



The Jane Hodge Foundation

Registered number 216053

Trustees' Report and
Financial Statements

30 September 2020

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Trustees' Report

The Trustees present their annual report together with the audited financial statements of the charity for 11-month period ended 30 September 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Foundation's trust deed, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities 2016: Statement of Recommended Practice applicable to charities in accordance with the Financial Reporting Standard applicable in the UK (FRS102). The Foundation is a public benefit entity.

Administrative information**Trustees**

J Jonathan Hodge
Ian H Davies
D Alun Bowen*
Adrian N Piper* (retired 30 April 2020)
Karen L Hodge
Helen C Molyneux*

* Trustees who are directors of The Carlyle Trust Limited and one or more of its subsidiaries.

Auditor

Ernst & Young LLP
Bristol
BS1 6BX

Solicitors

Eversheds Sutherland
1 Callaghan Square
Cardiff
CF10 5BT

Bankers

Hodge Bank
One Central Square
Cardiff
CF10 1FS

Financial Advisors

Brewin Dolphin Ltd
5 Callaghan Square
Cardiff,
CF10 5BT

Registration number

The Jane Hodge Foundation is a registered charity, registration number 216053.

Registered office

One Central Square
Cardiff
CF10 1FS

Structure, governance and management

Constitution

The Jane Hodge Foundation is an unincorporated trust, governed by a trust deed dated 15 October 1962. The Trust does not fundraise and seeks to pursue its objectives through careful stewardship of its resources.

Trustees

The Trustees who served during the period are set out above. The trust deed provides for a maximum of nine Trustees. The power of appointing or removing Trustees is vested in the Family Trustee who takes into account the background and experience of Trustees during the appointment process.

The Trustees meet regularly, usually quarterly, to agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment and risk management policies and performance. The Trustees also undertake the day to day administration of grants and oversee the processing and handling of applications.

The Trustees keep their skill requirements under review and subscribe to charity law and guidance publications.

Risk management

The Trustees are responsible for the Foundation's system of internal control and for reviewing its effectiveness. This includes consideration of the major risks which the Foundation faces and the implementation of systems to mitigate those risks. The Trustees confirm they have examined during the 11-month period the major strategic, business and operational risks and have established systems to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The Trustees consider the variability of investment returns on its funds to constitute the charity's major risk, which is monitored on a regular basis. The Trustees currently have an investment strategy, which involves a managed investment portfolio in order to provide a stable level of income and long-term capital growth, with a medium risk profile.

Objectives and activities

The objectives of the Foundation are to allocate income for general charitable purposes, with special regard to the following areas:

- i. The encouragement of medical and surgical studies and research, and in particular the study of and research in connection with the causes, diagnosis, treatment and cure of cancer, poliomyelitis and tuberculosis and diseases affecting children;
- ii. The general advancement of medical and surgical science;
- iii. The advancement of education;
- iv. The advancement of religion.

Each application for a grant received in the period was considered against these objectives and applications were only considered from exempt or registered charities.

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

Policies**Reserves policy**

The Trustees aim:

- to distribute the net annual income to exempt charities and other charities registered with the Charity Commissioners mainly under the headings of medical care, medical research, education and religion;
- to ensure that adequate reserves are retained in order to maintain the level of core stable revenue resources needed to support the ongoing programme of annual donations, taking into account the inherent volatility in the various income sources, and to provide funds for any future capital expenditure which may be required in support of projects such as hospices, education facilities, medical centres and day-care facilities.

The Trustees' current assessment of the target range of free reserves is £3m-£4m per annum, based on resources expended during past periods and that expected for future periods. The current free reserves are significantly in excess of this target as they are used to generate future investment income.

Free reserves, being unrestricted reserves less tangible fixed assets and charitable commitments, are £20,310,727 (2019: £20,044,358) which includes £2,996,266 (2019: £3,839,103) relating to unrealised revaluations of investments. The Trustees consider that this level of free reserves is currently appropriate to generate the annual total incoming resources to meet its strategic objectives. This view has been reinforced by the economic effect of the coronavirus pandemic, where many charities have suffered severe financial stress.

Investment policy

With the assistance of its investment advisors, the Trustees have adopted a Statement of Investment Policy, which is reviewed annually. The objective of the policy is to achieve a balanced return from a diversified portfolio, adopting a medium risk approach. The Trustees have adopted an ethical policy, which seeks to avoid investment in companies that have any material activity connected with tobacco, alcohol, armaments, slave labour or discrimination.

Grants policy

The Trustees have adopted a grants policy which sets out the general principles under which applications for grants are considered and, where appropriate, approved. The Trustees invite applications for grants from charitable institutions who submit a summary of their proposals. Grants are made only to registered and exempt charities.

Financial review

As in previous years, this report is intended to provide some additional information to accompany the financial statements in order to explain the progress of current and future projects. Details of incoming resources and resources expended are set out in the Statement of Financial Activities on page 13. During the year the Foundation changed its year end from 31 October to 30 September. The Foundation did this to relax the timetable for the completion of the financial statements in the lead up to the December holiday season.

The net unrestricted incoming resources before donations for the period to 30 September 2020 was £557,328 (2019: £3,434,020), with grants payable for the period amounting to £273,600 (2019: £2,773,194).

From the applications for grants received in the period, applications in respect of £273,600 (2019: £2,773,194) met the criteria required and amounts were granted to the charities concerned. The level of grants made each period can vary since there is a process of assessment and approval before grants can be made and grants may cover a period of more than one year. Consequently, the grants reported in the Statement of Financial Activities can differ from the amount of grants paid in the period. Actual donations paid in the period, including amounts committed in prior years, totalled £1,082,828 (2019: £3,216,617).

Achievements and performance

The objectives for the 11-month period were to continue to support medical care and research, to fund educational posts, mainly related to business and economics studies, and religious and other charities.

As with most commercial and charitable organisations, the period was impacted significantly by the Covid-19 pandemic. The Trustees recognised early in the pandemic that the charity's income was likely to be adversely affected and consequently they modified temporarily the approach towards supporting applications for grants. The focus was on supporting those charities supported in the past and ensuring that grant commitments made prior to the pandemic could be honoured. Particular attention has been paid to ensuring that funds already provided to supported charities continued to be applied to the purposes for which they were intended. In some instances this has resulted in the agreed extension of supported programmes or, exceptionally, a repurposing of the funds to other uses. New applicants have generally been requested to resubmit their proposals at a later date.

It is hoped that income will revert to the levels enjoyed prior to the pandemic and that this will allow the Trustees to increase the level of activities once again.

The support of medical care and research has continued with £130,100 (2019: £286,857) of new grants being made to various medical related charities. The main focus has been on local hospices and research in the fields of cancer and mental health. The Foundation has continued its sponsorship of education posts in business and economic related studies through its liaison with higher education establishments and has also supported other educational projects. Grants made to educational charities totalled £22,000 (2019: £305,800). Amounts granted for specific care and welfare projects within the aims and objectives of the Foundation totalled £119,000 (2019: £2,169,037). The Foundation has also been able to support other charities of which

one grant has been made totalling £2,500 (2019: £11,500). Further details of the principal grants paid are set out below:

The Prince's Trust Cymru

Following the successful support for the Prince's Trust "Fairbridge" and "Get Into" programmes in Wales in previous years, the Trustees agreed in 2016 a three year commitment for the Trust's "Achieve" programme in Wales. This programme works with partner secondary schools to help young students, many with a range of developmental challenges, to engage with and succeed in education in a manner to support both academic performance and personal development. The total commitment was £450,000 and that support enabled the Trust to help over 470 young people in Wales over the three year period. Recognising the huge need for this type of early intervention provision across Wales, the Trustees agreed to support a wider five-year programme across the whole of Wales that would potentially enable over 7,000 young people to have access to Achieve over the period. The Trustees initially agreed in 2019 to support the programme by fully funding the first three years, which resulted in an additional financial commitment over that period of just under £1.7m. During 2020, following very positive reports on the success of Achieve and its outcomes, the Trustees agreed to provide funding of £1.0m for the fourth year of the programme, being the year commencing 1 April 2021. Over the summer months, the Trustees have discussed with the Prince's Trust the revised methods of delivering the programme due to Covid-19 and any impacts on the financial budget. Accordingly, the trustees agreed to the release of a grant of £1.022m for the current year, which was paid after 30 September 2020.

St Fagans National Museum of History – Llys Llywelyn

As part of the National Museum Wales, St Fagans is one of Europe's best open-air museums and Wales' most popular heritage attraction, with over 600,000 visits a year. It is a cultural icon greatly loved by the people of Wales and stands within the grounds of St Fagans Castle, a 16th century manor house donated by the 3rd Earl of Plymouth in the 1940s. In 2019 a visionary redevelopment of the museum's main buildings and the addition of several galleries was completed. The Trustees agreed to provide a grant of £200,000 towards the cost of building one of two new historic buildings to be created, namely Llys Llywelyn, a reconstruction of a medieval princes' court. The facility enables school groups travelling from further afield, with journey times of perhaps two hours or more, to stay on the site for the first time ever and this was, therefore, a central element in the redevelopment project. The grant was paid in early 2020.

Swansea University – Manuka Honey in the treatment of Cystic Fibrosis

This is a follow-on from the research project the Trustees previously supported at Cardiff Metropolitan University, which is now being conducted by a team in Swansea. The aim is to investigate the effects of manuka honey used in conjunction with antibiotics (in combinations determined in the previous work) on multi-species bacterial interactions associated with cystic fibrosis. It also seeks to determine what effects a clinical honey sinus rinse has on infection levels in a pilot study supported by Cardiff and Vale UHB. One advantage of such an approach is that if participants found the rinse beneficial, they would be able to integrate it into their normal treatment regime immediately following the trial because all the components are readily available. This is a three-year project and the Trustees agreed a total commitment of £301,971. The third instalment of £91,382 was paid in the period.

Cardiff University – Hodge Centre for Neuropsychiatric Immunology

The Trustees support a ground-breaking initiative at Cardiff University that brings together experts to explore the role the brain's immune system plays in some of the most common brain disorders like Alzheimer's, schizophrenia and epilepsy. The five-year partnership, now in its fourth year, has established the Hodge Centre for Neuropsychiatric Immunology and brings together leading researchers in both neuroscience and immunology. The Centre facilitates collaboration between Cardiff University's Neuroscience and Mental Health Research Institute and Systems Immunity Research Institute under the leadership of their respective directors, Professor Jeremy Hall and Professor Paul Morgan. It is expected that the virtual Centre's focus on the immune system will help gain a better understanding of why disabling conditions such as Alzheimer's disease and schizophrenia develop, and which factors cause them to progress. A total commitment of just over £1m from the Foundation is funding a Senior Fellowship which will help attract some of the very best young researchers already working in neuropsychiatric immunology to Wales. It also funds five Hodge Foundation PhDs, five pilot research studies and seed funding for innovative new ideas. The Centre hosts a series of public lectures. Major mental health disorders such as Alzheimer's disease and schizophrenia are estimated to cost the UK economy over £37 billion per year. They continue to place a significant burden on patients and their relatives through reduced quality of life, increased physical illness and disability, lost employment, discrimination and isolation. During the period, the fourth of five annual payments was made, amounting to £158,150.

Cardiff Business School – Julian Hodge Institute of Applied Macroeconomics

The Foundation has had a long and happy association with Cardiff Business School ("CARBS") and since 1999 this has been directed in particular through Professor Patrick Minford CBE and the Julian Hodge Institute of Applied Macroeconomics ("JHIAM"), which was set up in that year. In recent years, the support has been split between that provided towards the research costs of JHIAM and that provided to help support economics PhD students with their living costs. From last year, this was simplified and the support for CARBS was rolled into a single grant of £140,000 towards the work of the School during the academic year 2019/20, including the work of JHIAM. This was paid in November 2019. It was to be used as the current Dean of CARBS directed, in line with identified areas of priority and need. The previous three-year commitment of £40,000 p.a. for the PhD support programme has now rolled off, with the final payment being made in November 2020. This revised arrangement better aligns the Foundation's aims with the wide-ranging activities of CARBS, including its out-reach programmes, whilst maintaining the highly valued connection with Professor Minford and his colleagues. The Trustees continue to explore new out-reach programmes with CARBS.

Welsh National Opera – Youth and Communities Programme

To help support the WNO's extensive programme of work within the wider community, especially where opportunities to engage with the arts and opera in particular are limited, the Trustees agreed a five-year commitment totalling £500,000. This support is directed mainly at younger participants in schools and colleges, including those with special learning needs, for whom access to this form of cultural development would

otherwise be challenging. The fifth annual instalment of £100,000 was paid in the period.

The Aloud Charity

The Trustees agreed to support a number of projects being undertaken by this charity, which works with young people through the medium of song. The mission of Aloud is to engage each new generation of young people across Wales with the power of choral singing and through this activity to promote self-belief and self-confidence, to encourage aspiration, to build skills and to develop a sense of community. Founded by former Artistic Director Tim Rhys-Evans MBE, they believe in encouraging young people to find their own way and to make their own mark, using choral singing as a catalyst to effect positive change in their lives. Only Boys Aloud made their first appearance at the opening of the National Eisteddfod in Ebbw Vale in 2010. They now have more than 200 teenage boys in 14 choirs across Wales who meet weekly at their local venue and come together for full rehearsals and concerts. Only Kids Aloud is for boys and girls aged between 8 and 13. The Trustees supported the re-launch of the Only Kids Aloud Chorus in 2017-18. Last year they agreed a further £72,500 over 18 months to enable Aloud to run a further, more developed Only Kids Aloud Chorus programme for more children across Wales and they continue to explore other ways in which Aloud can be supported in their strategy to extend the range of activities throughout Wales.

Royal Welsh College of Music and Drama

In 2017, the Trustees agreed a three-year commitment totalling £405,000, to continue support for a programme of International Chairs in music and drama, together with support for the new opera school established at the College in association with Welsh National Opera. The school aims to provide a unique training environment across all disciplines of opera performance and production. The third instalment of £135,000 was paid during the period.

Arts & Business Cymru

In 2019, the Trustees agreed to support A&B Cymru's CultureStep programme for a further two years with a commitment of £130,000. This provides matching equity to encourage new sponsorship and develop established business engagement with the arts. CultureStep invests in projects which engage in art for the benefit of children, the elderly, the sick and the environment. The move from annual support to a two-year commitment was agreed in order to provide the CultureStep programme with greater continuity, following a successful bid by A&B Cymru to obtain core funding support from Welsh Government. The second instalment of £65,000 was paid in the period.

Huggard

Huggard is a Cardiff-based homelessness charity providing frontline day centre services to rough sleepers and vulnerable people, together with a pathway of supported accommodation and development services designed to break the cycle of homelessness and lead to independent sustainable living.

The Trustees continued their support of this leading homelessness charity with a further commitment of £71,692, over two years, to enable it to develop an in-house fundraising and supporter relations function with the intention of developing additional sources of long-term, sustainable funding and thereby reduce the charity's reliance on local authority funding. The second instalment of £36,113 was paid in the period.

Organisation

The administration of the Foundation is well established at the offices of Hodge Bank, One Central Square in Cardiff's city centre. The charity benefits significantly from the skills and expertise of the Bank's senior management, for which the Trustees are very grateful. This has allowed the Foundation to maintain its own administration costs at their low level for another year.

Much of the Foundation's income now comes from dividends from The Carlyle Trust Limited, whose principal subsidiary is Hodge Limited. Whilst, due to circumstances created by the Covid-19 pandemic, no such dividend was received in the period, the Trustees would nonetheless, like to acknowledge with thanks the hard work and commitment of all the staff at Hodge, during an especially challenging time. These endeavours should make possible the payment of dividends in the future.

Future

The Trustees will continue to encourage applications for grants from charities whose objectives are in accordance with the aims and objectives of the Foundation. Particular emphasis will continue to be given to supporting medical research, especially in the fields of cancer and mental health, and to funding educational initiatives, projects relating to business and economics and religious and other charities. There will also be a focus on improving outcomes for those living in less affluent areas of Wales.

In the coming year, the Trustees have once again agreed that there should be a particular focus on the most vulnerable in our society, including the homeless and the elderly, and those who may have suffered the greatest hardships resulting from Covid-19. They are confident that income levels will be restored in the near future, so that they may continue the work to provide positive outcomes to a growing number of people in Wales and beyond.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware; and each Trustee has taken all the steps that he or she ought to have taken as a Trustee to make himself or herself aware of any relevant audit information and to establish that the Trustee's auditor is aware of that information.

By order of the board of Trustees



J Jonathan Hodge
Trustee

Statement of Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements

Under charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure, being net incoming resources, for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are required to act in accordance with the trust deed of the charity and within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JANE HODGE FOUNDATION**Opinion**

We have audited the financial statements of The Jane Hodge Foundation for the 11-month period ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 16. 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".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charity's affairs as at 30 September 2020 and of its incoming resources and application of resources, for the period 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 below. 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

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

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

Other information

The other information comprises the information included in the Trustees Report set out on pages 1 to 8, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

- ▶ the information given in the Trustees' Annual 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 and returns; or
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

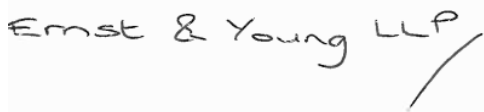
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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.

**Andy Blackmore** (Senior statutory auditor)

Ernst & Young LLP, Statutory Auditor
Bristol

11 December 2020

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Notes:

1. The maintenance and integrity of the Jane Hodge Foundation web site is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Financial Activities
for the 11-month period ended 30 September 2020

	<i>Note</i>	Unrestricted funds	Expendable Endowment funds	Total	Total
		2020 £	2020 £	2020 £	2019 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Investment income:					
Listed investment income		723,427	-	723,427	1,007,031
Unlisted investment income		-	-	-	2,607,873
Bank interest		-	-	-	5
Total incoming resources		723,427	-	723,427	3,614,909
Resources expended					
Charitable activities	6	312,448	-	312,448	2,810,100
Cost of generating funds	7	121,251	-	121,251	138,404
Governance costs	8	6,000	-	6,000	5,580
Total resources expended		439,699	-	439,699	2,954,084
Net incoming resources		283,728	-	283,728	660,825
Other recognised gains and losses					
Gain/(loss) on investments		(1,107,548)	(715,940)	(1,823,488)	1,426,842
Net movement in funds		(823,820)	(715,940)	(1,539,760)	2,087,667
Reconciliation of funds					
Total funds brought forward		22,440,418	20,073,234	42,513,652	40,425,985
Total funds carried forward		21,616,598	19,357,294	40,973,892	42,513,652

The financial activities set out above are all in respect of the continuing activities of the charity.

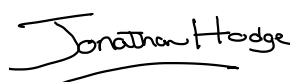
The notes on pages 16 to 23 form part of these financial statements.

Balance Sheet
at 30 September 2020

	Note	Unrestricted funds	Expendable Endowment funds	2020 Total	2019 Total
		£	£	£	£
Non current assets					
Investments	9	20,103,699	19,357,294	39,460,993	41,575,058
Intangible asset		7,882	-	7,882	15,243
		<u>20,111,581</u>	<u>19,357,294</u>	<u>39,468,875</u>	<u>41,590,301</u>
Current assets					
Debtors	10	70,509	-	70,509	23,626
Cash at bank and in hand		2,754,497	-	2,754,497	3,284,141
		<u>2,825,006</u>	<u>-</u>	<u>2,825,006</u>	<u>3,307,767</u>
Creditors: amounts falling due within one year	11	(1,319,989)	-	(1,319,989)	(2,248,537)
		<u>1,505,017</u>	<u>-</u>	<u>1,505,017</u>	<u>1,059,230</u>
Net current assets					
Creditors: amounts falling due after more than one year	12	-	-	-	(135,879)
		<u>21,616,598</u>	<u>19,357,294</u>	<u>40,973,892</u>	<u>42,513,652</u>
Net assets					
The Funds of the Charity					
Expendable endowment funds	13	-	19,357,294	19,357,294	20,073,234
Unrestricted income funds	14	21,616,598	-	21,616,598	22,440,418
		<u>21,616,598</u>	<u>19,357,294</u>	<u>40,973,892</u>	<u>42,513,652</u>
Funds					

The notes on pages 16 to 23 form part of these financial statements.

These financial statements were approved by the Trustees on 10 December 2020 and were signed on their behalf by:



J J Hodge
 Trustee

Registered number: 216053

Statement of Cash Flows
for the 11-month period ended 30 September 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net cash provided used in operating activities (Table 1)	(1,543,648)	(3,679,447)
Cash flows from investing activities:		
Dividends, interest and rents from investments	723,427	3,614,909
Proceeds from sale of investments	9,934,204	7,400,345
Purchase of investments	(9,643,627)	(6,826,016)
Intangible asset additions	-	(2,838)
Net cash provided by investing activities	1,014,004	4,186,400
Change in cash and cash equivalents in the period	(529,644)	506,952
Cash and cash equivalents at the beginning of the period, being cash at bank and in hand	3,284,141	2,777,189
Cash and cash equivalents at the end of the period, being cash at bank and in hand	2,754,497	3,284,141

Table 1: Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net incoming resources (as per Statement of Financial Activities)	283,728	660,825
Adjustments for:		
Amortisation charges	7,361	8,032
Dividends, interest and rents from investments	(723,427)	(3,614,909)
(Increase)/Decrease in debtors	(46,883)	3,822
Decrease in creditors	(1,064,427)	(737,217)
Net cash provided used in operating activities	(1,543,648)	(3,679,447)
Analysis of cash at bank and in hand	2020 £	2019 £
Total cash at bank and in hand	2,754,497	3,284,141

Notes*(forming part of the financial statements)***1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Foundation's trust deed, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities 2016: Statement of Recommended Practice applicable to charities in accordance with the Financial Reporting Standard applicable in the UK (FRS102).

Going concern rationale

The financial statements are prepared on a going concern basis. The Foundation has net current assets of £1,505,017. The Trustees have considered the level of assets held together with the future grant expenditure plan, and the plausible effects of the coronavirus pandemic on its financial situation and future cashflows. The Trustees are satisfied that the charity will be able to meet any liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements.

Incoming resources

All incoming resources are recognised once the Foundation has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Investments and investment income

Listed investments are shown at their market value, with all gains or losses taken to the Statement of Financial Activities. Unlisted investments are initially recorded at cost and revalued annually to reflect their market value unless a reliable estimate of their market value is not available.

Any gain or loss in relation to investments held in the expendable endowment fund is retained in the expendable endowment fund, with the income generated by the fund freely available to fund the activities of the charity and consequently is allocated to the unrestricted fund.

Dividend income is accounted for when received.

1 Accounting policies *(continued)*

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Overhead and support costs have been allocated between charitable activity and governance, and apportioned between charitable activities based on the number of individual grant awards made. Governance costs relate to those costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit and legal fees.

Gifted assets

Non current assets gifted to the Foundation are included in the financial statements at valuation when gifted.

Expendable endowment funds

Expendable endowment funds comprise funds relating to assets gifted to the Foundation together with any gains or losses arising from the disposal of such assets and subject to the conditions of the donor. The income generated by the fund is freely available to fund the activities of the charity and consequently is allocated to the unrestricted fund.

Unrestricted general funds

These are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds

These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Grants payable

Grants payable are made to third parties in the furtherance of the charitable objectives of the Trust. Grants payable are charged in the period when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

Taxation

The Jane Hodge Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2011 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation and Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2 Net incoming resources for the 11-month period

	2020	2019
	£	£
<i>Net incoming resources for the 11-month period are stated after charging:</i>		
Auditor's remuneration – audit of financial statements	6,000	5,580

3 Trustees' remuneration and expenses

The Trustees did not receive any remuneration from the Foundation during the period (2019: £nil). No amounts were paid to Trustees during the period in respect of professional services independent of their role as Trustees, (2019: £nil). No expenses were received by Trustees in either period.

Several of the Trustees, as indicated in the Trustees' Report, are non-executive directors of The Carlyle Trust Limited and one or more of its subsidiary companies. Their remuneration in their capacity as directors is included within the remuneration of directors disclosed in the financial statements of those companies

4 Staff numbers and costs

The average number of persons employed by the Foundation (excluding those trustees who received no remuneration) during the period was one (2019: none). The aggregate payroll costs of those persons were as follows:

	2020	2019
	£	£
Wages and salaries	19,475	23,775
Social security costs	1,586	958
Other pensions costs	4,320	1,882
	25,381	26,615

5 Allocation of support costs

The breakdown of support costs and their allocation to charitable activities is as follows:

	2020 £	2019 £
Administrative costs recharged	25,381	26,615
Office costs	13,467	10,291
	38,848	36,906

The total support costs allocated to charitable activities are then apportioned pro-rata to the number of grants awarded.

6 Charitable activities

The Foundation undertakes its charitable activities through grant making and awards grants to a number of institutions in furtherance of its charitable activities.

	Number of grants	Grant funded activity £	Support costs £	Total 2020 £	Number of grants	Total 2019 £
Care & Welfare	27	119,000	19,424	138,424	59	2,197,902
Education	16	22,000	11,511	33,511	32	309,869
Medical	10	130,100	7,194	137,294	25	290,675
Research						
Other	1	2,500	719	3,219	3	11,654
	54	273,600	38,848	312,448	119	2,810,100

7 Cost of generating funds

	2020 £	2019 £
Investment management cost	121,251	138,404

8 Governance costs

	2020	2019
	£	£
Auditor's remuneration	6,000	5,580

9 Non current asset investments

	Listed investments	Unlisted Investments	Total
	£	£	£
<i>Cost or valuation</i>			
At beginning of period	29,686,865	5,555,422	35,242,287
Disposals	(10,705,364)	-	(10,386,790)
Purchases	9,957,295	-	9,643,627
At end of period	28,943,796	5,555,422	34,499,124
<i>Investment revaluation reserve</i>			
At beginning of period	6,332,771	-	6,332,771
Movement in period - realised on disposal	457,492	-	452,586
- revaluation in period	(1,823,488)	-	(1,823,488)
At end of period	4,966,775	-	4,961,869
<i>Market value or valuation when donated</i>			
At 30 September 2020	33,905,571	5,555,422	39,460,993
At 31 October 2019	36,019,636	5,555,422	41,575,058

Listed investments held by the Foundation are shown at market value at the Balance Sheet date.

The unlisted investment in The Carlyle Trust Limited was acquired as a series of gifts and purchases. The latest was a transfer from The Sir Julian Hodge Charitable Trust, now wound up. The carrying value is based on the aggregate of the valuations at the date of each gift, the carrying value of the shares transferred, and the consideration for those shares purchased.

9 Non current asset investments *(continued)*

Investments in individual entities at 30 September 2020, which are 5% or more of the portfolio by value, are:

Unlisted investments

The Carlyle Trust Limited - £5,555,422

Unlisted investment

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
The Carlyle Trust Limited	UK	Finance	79% ordinary

The Carlyle Trust Limited is not considered to be a subsidiary undertaking as the Foundation only owns 39.5% of the voting shares.

The following summarises the consolidated Balance Sheet of The Carlyle Trust Limited at 30 September 2020:

	2020 £	2019 £
Share capital	1,100,000	1,100,000
Reserves	327,800,000	340,000,000
Total equity	328,900,000	341,100,000
(Loss)/profit for the 11-month period	(10,400,000)	10,800,000

Income from the investment in The Carlyle Trust Limited amounted to £nil being dividend income received (2019: £2,607,873).

Investment disposals

The total realised revaluation loss (2019: gain) for all investments sold during the period is shown on the table below:

	2020 £	2019 £
Sale proceeds on disposal	10,247,872	7,400,345
Cost of investments sold	(10,705,364)	(6,015,175)

(457,492) 1,385,170

10 Debtors

	2020	2019
	£	£
Prepayments and accrued income	70,509	23,626

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Grants payable	1,297,989	2,244,937
Other creditors	22,000	3,600
	1,319,989	2,248,537

12 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Grants payable	-	135,879

13 Expendable endowment funds

The expendable endowment funds, established in accordance with the wishes of the donor, include:

	Fixed assets and investment s £	Profit on disposal of investments and property £	Unrealised investment revaluation reserve £	Total £
At beginning of period	15,227,510	2,352,056	2,493,668	20,073,234
Unrealised losses in the period	-	-	(715,940)	(715,940)
Realised losses in the period	-	(187,875)	187,875	-
At end of period	15,227,510	2,164,181	1,965,603	19,357,294

14 Unrestricted income funds

These comprise those funds, which the Trustees are free to use in accordance with the charitable objects.

	Net incoming resources excluding gains/(losses) on investments and property £	Profit on disposal of investments and property £	Unrealised investment revaluation reserve £	Total £
At beginning of period	11,572,306	7,029,009	3,839,103	22,440,418
Net incoming resources for period	283,728	-	-	283,728
Unrealised loss in period	-	-	(1,107,548)	(1,107,548)
Realised loss in period	-	(264,711)	264,711	-
At end of period	11,856,034	6,764,298	2,996,266	21,616,598

Unrestricted funds comprise:

	2020 £	2019 £
General funds	21,616,598	22,440,418

15 Related party transactions

Related party transactions in the period were as follows:

Dividend income received in the period from The Carlyle Trust Limited amounted to £nil (2019: £2,607,873).

Bank deposits held with Julian Hodge Bank, a subsidiary of The Carlyle Trust Limited, at 30 September 2020 amounted to £1,825,461 (2019: £2,546,431).

Amounts owed to Julian Hodge Bank, a subsidiary of The Carlyle Trust Limited, at 30 September 2020 amounted to £nil (2019: £nil).

There were no other related party transactions.