



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

**Trustees' Report and Consolidated Financial
Statements**

Year ended 31st December 2023

THE KING HENRY VIII ENDOWED TRUST, WARWICK

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THE KING HENRY VIII ENDOWED TRUST, WARWICK

TRUSTEES AND ADVISERS

TRUSTEES

Nominated Trustees:

Rev David Brown
Mr Stephen Copley
Cllr Stephen Cross
Cllr Simon Pargeter
Mrs Marie-Bernadette Ashe

Nominated by:

Bishop of Coventry
Archdeacon of Warwick
Warwick Town Council (resigned on 18th May 2023)
Warwick Town Council (appointed on 12th June 2023)
Warwick Independent Schools Foundation (Chair)

Co-opted Trustees:

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

CLERK AND RECEIVER

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

AUDITOR

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

INVESTMENT MANAGERS/ADVISORS

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

SOLICITORS

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

BANKERS

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

PROPERTY MANAGING AGENTS

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

AGRICULTURAL AGENTS

Margetts – 12 High Street, Warwick, CV34 4AP

LAND DEVELOPMENT & PLANNING

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

PRINCIPAL OFFICE

12 High Street, Warwick, CV34 4AP

CHARITY REGISTRATION NUMBER 232862

**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 2023

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

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

Reference and administrative details

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

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

Structure, Governance and Management

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

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

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

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

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

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

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

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

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

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

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

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

Financial Review of the year

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

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

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

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

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

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK
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TRUSTEES' REPORT

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

Reserves

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

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

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

Investments and Investment Policy

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

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

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

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

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

Land for development

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

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

Risk Management

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

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.

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

Plans for Future Periods

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

Public Benefit

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

Statement as to disclosure of information to auditor

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

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

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver

12 High Street
Warwick
CV34 4AP

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the parent charity’s affairs as at 31st December 2022 and of the group’s and the parent charity’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees’ Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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

Date:

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2023

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

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2023

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

All funds are restricted.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2023

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

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

Chairman

Chairman of Finance & Investment Committee

Clerk and Receiver

THE KING HENRY VIII ENDOWED TRUST, WARWICK

STATEMENT OF CASH FLOWS

For the year ended 31st December 2023

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

1 ACCOUNTING POLICIES

Accounting convention

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

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

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

Basis of Consolidation

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

Group related party transactions

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

Incoming resources

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

Rents receivable

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

Investment income

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

Interest receivable

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

Resources expended

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

Grants to Town Share beneficiaries

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

Cost of generating funds – re Investments

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

Cost of generating funds – re Other Trading Income

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

Charitable activities

Charitable activities consists of grants made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

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 Meridien, investment managers.

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

Investment in Subsidiary

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

Stock

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

Financial instruments

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

Total Returns

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

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

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

Income Application

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

Funds accounting

Funds held by the charity are:

- a. Permanent Endowment Fund – this fund represents the original endowment adjusted by subsequent gains and losses on investments, and since 1st January 2012 the net income less the income applied. In note 16 this is subdivided into the “original gift” and “unapplied total return” as required by accounting for Total Returns.
- b. Beneficiaries Income Fund – this fund is the funds attributable to the beneficiaries. The opening balance is the funds applied to beneficiaries but not distributed by the year end. The additions during the year are the income applied from the Permanent Endowment and interest income earned on funds not distributed. The basis of the allocation of the distribution is in the note on Objectives on page 4.

Tax

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

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

- b. Valuation of investment properties

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

2 DIVIDENDS

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

3 INTEREST

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

4 COST OF RAISING FUNDS – Re INVESTMENTS

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

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

5 COST OF RAISING FUNDS – Re OTHER TRADING

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

6 SUPPORT COSTS

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

7 GOVERNANCE COSTS

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

8 TRUSTEES

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

9 TRANSFERS BETWEEN FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

10 INVESTMENTS – GROUP

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

10 INVESTMENTS - CHARITY

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

11 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

13 FINANCIAL INSTRUMENTS

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

14 PERMANENT ENDOWMENT FUND (Restricted Funds)

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

16 TOWN GRANTS AWARDED – GROUP & CHARITY

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

For the year ended 31st December 2023

16 TOWN GRANTS AWARDED – GROUP & CHARITY (continued)

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

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

18 TAXATION

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

19 RELATED PARTY TRANSACTIONS

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

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

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

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2023

21 INVESTMENT IN SUBSIDIARY

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

	2023 £	2022 £
Income	-	-
Cost of Sales	133,056	(157,631)
Administrative expenses	(13,970)	(12,371)
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OPERATING PROFIT/(LOSS)	119,086	(170,002)
Interest Receivable	37,691	13,500
Interest Payable	(87,156)	(66,693)
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PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	69,621	(223,195)
Tax on profit on ordinary activities	-	-
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PROFIT/(LOSS) FOR THE FINANCIAL YEAR	69,621	(223,195)
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	2023 £	2022 £
CURRENT ASSETS		
Cash	947,291	3,284,741
Debtors	33,093	24,108
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	980,384	3,308,849
CREDITORS: Amounts falling due within one year	(1,033,904)	(3,298,314)
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NET CURRENT ASSETS	(53,520)	10,535
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NET ASSETS	(53,520)	10,535
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CAPITAL AND RESERVES		
Called up share capital	1	1
Profit and loss account	(53,521)	10,534
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SHAREHOLDERS' SURPLUS	(53,520)	10,535
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