

The support of the King Henry VIII Endowed Trust

I suspect that most if not all of the St Mary's congregation are aware that we benefit hugely from funding we receive from the King Henry VIII Endowed Trust. I will use this letter to explain a little more about the Trust, the funds we receive, the restrictions placed on the use of the funds and finally how we actually use the funds to support our ministry.

The King Henry VIII Endowed Trust was established in May 1545 and operates under very specific terms of reference to provide income for Warwick's Anglican Churches, the Warwick Independent Schools Foundation and grants for the benefit of inhabitants of the *Old Borough of Warwick*. The Trust's distributable income is derived from financial investments and rents from historical agricultural holdings and a portfolio of commercial property.

Today, the Trust operates under a scheme approved by the Charity Commissioners in 1978 which specifies that the available annual funds are distributed in shares of 50% to the Churches, 30% to the Schools Foundation and 20% as discretionary grants for the benefit of the inhabitants of Warwick.

From the Anglican Church allocation, the Trust pays clergy stipends and housing costs directly to the diocese. The residual funds are then split between the PCC's of the five parishes of St. Mary, St. Nicholas, St Paul, All Saints Emscote and St. Michael's Budbrooke. The Trust also provides the Vicar of St Mary's with the Rectory.

In 2014 the Trustees and the 5 parishes agreed to the establishment of a *project pool* as part of the 50% allocation to the Churches. The parishes are all able to bid for funds and the Trustees assess the bids according to the extent of their community benefit. St Mary's has benefited from this with support for our west-end refurbishment project, a new piano for the Song School and the appointment of our Education and Visitor Development officer.

Having discussed the way that the Trust allocates funds, I should also comment on how the parishes are able to use those funds. All payments from the Trust to the Churches are *Restricted* and can only be used for the prescribed purpose of furthering the religious and other charitable work of the Church of England within the combined boundaries of the respective parishes. The terms of the Trust therefore prohibit the use of funds for any activities outside the combined parish boundaries.

The King Henry VIII Endowed Trust has been a long term benefactor of St Mary's and there is no doubt that the level of funding given to us in the past has placed in us a position of relative comfort compared to many other churches. I must add though, that our comfortable finances did allow us and the other recipient churches to be more generous in the financial support offered to the diocese and onwards to less fortunate parishes. This was done by way of paying a high amount into the Support Fund element of the Parish Share.

However, over the past decade there has been a general downward trend in the level of funds available for the Trust to distribute and hence a smaller grant payable to St Mary's. On the other side of the balance sheet our costs have risen year on year and we find ourselves with a regular annual loss in our accounts. The Trustees have also challenged us to think about and substantiate whether our high level of payment to the Support Fund was actually subsidised by the funding from the Trust, funding that is restricted for use within Warwick.

Stewardship Campaign 2016

Letters from the Treasurer



My next letter will go into more detail about the Parish Share, how it is calculated and how the diocese then uses that money. I will also endeavour to explain how St Mary's compares with other Churches in the diocese and provide an update as to where we stand today and where we would like to be, bearing in mind that our generosity to others must come from our own giving and fundraising and not from our Trust income.

Returning now to St Mary's, the anticipated income from the King Henry VIII Endowed Trust for 2016 is around £143,000 or, put another way, 46% of our predicted income. If we exclude the project pot funds, the income from the Trust will be in the region of £109,000 and that still represents in excess of 35% of our predicted total income. It is clear that without this very generous support, St Mary's level of activity and ministry in the community would be of a very different nature.

Keeping in mind the restrictions placed on the use of the Trust income, the allocation to St Mary's is used to cover clergy training costs, fund our custos team and allow us to provide substantial support to help fund the Myton Hospice Chaplain. The grant also goes a long way to ensuring that St Mary's is able to continue its fine musical tradition as well as covering a substantial part of the additional costs incurred by keeping St Mary's open to the public all year. All of this is in addition to the projects directly supported from the project pool.

In summary, range of worship, music and accessibility are three of the major items which distinguish St Mary's amongst the Warwick churches and without the Trust's financial support this work would not be possible.

However, even with this considerable financial support from the Trust, we face annual losses in our budget. The Trustees are not anticipating any increase in the funds that they are able to distribute and so as a church and as individuals we will inevitably face some very hard decisions.

If you would like to discuss the content of this letter with me, or have any questions you would like me to answer, please do not hesitate to ask me in person, or send an email to me at the address below.

I close this letter in prayer:

*God our Father,
make us to think more of what we can give to life
and less of what we can get out of it.
May we be mindful that we hold our gifts, our talents, our possessions,
our life itself, in trust for you and the service of mankind.
Save us from thinking only of our own needs and desires;
and help us to remember that it is more blessed to give than receive,
according to the teaching of our Lord and Saviour Jesus Christ.
Amen*

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