



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

**Trustees' Report and Consolidated Financial
Statements**

Year ended 31st December 2016

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)
Mr Timothy Paul Jackson (retired 13th December 2016)
Mrs Marie-Bernadette Ashe
Mr Ian Furlong
Mr Rupert Griffiths
Mrs Susan Grinnell (appointed 6th March 2017)
Mr Stephen Jobburn (appointed 12th December 2016)
Mr Michael Peachey
Mr Neil Thurley

CLERK AND RECEIVER

J Wassall ACA – 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

SOLICITORS

Lodders LLP – 10 Elm Court, Arden Street, Stratford upon Avon, CV37 6PA
Shakespeare Martineau LLP – 1 Colmore Square, Birmingham, B4 6AA

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

Amec Foster Wheeler Environment & Infrastructure UK Ltd – Gables House, Kenilworth Road, Leamington, CV32 6JX
Catesby Property Group 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 2016

The Trustees present their Annual Report and Financial Statements of the charity for the year ended 31st December 2016 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 and since that time the Trust's governing documents have been modified on a number of occasions, with the latest 'Scheme' approved by the Charity Commissioners on the 23rd November 1978, with a further update agreed on the 28th November 2011.

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 2016, the Trustees held four full Trustees Meetings, four Grants Committee Meetings, four Finance & Investment Committee Meetings and one Special Meeting. Trustees also attended seven 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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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 2016 the Trust distributed a total of £1,108,450 to beneficiaries with £526,384 being distributed to the five Anglican churches in the town, £336,526 to the Warwick Independent Schools Foundation and £245,540 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 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 £98,351 (2015: £100,905).

The distributions to the Warwick Independent Schools Foundation during 2016 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, Warwick Corp of Drums, The Gap Community Centre, Guy's Cliffe Walled Garden Trust and towards an initiative supported by a number of Warwick's endowed charities assisting with Enhanced Medical Care at Home. Smaller grants have supported a range of activities including Myton Hospice, Playbox Theatre Company, New Life Church, Warwick Town Council, Senior Citizens Clubs and various counselling charities. 70% of all grants awarded benefitted local schools or young people.

The Trust sold two properties during the year. Its remaining commercial property in Bedworth, a parade of shops, was sold for £1.57m and agricultural land at Ilmington was sold for £0.24m. Both were sold for a premium over their 2015 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 signed an agreement with Catesby Property Group PLC during the year to put 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 2016 this was £181,128.

Financial Review of the year

During the year total income from the Permanent Endowment amounted to £1,113,130 (2015: £1,360,425) with rents, licences and wayleaves from the Trusts property portfolio totalling £741,239 and dividends and interest income from financial investments totalling £371,891.

The cost of achieving the Trust's income relating to property management expenses and stockbroker fees totalled £266,985 (2015: 326,319). Other costs relate to support activities of £85,463 and governance costs of £13,833.

The Trust's investments performed well again this year, gaining in value by £2,285,663 (2015: £814,987).

Total Net Income (including investment gains) of £3,032,512 (2015: £1,753,504) is the total return on the Trust's Permanent Endowment, a return of 10.6% (2015 6.3%) in the year.

The funds made available for distribution to beneficiaries in 2016 is determined by the application of the long term distribution rate within the Trust's Investment Policy, set at 3.35% in 2016. The proportion of the Permanent Endowment made available in 2016 was £1,090,456 (2015: £1,121,755).

In addition to income from the Permanent Endowment there was interest income of £550 (2015: £797) 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 £188,982 (2015: £215,881).

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 80% 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 and during 2016 the LTSDR was reduced from 4% to 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 have 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 current 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 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. Property is currently held directly but in future Trustees anticipate making use of charity property funds.

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. During the year an agreement was signed with Catesby Property Group PLC to put in place significant infrastructure to enable the site's value to be maximised.

The Trustees have continued to monitor the progress of the Warwick District Council's Local Plan in so far as it may affect any of their land holdings. This is done in part with the Europa Way Consortium and partly on its own account.

The Trust has one land holding that remains included as a preferred option in Warwick District Council's draft Local Plan. A 15 acre field at Hampton Magna that is identified for up to 130 dwellings. The potential for the Hampton Magna site depends on the Local Plan being adopted, which is expected to be autumn 2017. A 5 acre section of land at Glebe Farm, Cubbington, which is jointly owned with Sir Thomas White's Charity, had been included but has now been removed.

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

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Risk Management

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

Trustees consider that the major long term financial risk is the potential for reduced returns on investments negatively impacting the value of the permanent endowment to the detriment of current and future beneficiaries. In particular the impact of inflation reducing real returns and lower investment property values in the medium term are concerns for the Trust. Recognising these issues the Trust has adopted the use of a total returns approach in order to stabilise distributions to beneficiaries and maintains close contacts with its 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 a recent agreement with a promoter to address infrastructure issues and to make the site available in more saleable parcels. This will take a few years to come to fruition. The other land holdings remain dependent upon the Local Plan being adopted, which is anticipated to happen in autumn 2017.

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

We have audited the consolidated financial statements of The King Henry VIII Endowed Trust, Warwick for the year ended 31st December 2016 which comprise the consolidated and charity statements of financial activities, the consolidated and charity balance sheets, the consolidated and charity statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditors

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.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

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 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

MAZARS LLP
CHARTERED ACCOUNTANTS (Statutory Auditor)
45 Church Street
Birmingham
B3 2RT

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2016

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2016	Beneficiaries income fund	Permanent endowment fund	Total 2015
		£	£	£	£	£	£
INCOME & ENDOWMENTS FROM:							
Investment income							
- Rents, licence fees and wayleaves		-	741,239	741,239	-	1,052,715	1,052,715
- dividends	2	-	368,000	368,000	-	301,566	301,566
- interest	3	550	3,891	4,441	797	6,144	6,941
Total income		550	1,113,130	1,113,680	797	1,360,425	1,361,222
EXPENDITURE ON:							
Raising funds	4		(266,985)	(266,985)	-	(326,319)	(326,319)
Charitable activities (payments to beneficiaries)	15	(1,108,450)		(1,108,450)	(1,239,498)	-	(1,239,498)
Support costs	5		(85,463)	(85,463)	-	(82,714)	(82,714)
Governance costs	6		(13,833)	(13,833)	-	(12,870)	(12,870)
Total expenditure		(1,108,450)	(366,281)	(1,474,731)	(1,239,498)	(421,903)	(1,661,401)
Net gains on investments	9	(1,107,900)	746,849	(361,051)	(1,238,701)	938,522	(300,179)
		-	2,285,663	2,285,663	-	814,982	814,982
NET INCOME/(EXPENDITURE)		(1,107,900)	3,032,512	1,924,612	(1,238,701)	1,753,504	514,803
Transfers between funds	8	1,090,456	(1,090,456)	-	1,121,755	(1,121,755)	-
NET MOVEMENT IN FUNDS		(17,444)	1,942,056	1,924,612	(116,946)	631,749	514,803
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2016		762,037	28,545,879	29,307,916	878,983	27,914,130	28,793,113
Fund balances carried forward at 31st December 2016		744,593	30,487,935	31,232,528	762,037	28,545,879	29,307,916

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CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2016

	Note	Beneficiaries income fund	Permanent endowment fund	Total 2016	Beneficiaries income fund	Permanent endowment fund	Total 2015
		£	£	£	£	£	£
INCOME & ENDOWMENTS FROM:							
Investment income							
- Rents, licence fees and wayleaves		-	741,239	741,239	-	1,045,216	1,045,216
- dividends	2	-	368,000	368,000	-	301,566	301,566
- interest	3	550	131,382	131,932	797	115,310	116,107
Total income		550	1,240,621	1,241,171	797	1,462,092	1,462,889
EXPENDITURE ON:							
Costs of generating funds	4	-	(262,127)	(262,127)	-	(324,006)	(324,006)
Charitable activities (payments to beneficiaries)	15	(1,108,450)	-	(1,108,450)	(1,239,498)	-	(1,239,498)
Support costs	5	-	(84,124)	(84,124)	-	(80,668)	(80,668)
Governance costs	6	-	(10,508)	(10,508)	-	(10,394)	(10,394)
Total expenditure		(1,108,450)	(356,759)	(1,465,209)	(1,239,498)	(415,068)	(1,654,566)
Net gains on investments	9	(1,107,900)	883,862	(224,039)	(1,238,701)	1,047,024	(191,677)
		-	2,285,663	2,285,663	-	814,982	814,982
NET INCOME/(EXPENDITURE)		(1,107,900)	3,169,525	2,061,624	(1,238,701)	1,862,006	623,305
Transfers between funds	8	1,090,456	(1,090,456)	-	1,121,755	(1,121,755)	-
NET MOVEMENT IN FUNDS		(17,444)	2,079,069	2,061,624	(116,946)	740,251	623,305
RECONCILIATION OF FUNDS							
Fund balances brought forward at 1st January 2016		762,037	28,740,640	29,502,677	878,983	28,000,389	28,879,372
Fund balances carried forward at 31st December 2016		744,593	30,819,709	31,564,302	762,037	28,740,640	29,502,677

THE KING HENRY VIII ENDOWED TRUST, WARWICK

BALANCE SHEETS AT 31st December 2016

	Notes	GROUP		CHARITY	
		2016 £	2015 £	2016 £	2015 £
FIXED ASSETS					
Investments	9	26,951,845	25,219,098	26,951,846	25,219,099
CURRENT ASSETS					
Stock	10	3,536,090	3,326,781	-	-
Debtors: due after one year	11	167,935	160,343	3,880,879	3,400,122
Debtors: due within one year	12	321,693	401,486	312,293	282,492
Cash at bank and in hand		801,953	1,079,587	788,713	1,013,503
		4,827,671	4,968,197	4,981,885	4,696,117
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(546,988)	(879,379)	(369,429)	(412,539)
NET CURRENT ASSETS		4,280,683	4,088,818	4,612,456	4,283,578
NET ASSETS		31,232,528	29,307,916	31,564,302	29,502,677
RESTRICTED FUNDS					
Permanent Endowment Funds	15	30,487,935	28,545,879	30,819,709	28,740,640
Beneficiaries Income Fund	16	744,593	762,037	744,593	762,037
		31,232,528	29,307,916	31,564,302	29,502,677

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 2016

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Statement of Cash Flows				
Cash from operating activities:				
Net cash (used in) operating activities	(1,944,230)	(1,773,553)	(2,018,877)	(1,936,781)
Cash from investing activities:				
Dividends, interest and rents	1,113,680	1,361,222	1,241,171	1,462,889
Proceeds from sale of investments	3,292,155	2,738,417	3,292,155	2,738,416
Purchases of investments	(2,739,239)	(2,057,347)	(2,739,239)	(2,057,347)
Net cash provided by investing activities	1,666,596	2,042,292	1,794,087	2,143,958
Cash from financing activities:				
Net cash from financing activities	-	-	-	-
Change in cash & cash equivalents in year	(277,634)	268,739	(224,790)	207,177
Cash & cash equiv. at the beginning of year	1,079,587	810,848	1,013,503	806,326
Cash and cash equivalents at the end of year	801,953	1,079,587	788,713	1,013,503
Reconciliation of Net Expenditure to Cash Flow from Operating Activities				
Net income/(expenditure) for the year	1,924,612	514,803	2,061,624	623,305
Adjustments:				
(Gains)/Losses on Investments	(2,285,663)	(814,982)	(2,285,663)	(814,981)
Dividends, interest and rents	(1,113,680)	(1,361,222)	(1,241,171)	(1,462,889)
(Increase) in stocks	(209,309)	(497,837)	-	-
Decrease/(Increase) in debtors	72,201	(137,708)	(510,557)	(428,179)
(Decrease)/Increase in creditors	(332,391)	523,393	(43,110)	145,963
Net cash (used in) operations	(1,944,230)	(1,773,553)	(2,018,877)	(1,936,781)
Analysis of Cash and Cash Equivalents				
Cash in hand	801,953	1,079,587	788,713	1,013,503
Total cash & cash equivalents	801,953	1,079,587	788,713	1,013,503

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

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 owed 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 2016

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:

- 80% of the previous year's Appropriation increased in line with inflation (using CPI), plus
- 20% of the closing asset values for 2015 multiplied by the "Long Term Sustainable Distribution Rate".

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

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.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

2 DIVIDENDS

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
COIF investments	124,833	103,389	124,833	103,389
Listed investments	243,167	198,177	243,167	198,177
	368,000	301,566	368,000	301,566

3 INTEREST

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Banks	3,751	5,026	3,751	5,026
Managing agents	216	301	216	301
Stockbrokers	474	543	474	543
HMRC	-	1,071	-	-
Interest on Loan to Subsidiary	-	-	127,491	110,237
	4,441	6,941	131,932	116,107

4 COST OF GENERATING FUNDS

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Property management expenses	195,383	258,524	190,525	256,211
Stockbroker's fees	71,602	67,795	71,602	67,795
	266,985	326,319	262,127	324,006

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 Common Investment Fund.

5 SUPPORT COSTS

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Administration fees	76,003	74,214	74,769	72,331
Sundry expenses	9,460	8,500	9,355	8,337
	85,463	82,714	84,124	80,668

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

6 GOVERNANCE COSTS

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Auditors' remuneration	10,965	9,675	7,640	7,200
Trustees' indemnity insurance	1,712	1,660	1,712	1,660
Trustees' meeting costs	1,156	1,535	1,156	1,534
	13,833	12,870	10,508	10,394

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 (2015: Nil).

8 TRANSFERS BETWEEN FUNDS

The Beneficiaries Income Fund transfer of £1,090,456 (2015: £1,121,755) 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 2016

9 INVESTMENTS – GROUP

	Properties £	COIF investments £	Listed investments £	Investment in Subsidiary £	Cash £	Total 2016 £	Total 2015 £
Market value at 1st January 2016	12,513,220	2,266,147	8,608,597	-	1,831,134	25,219,098	25,085,186
Acquisitions at cost	-	1,027,000	1,712,239	-	-	2,739,239	2,057,347
Sales proceeds from disposals	(1,761,885)	-	(1,761,179)	-	-	(3,523,064)	(3,999,338)
Increase in cash	-	-	-	-	230,909	230,909	1,260,921
Realised gains in the year	126,885	-	144,565	-	-	271,450	306,013
Unrealised gains in the year	510,000	264,982	1,239,231	-	-	2,014,213	508,969
Market value at 31st December 2016	11,388,220	3,558,129	9,943,453	-	2,062,043	26,951,845	25,219,098
Historical Cost			7,684,095				

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

Properties were valued by J Leedham (MRICS) at Cushman & Wakefield and R J Wyatt BSc (AGRIC) FRICS, FAAV of Margetts at 31st December 2016 in accordance with the RICS Appraisal and Valuation Manual (The Red Book). The previous revaluation was carried out at 31st December 2015. There are 3 properties that exceed 5% of the total investment value that collectively account for 22% of total investments. The largest accounts for 9%.

COIF investment statements are stated at market value at 31st December 2016 as provided by the fund manager COIF Charity Funds.

Listed investments are stated at market value at 31st December 2016 as provided by Quilter Cheviot, stockbroker. £5,705,065 is invested in investments in the UK and £4,238,388 in investments overseas.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

9 INVESTMENTS - CHARITY

	Properties £	COIF investments £	Listed investments £	Investment in Subsidiary £	Cash £	Total 2016 £	Total 2015 £
Market value at 1st January 2016	12,513,220	2,266,147	8,608,597	1	1,831,134	25,219,099	25,085,187
Acquisitions at cost	-	1,027,000	1,712,239	-	-	2,739,239	2,057,347
Sales proceeds from disposals	(1,761,885)	-	(1,761,179)	-	-	(3,523,064)	(3,999,338)
Increase in cash	-	-	-	-	230,909	230,909	1,260,921
Realised gains in the year	126,885	-	144,565	-	-	271,450	306,013
Unrealised gains in the year	510,000	264,982	1,239,231	-	-	2,014,213	508,969
Market value at 31st December 2016	11,388,220	3,558,129	9,943,453	1	2,062,043	26,951,846	25,219,099
Historical Cost			7,684,095				

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 2016

10 STOCK

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Development land held for sale	3,536,090	3,326,781	-	-
	3,536,090	3,326,781	-	-

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	
	2016	2015	2016	2015
	£	£	£	£
Debtors	284,753	277,161	116,818	116,818
Loan to Subsidiary	-	-	3,880,879	3,400,122
	284,753	277,161	3,997,697	3,516,940

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	
	2016	2015	2016	2015
	£	£	£	£
Debtors	145,446	226,726	136,046	108,123
Accrued Income	48,884	51,836	48,884	51,836
Prepayments	10,545	6,106	10,545	5,715
	204,875	284,668	195,475	165,674

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Trade Creditors	71,255	52,893	70,873	47,252
Other creditors	12,524	459,805	16,475	19,805
Grants to beneficiaries	113,314	114,796	113,314	114,796
Accruals	349,895	251,885	168,767	230,686
	546,988	879,379	369,429	412,539

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

14 FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Financial assets measured at fair value through the Statement of Financial Activities				
Investments	13,501,582	9,774,744	13,501,582	9,774,744
Loan	-	-	3,880,879	3,400,122
Debtors	430,199	503,887	252,864	224,941
Cash	2,863,996	2,910,721	2,850,756	2,844,637
	16,795,777	13,189,352	20,486,081	16,244,444
Financial liabilities measured at fair value through the Statement of Financial Activities				
Creditors	71,255	52,893	70,783	47,252
	71,255	52,893	70,783	47,252

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

15 PERMANENT ENDOWMENT FUND

	Original gift £	Unapplied total return £	GROUP Total 2016 £	Total 2015 £	Original gift £	Unapplied total return £	CHARITY Total 2016 £	Total 2015 £
Balance at 1st January	338,281	28,207,598	28,545,879	27,914,130	338,281	28,402,359	28,740,640	28,000,389
Net incoming/(outgoing) resources before transfers	-	746,849	746,849	938,523	-	883,862	883,862	1,047,025
Gains/(loss) on investments	-	2,285,663	2,285,663	814,981	-	2,285,663	2,285,663	814,981
Applied income for the year	-	(1,090,456)	(1,090,456)	(1,121,755)	-	(1,090,456)	(1,090,456)	(1,121,755)
Balance at 31st December	338,281	30,149,654	30,487,935	28,545,879	338,281	30,481,428	30,819,709	28,740,640

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

16 BENEFICIARIES INCOME FUND – GROUP & CHARITY

	Balance at 1st January 2016 £	Appropriation for year £	Interest received £	Total £	Approved for payment in year £	Balance at 31st December 2016 £
Warwick Anglican Churches						
Housing allowances:						
- Parish of St Michael	3,223	6,447	-	9,670	6,446	3,224
- Parish of St Paul	3,223	6,447	-	9,670	6,446	3,224
- Parish of All Saints	-	3,294	-	3,294	71	3,223
- Parish of St Nicholas	3,223	6,447	-	9,670	6,447	3,223
Stipends:						
- Vicar of St Michael	18,854	36,181	-	55,035	35,969	19,066
- Vicar of St Paul	18,884	36,200	-	55,084	35,999	19,085
- Vicar of All Saints	824	17,891	-	18,715	824	17,891
- Vicar of St Mary	18,814	36,160	-	54,974	35,929	19,045
- Vicar of St Nicholas	18,964	36,419	-	55,383	36,079	19,304
The Coventry Diocesan Board of Finance Limited	86,009	185,486	-	271,495	164,210	107,285
PCC of St Michael	25,888	38,415	-	64,303	40,838	23,465
PCC of St Paul	25,888	38,415	-	64,303	40,838	23,465
PCC of All Saints	30,351	42,721	-	73,072	49,659	23,413
PCC of St Mary	70,000	103,425	-	173,425	109,950	63,475
PCC of St Nicholas	25,888	38,415	-	64,303	40,838	23,465
Project Pool	85,606	98,351	-	183,957	80,051	103,906
Warwick Anglican Churches - Total	349,630	545,228	-	894,858	526,384	368,474
Warwick Independent Schools Foundation	196,526	327,137	-	523,663	336,526	187,137
Warwick Town	215,881	218,091	550	434,522	245,540	188,982
	762,037	1,090,456	550	1,853,043	1,108,450	744,593

Stipends paid above include:

Pension contributions £41,436 (2015: £40,470) and National Insurance £8,537 (2015: £8,813).

At 31st December 2016 grants totalling £113,314 (2015: £114,796) have been approved but remain unpaid. These have been provided for in creditors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

17 TOWN GRANTS AWARDED – GROUP & CHARITY

	Total £
Institutions and Societies (>£1,000)	
All Saints C of E Junior School	3,000
Aylesford School	12,785
Budbrooke Primary School	2,000
Coten End Primary School	3,000
Cruse Bereavement Counselling	2,880
Dogs for Good	1,000
Emscote Infant School	6,000
Entrust Care Partnership	5,000
Guy's Cliffe Walled Garden Trust	12,527
Motionhouse	3,000
Myton Hospice	5,000
Myton School	20,620
Newburgh Primary School	3,000
New Hope Christian Counselling	6,500
New Life Church	5,320
Oken & Eyffler Charity (Warwick Enhanced Medical Care at Home)	10,000
Playbox Theatre Co	5,000
Relate – Coventry & Warwickshire	5,000
Ridgeway School	(3,098)
St Mary Immaculate Catholic Primary School	9,212
The Gap	15,000
The Really Useful Theatre Company	1,500
Warwick Ambulance Association	1,500
Warwick Apprenticing Charities	30,000
Warwick Corps of Drums	25,000
Warwick LEA School Pupils - Summer Activities	7,875
Warwick Nursery School	7,000
Warwick Tennis Club	3,710
Warwick Town Council	4,825
Warwick Youth Phab	2,000
Warwickshire County Council Heritage	4,000
Westgate Preschool	1,960
Westgate Primary School	12,000
Woodloes Primary School	3,000
Woodloes Senior Citizens Association	2,768
<i>3 Other Grants of less than £1000 each</i>	656
	<hr/> 240,540
Individuals Grants	
2 Grants to individuals	5,000
	<hr/> 245,540 <hr/>

There were £114,796 grants awarded but not paid at 31st December 2015. Of these, in 2016 £108,112 were paid, grants were reduced by £4,054 and £2,630 remained outstanding at 31st December 2016.

Total Grants awarded and paid in 2016 were £138,910 and total grants awarded in 2016 but outstanding at 31st December 2016 were £110,684.

THE KING HENRY VIII ENDOWED TRUST, WARWICK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

		GROUP				CHARITY			
	Note	Fixed asset investments £	Net Current assets £	Total 2016 £	Total 2015 £	Fixed asset investments £	Net Current assets £	Total 2016 £	Total 2015 £
Permanent endowment fund	15	26,951,845	3,536,089	30,487,934	28,545,879	26,951,846	3,867,863	30,819,709	28,740,640
Beneficiaries income fund	16	-	744,593	744,593	762,037	-	744,593	744,593	762,037
		<u>26,951,845</u>	<u>4,280,682</u>	<u>31,232,527</u>	<u>29,307,916</u>	<u>26,951,846</u>	<u>4,612,456</u>	<u>31,564,302</u>	<u>29,502,677</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

19 TAXATION

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

20 RELATED PARTY TRANSACTIONS

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

Three trustees, Miss Parr, Mr Griffiths and Mrs Ashe, are also Governors of Warwick Independent Schools Foundation. One as the Foundation's representative 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 2016. The Trust gives grants to WAC to allow them to provide grants to young people in Warwick. There is no personal benefit.

Mr Thurley's wife is a trustee of The Charity of Thomas Oken and Nicholas Eyffler (Oken), which received a grant of £10,000 during 2016. Oken received the grant as part of a larger charitable project it is co-ordinating in Warwick. There is no personal benefit and Mr Thurley was not involved in the decision to award the grant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2016

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).

	2016	2015
	£	£
Income	-	7,500
Administrative expenses	(9,521)	(6,838)
	<hr/>	<hr/>
OPERATING (LOSS)/PROFIT	(9,521)	662
Interest Receivable	-	1,071
Interest Payable	(127,491)	(110,237)
	<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(137,012)	(108,504)
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR	(137,012)	(108,504)
	<hr/> <hr/>	<hr/> <hr/>
	2016	2015
	£	£
CURRENT ASSETS		
Cash	13,239	66,083
Stock	3,536,090	3,326,781
Debtors	181,286	279,337
	<hr/>	<hr/>
	3,730,615	3,672,201
CREDITORS: Amounts falling due within one year	(4,062,389)	(3,866,963)
	<hr/>	<hr/>
NET CURRENT LIABILITIES	(331,774)	(194,762)
	<hr/>	<hr/>
NET LIABILITIES	(331,774)	(194,762)
	<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES		
Called up share capital	1	1
Profit and loss account	(331,775)	(194,763)
	<hr/>	<hr/>
SHAREHOLDERS' DEFICIT	(331,774)	(194,762)
	<hr/> <hr/>	<hr/> <hr/>