31,232,528</u>

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2017

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2017	Beneficiaries income fund	Permanent endowment fund	Total 2016
		£	£	£	£	£	£
INCOME & ENDOWMENTS FROM:							
Investment income							
- Rents, licence fees and wayleaves			660,225	660,225	-	741,239	741,239
- dividends	2		519,822	519,822	-	368,000	368,000
- interest	3	175	131,364	131,539	550	131,382	131,932
Total income		175	1,311,411	1,311,586	550	1,240,621	1,241,171
EXPENDITURE ON:							
Raising funds	4	-	(220,766)	(220,766)	-	(262,127)	(262,127)
Charitable activities (payments to beneficiaries)	16	(1,169,977)		(1,169,977)	(1,108,450)	-	(1,108,450)
Support costs	5		(89,203)	(89,203)	-	(84,124)	(84,124)
Governance costs	6		(11,124)	(11,124)	-	(10,508)	(10,508)
Total expenditure		(1,169,977)	(321,093)	(1,491,070)	(1,108,450)	(356,759)	(1,465,209)
Net gains on investments	9	(1,169,802)	990,318	(179,484)	(1,107,900)	883,862	(224,038)
		-	2,152,038	2,152,038	-	2,285,663	2,285,663
NET INCOME/(EXPENDITURE)		(1,169,802)	3,142,356	1,972,554	(1,107,900)	3,169,525	2,061,625
Transfers between funds	8	1,020,096	(1,020,096)	-	1,090,456	(1,090,456)	-
NET MOVEMENT IN FUNDS		(149,706)	2,122,260	1,972,554	(17,444)	2,079,069	2,061,625
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2017		744,593	30,819,709	31,564,302	762,037	28,740,640	29,502,677
Fund balances carried forward at 31st December 2017		594,887	32,941,969	33,536,856	744,593	30,819,709	31,564,302

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2017

	Notes	GROUP		CHARITY	
		2017	2016	2017	2016
		£	£	£	£
FIXED ASSETS					
Investments	9	28,516,119	26,951,845	28,516,120	26,951,846
CURRENT ASSETS					
Stock	10	3,957,215	3,536,090	-	-
Debtors: due after one year	11	287,383	284,753	4,127,387	3,997,697
Debtors: due within one year	12	137,034	204,875	134,661	195,475
Cash at bank and in hand		1,126,495	801,953	1,122,901	788,713
		5,508,127	4,827,671	5,384,949	4,981,885
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(956,024)	(546,988)	(364,213)	(369,429)
NET CURRENT ASSETS		4,552,103	4,280,683	5,020,736	4,612,456
NET ASSETS		33,068,222	31,232,528	33,536,856	31,564,302
RESTRICTED FUNDS					
Permanent Endowment Funds	15	32,473,335	30,487,935	32,941,969	30,819,709
Beneficiaries Income Fund	16	594,887	744,593	594,887	744,593
		33,068,222	31,232,528	33,536,856	31,564,302

The financial statements on pages 8 to 26 were approved and authorised for issue by the Trustees on _____ and were signed on their behalf by:

Chairman

Deputy Chairman

Clerk and Receiver

THE KING HENRY VIII ENDOWED TRUST, WARWICK

STATEMENT OF CASH FLOWS

For the year ended 31st December 2017

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Statement of Cash Flows				
Cash from operating activities:				
Net cash (used in) operating activities	(1,445,118)	(1,944,230)	(1,565,162)	(2,018,877)
Cash from investing activities:				
Dividends, interest and rents	1,181,896	1,113,680	1,311,586	1,241,171
Proceeds from sale of investments	5,068,118	3,292,155	5,068,118	3,292,155
Purchases of investments	(4,480,354)	(2,739,239)	(4,480,354)	(2,739,239)
Net cash provided by investing activities	1,769,660	1,666,596	1,899,350	1,794,087
Cash from financing activities:				
Net cash from financing activities	-	-	-	-
Change in cash & cash equivalents in year	324,542	(277,634)	334,188	(224,790)
Cash & cash equiv. at the beginning of year	801,953	1,079,587	788,713	1,013,503
Cash and cash equivalents at the end of year	1,126,495	801,953	1,122,901	788,713
Reconciliation of Net Expenditure to Cash Flow from Operating Activities				
Net income/(expenditure) for the year	1,835,694	1,924,612	1,972,554	2,061,624
Adjustments:				
(Gains)/Losses on Investments	(2,152,038)	(2,285,663)	(2,152,038)	(2,285,663)
Dividends, interest and rents	(1,181,896)	(1,113,680)	(1,311,586)	(1,241,171)
(Increase) in stocks	(421,125)	(209,309)	-	-
Decrease/(Increase) in debtors	65,211	72,201	(68,876)	(510,557)
(Decrease)/Increase in creditors	409,036	(332,391)	(5,216)	(43,110)
Net cash (used in) operations	(1,445,118)	(1,944,230)	(1,565,162)	(2,018,877)
Analysis of Cash and Cash Equivalents				
Cash in hand	1,126,495	801,953	1,122,901	788,713
Total cash & cash equivalents	1,126,495	801,953	1,122,901	788,713

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

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 are consolidated on a line-by-line basis to produce the 'Group' numbers.

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.

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

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

Charitable activities

Charitable activities consists of grants made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

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 R Griffiths, Mr S Copley and Mr J Edwards as nominees for the Trustees.

Stock

Stock is the cost of land held for sale, including SDLT and professional fees incurred specifically related to protecting or enhancing the value of the land and to bring the land to market.

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 calculated as:

- 50% of the previous year's Appropriation increased in line with inflation (using CPI), plus
- 50% of the closing asset values for 2016 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

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 15 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

2 DIVIDENDS

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
COIF Investment Fund	173,890	124,833	173,890	124,833
COIF Property Fund	42,764	-	42,764	-
Savills Charities Property Fund	25,905	-	25,905	-
Listed investments	277,263	243,167	277,263	243,167
	519,822	368,000	519,822	368,000

3 INTEREST

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Banks	1,429	3,751	1,429	3,751
Managing agents	313	216	313	216
Stockbrokers	107	474	107	474
Interest on Loan to Subsidiary	-	-	129,690	127,491
	1,849	4,441	131,539	131,932

4 COST OF RAISING FUNDS

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Property management expenses	126,730	195,383	124,380	190,525
Stockbroker's fees	96,386	71,602	96,386	71,602
	223,116	266,985	220,766	262,127

The stockbroker has a discretionary management role and only charges a fee. There are no capital transaction charges netted off against purchases or sales.

Stockbrokers' fees include fees and costs charged within the CCLA COIFs and the Savills Charities Property Investment Fund.

5 SUPPORT COSTS

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Administration fees	80,926	76,003	80,362	74,769
Sundry expenses	8,977	9,460	8,841	9,355
	89,903	85,463	89,203	84,124

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

6 GOVERNANCE COSTS

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Auditors' remuneration	11,620	10,965	7,500	7,640
Trustees' indemnity insurance	1,720	1,712	1,720	1,712
Trustees' meeting costs	1,904	1,156	1,904	1,156
	15,244	13,833	11,124	10,508

7 TRUSTEES

None of the Trustees received any remuneration during either the current or previous year. No expenses were reimbursed to Trustees during the year (2016: Nil).

8 TRANSFERS BETWEEN FUNDS

The Beneficiaries Income Fund transfer of £1,020,096 (2016: £1,090,456) 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 2017

9 INVESTMENTS – GROUP

	Properties £	COIF investments £	Savills investments £	Listed investments £	Investment in Subsidiary £	Cash £	Total 2017 £	Total 2016 £
Market value at 1st January 2017	11,388,220	3,558,129	-	9,943,453	-	2,062,043	26,951,845	25,219,098
Acquisitions at cost	-	3,000,000	1,000,000	480,354	-	-	4,480,354	2,739,239
Sales proceeds from disposals	(5,286,056)	-	-	(789,047)	-	-	(6,075,103)	(3,523,064)
Increase in cash	-	-	-	-	-	1,006,985	1,006,985	230,909
Realised gains in the year	716,056	-	-	65,588	-	-	781,644	271,450
Unrealised gains/(losses) in the year	(5,000)	301,756	27,672	1,045,966	-	-	1,370,394	2,014,213
Market value at 31st December 2017	6,813,220	6,859,885	1,027,672	10,746,314	-	3,069,028	28,516,119	26,951,845
Historical Cost				7,559,482				

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 2017 in accordance with the RICS Appraisal and Valuation Manual (The Red Book). The previous revaluation was carried out at 31st December 2016. There is one property that exceeds 5% of the total investment value and this accounts for 5.3% of total investments.

COIF and Savills investments are stated at market value at 31st December 2017 as provided by the fund managers.

Listed investments are stated at market value at 31st December 2017 as provided by Quilter Cheviot, stockbroker. £6,083,537 is invested in investments in the UK and £4,662,777 in investments overseas.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

9 INVESTMENTS - CHARITY

	Properties £	COIF investments £	Savills investments £	Listed investments £	Investment in Subsidiary £	Cash £	Total 2017 £	Total 2016 £
Market value at 1st January 2017	11,388,220	3,558,129	-	9,943,453	1	2,062,043	26,951,846	25,219,099
Acquisitions at cost	-	3,000,000	1,000,000	480,354	-		4,480,354	2,739,239
Sales proceeds from disposals	(5,286,056)			(789,047)			(6,075,103)	(3,523,064)
Increase in cash						1,006,985	1,006,985	230,909
Realised gains in the year	716,056			65,588			781,644	271,450
Unrealised gains/(losses) in the year	(5,000)	301,756	27,672	1,045,966			1,370,394	2,014,213
Market value at 31st December 2017	6,813,220	6,859,885	1,027,672	10,746,314	1	3,069,028	28,516,120	26,951,846
Historical Cost				7,559,482				

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

10 STOCK

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Development land held for sale	3,957,215	3,536,090	-	-
	<u>3,957,215</u>	<u>3,536,090</u>	<u>-</u>	<u>-</u>

Catesby Property Group PLC has a charge over the land included in Stock until the development costs it is incurring have been repaid.

11 DEBTORS : AMOUNTS FALLING DUE AFTER ONE YEAR

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Debtors	287,383	284,753	116,818	116,818
Loan to Subsidiary	-	-	4,010,569	3,880,879
	<u>287,383</u>	<u>284,753</u>	<u>4,127,387</u>	<u>3,997,697</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.

12 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Debtors	10,498	145,446	8,125	136,046
Accrued Income	122,233	48,884	122,233	48,884
Prepayments	4,303	10,545	4,303	10,545
	<u>137,034</u>	<u>204,875</u>	<u>134,661</u>	<u>195,475</u>

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Trade Creditors	100,471	71,255	99,128	70,873
Other creditors	33,542	12,524	34,320	16,475
Grants to beneficiaries	129,099	113,314	129,099	113,314
Accruals	692,912	349,895	101,666	168,767
	<u>956,024</u>	<u>546,988</u>	<u>364,213</u>	<u>369,429</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

14 FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2017	2016	2017	2016
	£	£	£	£
Financial assets measured at fair value through the Statement of Financial Activities				
Investments	18,663,871	13,501,582	18,663,871	13,501,582
Loan	-	-	4,010,569	3,880,879
Debtors	297,882	430,199	124,944	252,864
Cash	4,195,523	2,863,996	4,191,929	2,850,756
	<u>23,157,276</u>	<u>16,795,777</u>	<u>26,991,313</u>	<u>20,486,081</u>
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors	100,471	71,255	99,127	70,783
	<u>100,471</u>	<u>71,255</u>	<u>99,127</u>	<u>70,783</u>

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

15 PERMANENT ENDOWMENT FUND

	Original gift £	Unapplied total return £	GROUP Total 2017 £	Total 2016 £	Original gift £	Unapplied total return £	CHARITY Total 2017 £	Total 2016 £
Balance at 1st January	338,281	30,149,654	30,487,935	28,545,879	338,281	30,481,428	30,819,709	28,740,640
Net incoming/(outgoing) resources before transfers		853,458	853,458	746,849		990,318	990,318	883,862
Gains/(loss) on investments		2,152,038	2,152,038	2,285,663		2,152,038	2,152,038	2,285,663
Applied income for the year		(1,020,096)	(1,020,096)	(1,090,456)		(1,020,096)	(1,020,096)	(1,090,456)
Balance at 31st December	338,281	32,135,054	32,473,335	30,487,935	338,281	32,603,688	32,941,969	30,819,709

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

16 BENEFICIARIES INCOME FUND – GROUP & CHARITY

	Balance at 1st January 2017 £	Appropriation for year £	Interest received £	Total £	Approved for payment in year £	Balance at 31st December 2017 £
Warwick Anglican Churches						
Housing allowances:						
- Parish of St Michael	3,224	6,500		9,724	6,474	3,250
- Parish of St Paul	3,224	6,500		9,724	6,474	3,250
- Parish of All Saints	3,223	6,500		9,723	6,473	3,250
- Parish of St Nicholas	3,223	6,500		9,723	6,473	3,250
Stipends:						
- Vicar of St Michael	19,066	36,647		55,713	36,376	19,337
- Vicar of St Paul	19,085	36,590		55,675	36,395	19,280
- Vicar of All Saints	17,891	36,734		54,625	35,201	19,424
- Vicar of St Mary	19,045	36,783		55,828	36,355	19,473
- Vicar of St Nicholas	19,304	36,963		56,267	36,614	19,653
The Coventry Diocesan Board of Finance Limited	107,285	209,717		317,002	206,835	110,167
PCC of St Michael	23,465	33,423		56,888	39,465	17,423
PCC of St Paul	23,465	33,423		56,888	39,465	17,423
PCC of All Saints	23,413	33,423		56,836	39,465	17,371
PCC of St Mary	63,475	89,984		153,459	107,475	45,984
PCC of St Nicholas	23,465	33,423		56,888	39,465	17,423
Project Pool	103,906	76,655		180,561	137,632	42,929
Warwick Anglican Churches - Total	368,474	510,048		878,522	609,802	268,720
Warwick Independent Schools Foundation	187,137	306,029		493,166	327,137	166,029
Warwick Town	188,982	204,019	175	393,176	233,038	160,138
	744,593	1,020,096	175	1,764,864	1,169,977	594,887

Stipends paid above include:

Pension contributions £46,670 (2016: £41,436) and National Insurance £10,184 (2016: £8,537).

At 31st December 2017 grants totalling £129,099 (2016: £113,314) have been approved but remain unpaid. These have been provided for in creditors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

17 TOWN GRANTS AWARDED – GROUP & CHARITY

	Total £
Institutions and Societies (>£1,000)	
Age UK Warwickshire	6,000
All Saints C of E Junior School & Emscote Infant School	5,625
Aylesford Primary School	4,000
Aylesford Secondary School	16,725
Budbrooke Primary School	2,000
Chase Meadow Community Centre	5,000
Coten End Primary School	3,000
Cruse Bereavement Care	2,600
Domestic Abuse Counselling Service	2,000
Entrust Care Partnership	6,029
Friends of Myton Pool	3,895
Lord Leycester Hospital	5,000
Myton School	14,171
Newburgh Primary School	3,000
New Hope Christian Counselling	5,000
New Life Church	17,280
Relate – Coventry & Warwickshire	5,000
Royal Regiment of Fusiliers Museum	1,750
Safeline	5,000
Save Our Skatepark	9,000
South Warwickshire Heart Failure, Education & Cardiac Rehabilitation Trust	25,000
St Mary Immaculate Catholic Primary School	6,702
Warwick Apprenticing Charities	30,000
Warwick Juniors Football Club	3,000
1 st Warwick Gates Brownies	1,426
Warwick LEA School Pupils - Summer Activities	5,928
2 nd Warwick Sea Scouts	7,500
Warwick Sport Club	4,210
Warwick Town Council	3,000
7 th Warwick Woodloes Scouts	1,000
Warwickshire County Council Heritage & Culture	3,106
Westgate Primary School	9,500
Woodloes Primary School	3,000
Woodloes Senior Citizens Association	2,826
<i>3 Other Grants of less than £1000 each</i>	940
	<hr/> 229,213
Individuals Grants	
2 Grants to individuals	3,825
	<hr/> 233,038 <hr/>

There were £113,314 grants awarded but not paid at 31st December 2016. Of these, in 2017 £106,209 were paid, grants were reduced by £4,562 and £2,543 remained outstanding at 31st December 2017.

Total Grants awarded and paid in 2017 were £111,044 and total grants awarded in 2017 but outstanding at 31st December 2017 were £126,556.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

		GROUP				CHARITY			
	Note	Fixed asset investments £	Net Current assets £	Total 2017 £	Total 2016 £	Fixed asset investments £	Net Current assets £	Total 2017 £	Total 2016 £
Permanent endowment fund	15	28,516,119	3,957,216	32,473,335	30,487,935	28,516,120	4,425,849	32,941,969	30,819,709
Beneficiaries income fund	16		594,887	594,887	744,593		594,887	594,887	744,593
		<u>28,516,119</u>	<u>4,552,103</u>	<u>33,068,222</u>	<u>31,232,528</u>	<u>28,516,120</u>	<u>5,020,736</u>	<u>33,536,856</u>	<u>31,564,302</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

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.

Three trustees, Miss Parr, Mr Griffiths and Mrs Ashe, are also Governors of Warwick Independent Schools Foundation. One as the Foundation's nomination as a Nominative Trustee, one as the Trust's Nominative Governor to the Foundation and one as a co-opted Governor. 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 2017. The Trust gives grants to WAC to allow them to provide grants to young people in Warwick. There is no personal benefit.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2017

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).

	2017 £	2016 £
Income	-	-
Administrative expenses	(7,170)	(9,521)
	<u>(7,170)</u>	<u>(9,521)</u>
OPERATING (LOSS)/PROFIT	(7,170)	(9,521)
Interest Receivable	-	-
Interest Payable	(129,690)	(127,491)
	<u>(136,860)</u>	<u>(137,012)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(136,860)	(137,012)
Tax on loss on ordinary activities	-	-
	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	(136,860)	(137,012)
	<u><u>(136,860)</u></u>	<u><u>(137,012)</u></u>
	2017 £	2016 £
CURRENT ASSETS		
Cash	3,595	13,239
Stock	3,957,214	3,536,090
Debtors	173,716	181,286
	<u>4,134,525</u>	<u>3,730,615</u>
CREDITORS: Amounts falling due within one year	(4,603,159)	(4,062,389)
	<u>(468,634)</u>	<u>(331,774)</u>
NET CURRENT LIABILITIES	(468,634)	(331,774)
	<u>(468,634)</u>	<u>(331,774)</u>
NET LIABILITIES	(468,634)	(331,774)
	<u><u>(468,634)</u></u>	<u><u>(331,774)</u></u>
CAPITAL AND RESERVES		
Called up share capital	1	1
Profit and loss account	(468,635)	(331,775)
	<u>1</u>	<u>(331,774)</u>
SHAREHOLDERS' DEFICIT	(468,634)	(331,774)
	<u><u>(468,634)</u></u>	<u><u>(331,774)</u></u>