

The Hoover Foundation

Annual Report and Financial Statements

30 September 2023

Charity No: 200274

Trustee

Hoover Trust Fund Limited

Trustee Directors

Mr A Bokhari – resigned 7th May 2024

Mr L Edwards-Smajda

Mr M Given

Secretary

Mrs G Gray

Independent Auditors

UHY Hacker Young Manchester LLP

St James Building

79 Oxford Street

Manchester

M1 6HT

Bankers

HSBC Plc

127-128 High Street

Merthyr Tydfil

CF47 8DN

Investment Managers

Henderson Group PLC

Henderson Global Investors

201 Bishopgate,

London

EC2M 3AE

Legal & General Investment Management Limited

One Coleman Street

London

EC2R 5AA

Registered Office

Hoover Ltd

302 Bridgewater House

Birchwood Park

Warrington

WA3 6XG

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Statement of Trustee's Annual Report in respect of the financial statements

Introduction

The Hoover Foundation ("Foundation") has pleasure in presenting the Trustees' Report and audited Financial Statements for the financial year ended 30 September 2023.

Legal Status

The Hoover Foundation was founded under a Trust Deed dated 20 January 1961. The governing instrument under which The Hoover Foundation operates comprises that Deed and other policies agreed from time to time by its governing body, the Board of the Trustees.

Objectives and activities for the public benefit

The objectives of The Hoover Foundation are primarily to support educational, environmental and charitable work in and around the areas of Hoover Limited locations throughout the United Kingdom. The Trust carries out these objectives by providing grants to appropriate organisations.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The stability of the fund remains the basic objective, thereby ensuring continued opportunity for charitable contributions to appropriate endeavours.

All requests for support from the Foundation are received by one of the Trustee Directors. The Trustee Director will then reach a conclusion, and make a recommendation. This recommendation is then forwarded to all other members of the trustee board. They either support, or seek further information and/or discussion with other Board members. Formal agreement of all action takes place at such scheduled meetings as necessary.

Trustee Directors

The Trustee Directors are appointed following a process of discussion between the trustees and Hoover Limited.

Review of the period/ impact assessment

The Foundation continues to support small charities with one-off ad hoc donations. It focuses its smaller grants towards local charities in and around the local areas where Haier Europe (UK & Ireland) has its offices to support the local communities for the Haier Europe (UK & Ireland) employees.

In addition, the trust has previously made larger donations for strategic charities, which have required up-front funding to guarantee activities can be self-funded. In the main, the trustees have selected projects that are research and development in nature, with the aim of supporting identification of cures to illness/ disease for future generations. The trustees are currently considering the basis for the next strategic investments, which it will commence likely in financial period 2023 – 24.

The requests for grants and the evaluations of such requests vary - year on year. However, on balance across a number of years, the donations and grants will reflect the income generated from the investments recorded during the period. The Foundation is now in a position where it has surplus resources and the trustees agree it needs to be more active in investing funds in the medium term to support the local community charities and strategic charitable partnerships.

Investment policy

The trustees have considered the most appropriate policy for investing funds and has found that unit trust investments meet their requirements to generate both income and capital growth.

Statement of Trustee's Annual Report in respect of the financial statements

Review of the Financial Statements for 2023

Gross income from investment income decreased during the reporting year to £66,352 from £91,302 in 2022. There has been an increase in the value of investments of £52,370 compared to a decrease of £269,512 in 2022. Grants paid in the period and payable at the year-end totalled £6,711 (2022: £19,258). Unrestricted reserves at 30 September 2023 were £3,676,541 (2022: £3,572,504), an increase of £104,037 from the prior year (2022: decrease of £209,547).

Reserves Policy

The trustees aim to maintain free reserves in unrestricted funds. They consider that these assets are adequate to fulfil the obligations of the charity.

Risk management

The trustees have examined the major risks which the Foundation faces and confirms that systems have been established to lessen these risks. The trustees are monitoring market investment returns and significant variances to discuss with investment houses.

The main risk to the charity is in relation to fluctuations in market value of the investments.

Statement of Trustee's Annual Report in respect of the financial statements

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which 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 year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The following individuals have been trustees during the financial year and up to date of signing of these accounts are as follows:

Mr A Bokhari – resigned 7th May 2024

Mr L Edwards-Smajda

Mr M Given

On behalf of the Board of Trustees



Lawrence Edwards-Smajda

- Trustee Director

25th July 2024

- Date

The Hoover Foundation Independent Auditor's Report

to the Trustees of The Hoover Foundation for the year ended 30 September 2023

Opinion

We have audited the financial statements of The Hoover Foundation (the "Charity") for the year ended 30 September 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements 1 to 8, 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 Financial Reporting Standard 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 Charity's affairs as at 30 September 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 12 months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report 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.

The Hoover Foundation Independent Auditor's Report

to the Trustees of The Hoover Foundation for the year ended 30 September 2023

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 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 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 these 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charity, and considered the risk of acts by the Charity that were contrary to applicable laws and regulations, including

The Hoover Foundation Independent Auditor's Report

to the Trustees of The Hoover Foundation for the year ended 30 September 2023

fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to the Charities Act 2011, the Charities (Accounts and Reports) regulations 2008, the provisions of the trust deed and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matter relating to irregularities, including fraud. As in all our audit, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by trustees that represented a risk of material misstatement due to fraud.

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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young Manchester LLP

25th July 2024

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

Statement of financial activities

for the year ended 30 September 2023

	<i>Notes</i>	2023 £	2022 £
Income from:			
<i>Investments</i>			
Investment income	4	66,352	91,302
Total income		<u>66,352</u>	<u>91,302</u>
Expenditure on:			
<i>Charitable activities</i>			
Grants payable	2	6,711	19,258
Management and Administration	5	1,405	5,530
Governance costs – audit fee		6,500	6,500
Bank Charges		69	49
Total expenditure		<u>14,685</u>	<u>31,337</u>
Net income		<u>51,667</u>	<u>59,965</u>
Other recognised gains and losses			
Realised and unrealised gains and losses on investment assets	3	52,370	(269,512)
Net movement in fund		<u>104,037</u>	<u>(209,547)</u>
Reconciliation of Funds			
Total funds brought forward		<u>3,572,504</u>	<u>3,782,051</u>
Total funds carried forward		<u><u>3,676,541</u></u>	<u><u>3,572,504</u></u>

All income and expenditure are derived from continuing activities and relate to unrestricted funds.

The notes on pages 12 to 15 form part of these financial statements

Balance Sheet

As at 30 September 2023

	Notes	2023 £	2022 £
Fixed assets			
Investment assets	3	3,252,227	3,199,857
Current assets			
Investment income due	6	18,984	18,158
Cash at bank and in hand		429,330	373,814
		448,314	391,972
Creditors: Amounts falling due within one year	7	(24,000)	(19,325)
Net current assets		424,314	372,647
Net assets		3,676,541	3,572,504
Total charity funds			
Unrestricted fund		3,676,541	3,572,504

Approved by the Board and signed on its behalf by:



Lawrence Edwards-Smajda

- Trustee Director

25th July 2024

- Date

The notes on pages 12 to 15 form part of these financial statements

Cash flow statement

For the year ended at 30 September 2023

	Notes	2023 £	2022 £
Net cash outflow from operating activities		(10,836)	(30,253)
Investing activities			
Investment income	4	66,352	91,302
		66,352	91,302
Increase in cash		55,516	61,049
Cash at 1 October 2022 and 1 October 2021		373,814	312,765
Cash at 30 September 2023 and 30 September 2022		429,330	373,814
a) Reconciliation of net expenditure resources to net cash outflow from operating activities			
Net income / (expenditure)		51,667	59,965
(Decrease) / Increase in creditors		4,675	0
Decrease / (Increase) in debtors		(826)	1,084
Investment income		(66,352)	(91,302)
Net cash outflow from operating activities		(10,836)	(30,253)

The notes on pages 12 to 15 form part of these financial statements

Notes to the financial statements

1 Accounting policies

Statement of compliance and basis of preparation.

The Hoover Foundation is an unincorporated Charity registered in England. The Registered Office is 302 Bridgewater House, Birchwood Park, Warrington, WA3 6XG. The financial statements have been prepared on a going concern basis under the historic cost convention, with the exception of the pooled investments vehicles which are quoted at market value. The financial statements have been prepared in compliance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern

The trustees have reviewed its current balance sheet and funding position and considered its plans for the next 12 to 24 months post balance sheet date and have agreed it is appropriate to adopt the going concern accounting principle for the preparation of its financial statements.

Income

Income from investments is accounted for on an accrual's basis.

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price.

Charitable Activities

Costs of charitable activities include grants made.

Grants

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are accounted for when they are committed by the trustees considering the commitment date and the period for which the grant relates.

Taxation

As a registered charity there is no charge to United Kingdom taxation on the net revenue from its primary activity or on its investment income to the extent the income is applied to charitable purposes.

The Charity is exempt from tax on capital gains to the extent that the gains are applied for charitable purposes.

Financial Assets

The financial assets of the Foundation are stated at their fair value.

Debtors – The value is calculated directly from the fund statements provided by the fund managers. These are not provisioned given the nature of the asset is a distribution from the investments.

Cash – Cash is stated as per the bank balance at the balance sheet date, deducting any items that have been issued/ received which have not yet been recorded through the bank balance.

Investments

Investments are stated at market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Value added tax

Irrecoverable value added tax is aggregated with the expenditure to which it relates.

Notes to the financial statements

Trustee funds

The Hoover Foundation is operated as one fund. There are no restrictions in place in relation to the use of these funds. The funds are to be invested in line with the stated aims of the trustees, which are summarised in the trustees' report.

Critical Accounting estimates and areas of judgement

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees have not identified any estimates or judgements that would have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities.

Notes to the financial statements

2 Grants

Material grants made during the year are as follows:

	2023 £	2022 £
<i>Others:</i>		
Warrington Wolves Charity Foundation	-	16,446
The Trussell Trust	2,120	-
	<u>2,120</u>	<u>16,446</u>
<i>Other grants less than £1,000</i>	<u>4,591</u>	<u>2,812</u>
	<u>6,711</u>	<u>19,258</u>

3 Investment assets

	Market value at 30.09.22 £	Purchases at cost £	Disposals £	Change in Market value £	Market value at 30.09.23 £
Pooled Investment Vehicles	3,199,857	-	-	52,370	3,252,227

The above is reflected in the analysis of Pooled Investment Vehicles following:

	2023 £	2022 £
Henderson Cautious Managed Fund A Class income	2,120,587	1,991,063
Henderson Multi-Manager Absolute Return Fund A Class accumulation	719,141	705,195
IPIF (formerly Falcon Property Unit Trust)	412,499	503,599
	<u>3,252,227</u>	<u>3,199,857</u>

Each Investment individually exceeds 5% of the portfolio value at 30 September 2023. All investment assets are held in the UK.

4 Investment income

	2023 £	2022 £
Henderson Cautious Managed Fund	53,915	79,869
IPIF (formerly Falcon Property Unit Trust)	12,437	11,433
	<u>66,352</u>	<u>91,302</u>

All income arises on UK investments.

Notes to the financial statements

5 Management and administration of the charity

	2023	2022
	£	£
Administration expenses	1,405	5,530

There are no employees of the charity. No trustee director received any remuneration in respect of services provided to the charity.

Investment Management charges are being collected directly from the investment holdings and are reflected within the change in the market value of investments.

6 Investment income due

	Debtor Position 30.09.22	Receipts/ Reinvested	Income Recognised	Debtor Position 30.09.23
	£	£	£	£
Debtors position	18,158	(65,526)	66,352	18,984

Income is recognised on an accrual's basis by the Hoover Foundation. Where investment income is received that transcends a year end, the income is allocated to each period based on a straight-line apportionment methodology.

7 Creditors

	2023	2022
	£	£
Admin Fee 2022/2023	11,000	5,500
Audit Fee 2022/2023	13,000	6,500
Amounts due to Hoover Ltd	-	4,125
Grants payable	-	3,200
	24,000	19,325

8 Related Party transaction

The services provided by Hoover Limited include all administration, control and financial management of the Hoover Foundation and preparation of its account. The recharge represents a proportion of salary costs of the Hoover Limited administration department.

Management and administration expenses include amounts charged to the Foundation by Hoover Ltd in respect of expenses paid on its behalf by that company of £1,405 (Part-salary re-charge) for the financial year (2022: £5,530).