

CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE

England & Wales · Charity number 314246

Details

Other names MIDDLE TEMPLE TRUST FUNDS

Status Registered

Legal form Other

Registered 1964-11-25

Register [View on the Charity Commission register](#)

Contact

Address Ashley Building
Middle Temple Lane
London
EC4Y 9BT

Phone 02074274800

Email c.eguren@middletemple.org.uk

Activities

Objects: SEE INDIVIDUAL CONSTITUENTS

Activities: THE AWARD OF SCHOLARSHIPS TO INTENDING PRACTITIONERS AT THE BAR OF ENGLAND AND WALES

Classification

- **How:** Makes Grants To Individuals
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£720,000	£1,566,000	£23,411,000	0
2023-12-31	£1,118,000	£1,068,000	£22,623,000	0
2022-12-31	£1,102,000	£1,341,000	£25,149,000	0
2021-12-31	£2,860,000	£1,441,000	£24,354,000	0
2020-12-31	£2,876,000	£1,156,000	£21,367,000	0

Trustees

Name	Role	Appointed
Andrew Phillip Burns KC		2023-08-10
Evan Price		2023-08-10
HHJ Tony Alan Walter Baumgartner		2025-10-30
Jessica Margaret Poppaea Simor KC		2021-01-01
Louise Clare McCullough		2024-05-23

Linked charities

- ARCHIBALD SAFFORD BEQUEST AND HELENA NORMANTON PRIZE TRUST (314246-1)
- THE HUBERT MONROE SCHOLARSHIP TRUST (314246-10)
- J B MONTAGU MEMORIAL TRUST FUND (314246-11)
- HELENA NORMANTON PRIZE (314246-12)
- THE DIPLOCK BEQUEST (314246-13)
- JOSEPH JACKSON MEMORIAL FUND (314246-14)
- THE MIDDLE TEMPLE SCHOLARSHIP FUND (314246-15)
- SIR JOHN STOCKER BEQUEST (314246-16)
- CONSTANTINE JOHN COLOBOS FOR PURCHASE OF BOOKS (314246-2)
- CHRYSTAL MACMILLAM MEMORIAL (314246-3)
- MIDDLE TEMPLE BENEFACTORS FUND (314246-4)
- ROBERT GARRAWAY RICE PUPILLAGE PRIZES (314246-5)
- MIDDLE TEMPLE COLOBOS TRUST (314246-6)
- ALFRED HARMSWORTH MEMORIAL FUND (314246-7)
- THE ASTBURY SCHOLARSHIP FUND (314246-8)
- THE QUEEN MOTHERS SCHOLARSHIP AND AWARDS FUND (314246-9)

Accounts



Middle Temple
**TRUST
FUNDS**

**THE CHARITIES ADMINISTERED IN CONNECTION WITH
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE**

Charity registration number: 314246

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2024

Contents

REFERENCE AND ADMINISTRATIVE DETAILS	2
TRUSTEES' ANNUAL REPORT	3
STATEMENT OF TRUSTEES' RESPONSIBILITIES.....	11
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHARITIES ADMINISTERED IN CONNECTION WITH THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE	12
STATEMENT OF FINANCIAL ACTIVITIES.....	15
STATEMENT OF FINANCIAL POSITION	16
STATEMENT OF CASH FLOWS.....	17
NOTES TO THE FINANCIAL STATEMENTS.....	18

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	The Charities Administered in connection with The Honourable Society of the Middle Temple	
Other names under which the charity operates	Middle Temple Trust Funds The Trust Funds	
Charity registration number	314246	
Principal office	Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT	
Trustees	Bernard Richmond, KC [to 31 December 2024] Jessica Simor, KC Andrew Burns, KC [Chair from 2 October 2024] Evan Price Louise McCullough [from 23 May 2024]	
Secretary to the Trustees	Andrew Hopkin, BA(Hons), ACMA, CGMA Director of Finance & Corporate Services The Honourable Society of the Middle Temple	
Bankers	The Royal Bank of Scotland, 250 Bishopsgate, London. EC2M 4AA	Handelsbanken plc, 2 nd Floor, 1 Kingsway, London. WC2B 6AN
Solicitors	Lester Aldridge LLP, 1 King Street, London. EC2V 8AU	
Auditors	HaysMac LLP, 10 Queen Street Place, London. EC4R 1AG	
Investment managers	Investec Wealth & Investment Limited, 30 Gresham Street, London. EC2V 7QN	Waverton Investment Management Limited, 16 Babmaes Street, London. SW1Y 6AH
	Cazenove Capital, 1 London Wall Place, London. EC2Y 5AU	

TRUSTEES' ANNUAL REPORT

These financial statements have been prepared under the accounting policies detailed in Note 1 on page 18 of the financial statements and comply with the Trust Deed, applicable law, and the requirements of the "Accounting and Reporting by Charities: Statement of Recommended Practice" (FRS 102).

Objects and Activities for the Public Benefit

The trustees confirm that they have considered the public benefit guidance available from the Charity Commission when reviewing the Trust Funds' aims and objectives and in planning future activities and setting the scholarship awards policy for the year.

The charity has been established to advance the education of intended practitioners at the Bar of England and Wales through the award of scholarships. The trustees have established the scholarship awards policy to achieve maximum public benefit. Scholarships are awarded to applicants of all backgrounds to attract to the Bar talented people from all parts of society. The aim is to help promote membership from under-represented groups, particularly those facing financial or disability barriers to achieve a successful career at the Bar.

The trustees believe that a strong and independent Bar is a vital part of the Constitution of the United Kingdom for the following reasons: -

1. Members of the Bar will, through experience and training, be able to present cases to the Courts in a skilled, efficient, and timesaving way;
2. They will, for the same reason, form a body of practitioners from which judicial appointments can be made;
3. They will be able to challenge executive and other decisions publicly, fearlessly, and at whatever level;
4. They will be able to represent a cause or individual however unpopular or unattractive that cause or individual may be.

The ultimate beneficiary of the scholarship awards programme is the nation at large.

The charity finances scholarships to individuals who are studying the Bar Training Course or a conversion course (the Graduate Diploma in Law, or its equivalent), with the intention to undertake pupillage in England and Wales and then to commence in practice. Funds for these scholarships are provided from Endowment Funds (investment income only), Restricted Income Funds, and Unrestricted Income Funds.

A further scholarship fund, the Middle Temple Scholarship Fund, was established in 2003 to further encourage donations from members of the Middle Temple to continue to fund future scholarship awards for the public benefit.

The trustees aim to ensure, wherever possible, a steady increase in the number and size of scholarship awards, whilst maintaining the underlying value of the investments in which the

funds are held. The task of making individual scholarship awards (in terms of both numbers and size) has been delegated by the trustees to the Scholarships & Prizes Committee and of the proper investment of funds to the Investment Sub-committee. One of the trustees (historically, the Chair) is an *ex officio* member of the Investment Sub-committee and the reports from the investment managers considered by the Sub-committee are also reviewed by the trustees at each of their meetings.

Middle Temple interviews every scholarship applicant, who, at the time of being in receipt of a scholarship, must be a member of Middle Temple and have secured a place on the Bar Training Course at one of several institutions across the country. The deciding criterion for the award of a scholarship is an individual's merit to succeed in a career at the Bar of England & Wales. Only once a scholarship has been awarded is the quantum of that award considered, based on the successful individual's financial circumstances. Scholarships are awarded with a view to maximising financial assistance to the more disadvantaged scholars; the quantum of an award is such that those applicants from poorer sections of the community receive a higher value scholarship and more help is available to a wider range of students.

The details of how to apply for a Middle Temple scholarship can be found on its website: www.middletemple.org.uk.

Achievements and Performance

Scholarship awards with a total value of £1,446k (2023: £977k) were awarded during the year, the majority of which were in the form of study awards. This total was considerably more than in 2023 and results from a higher number of scholarship applicants than in previous years. The scholarship awards figure includes a total of £721k (2023: £554k) for awards that have been deferred to future years. The deferral of a scholarship award is allowed due to changes in the circumstances of beneficiaries between the date on which the scholarship was awarded and the commencement of the Bar Training Course. Successful scholars can defer the take up of an award for a maximum of three years. The Education Department of the Middle Temple administers the scholarship programme on behalf of the trustees, and they keep detailed records of all awards and deferrals. All deferred scholarship awards are reviewed on an annual basis to ascertain if the award will eventually be paid or will lapse.

The trustees are aware of the materiality of deferred scholarship awards and the impact that has on holding cash that is not immediately required for the Trust Funds' cash flow requirements. The trustees are committed to continue to monitor this issue and to explore ways in which to better manage the Trusts' cash resources.

Donations and legacies with a combined value of £87k (2023: £543k) were received during the year. This represents a significant fall from donations received in the previous year and results from the suspension of the grant from the Middle Temple. The trustees approved the withdrawal of an additional £500k from the Middle Temple Scholarship Fund resources to mitigate any adverse impact that this suspension may have had on the scholarships programme.

During 2024, the value of the investment portfolio increased to £16.78 million (2023: £16.14 million), due to the finalisation of the transfer of assets to new investment managers in the final stages of 2023 and the performance of those new managers (as noted below). The Total Return achieved by the investment managers, net of fees, was as follows: -

- Waverton Investment Management: 11.59% (2023: 0.12%).
- Cazenove Capital: 11.67% (2023: 0.3%).

The investment portfolio figure disclosed in these financial statements includes cash deposits of £271k (2023: £1.61 million).

The Inn has been successful in admitting a broad range of diverse individuals to its membership and is committed to continuing its efforts to increase that diversity, particularly from individuals who would not otherwise consider a career at the Bar of England & Wales. The Inn has an 'outreach' capability, supported by the Sir Paul Jenkins' Fund, as well as the tried and tested 'Access to the Bar' scheme, supported by the Trust Funds' restricted income funds, which offers bursaries to individuals to experience life at the Bar first-hand on a one-week placement. That work will continue in 2025.

Financial Review

The Trust Funds are reliant on several income streams, namely: -

- Income from the investment portfolio, which during the year generated £411k (2023: £391k)
- Donations and legacies of £87k (2023: £543k) from external donors
- Rental income from the investment properties of £134k (2023: £131k) and
- Bank interest of £88k (2023: £53k).

Investment policy and performance

The investment portfolio is actively managed in accordance with the long-term objective of a balanced return with a medium risk profile, whilst continuing to hold a well-diversified portfolio.

In late 2023, the investment portfolio was transferred from Investec Wealth & Investment and split equally between Waverton Investment Management and Cazenove Capital. The performance figures for the new managers are shown in the table on page 6.

Figures as of 31 December 2024	£	Total return - Net	ARC index
Waverton Investment Management	8,292,153	+11.59%	+8.78%
Cazenove Capital	8,271,123	+11.67%	+8.78%

The trustees are satisfied that an appropriate level of investment return was secured by both investment managers taking into account the industry ARC Index. Investment performance is influenced by the assets held in each of the portfolios as shown in the table below.

	Cazenove	Waverton
Equities %	71.6	78.1
<i>UK Equities</i>	<i>15.0</i>	<i>9.1</i>
<i>North American Equities</i>	<i>30.4</i>	<i>40.3</i>
<i>Europe ex. UK Equities</i>	<i>10.4</i>	<i>14.2</i>
<i>Japanese Equities</i>	<i>2.0</i>	<i>8.0</i>
<i>Asia Pacific ex. Japan Equities</i>	<i>4.3</i>	<i>6.5</i>
<i>Other International Equities</i>	<i>9.7</i>	<i>-</i>
Fixed income %	11.1	11.6
<i>UK Government</i>	<i>4.7</i>	<i>3.4</i>
<i>Overseas Government</i>	<i>1.3</i>	<i>-</i>
<i>Corporate</i>	<i>3.1</i>	<i>1.8</i>
<i>Investment Funds</i>	<i>2.0</i>	<i>6.4</i>
Alternatives %	13.9	9.9
Cash %	3.4	0.4

Reserves policy

The trustees hold reserves to ensure that day-to-day administration costs can be funded internally for a period up to 12 months into the future. The trustees have also considered if it would be prudent to hold reserves to be able to finance one years' worth of scholarship awards but have concluded that this would tie-up too much cash within the trusts.

However, the trustees hold total Unrestricted Income Funds of £5.51 million (2023: £5.90 million). These funds are represented by the Middle Temple Scholarship Fund. The trustees have considered how best to use these funds to support beneficiaries, both now and in the future. At their meeting in March 2021, the trustees resolved to implement a drawdown policy for the Unrestricted Income Funds of up to £300k per annum. This would support an increase in scholarship award funding to an average of 75% of the shortfall for successful scholarship applicants. Additionally, for 2024, the trustees approved the drawdown of a further £500k from the Middle Temple Scholarship Fund to cover a funding gap caused by the suspension of the annual grant from the Middle Temple.

The amount of funds to withdraw from the Middle Temple Scholarship Fund is considered and agreed on an annual basis, as part of the overall consideration of the budget requirements for the forthcoming year. This discussion and decision-making process is also connected to the level of financial support that the Inn can provide each year, by way of its grant to scholarship funding. The trustees continue to consider all these constraints to maximise public benefit whilst ensuring the medium- and long-term sustainability of the Trust Funds.

Plans for future periods

The free reserves of the Trust Funds remain at a minimum level, as scholarship awards are generally equal to the value of income that is generated or received each year. Further 'real' growth in the value of scholarship awards will necessitate continued fundraising to generate a larger investment portfolio or an increase in the financial support provided by the Inn.

Risk management

The major risks to which the Trust Funds are exposed, as identified by the trustees, are reviewed annually and systems and procedures have been established to manage and/or mitigate those risks. There are four areas of 'major' risk: -

- Governance;
- Operational;
- Financial;
- Environmental.

Risks are scored 'Gross' and 'Net' after taking account of existing risk controls. These risks are scored as 'red', 'yellow', or 'green' in descending order of impact and likelihood.

The highest Net score for the risks identified is that for fundraising activities. The registration of Middle Temple Charity in October 2023 has diluted the fundraising efforts of the Middle Temple, which provides the fundraising resources for the Trust Funds and for Middle Temple Charity (which will be the primary vehicle for Middle Temple's fundraising activities going forwards). Middle Temple Charity invites applications from individuals and organisations for grants furthering that charity's objects, which include, "*the advancement of education and learning in the administration and practice of the law and related disciplines, including by providing training, providing scholarships and other educational awards, and promoting, undertaking, and publishing research.*" When required, the trustees plan to apply for additional scholarship funding from Middle Temple Charity.

The next level of risk, those risks that have a 'moderate' or 'yellow' risk score, is shared across various risks in the register, which relate to tactical rather than strategic risks. These include risks associated with fundraising, the investment portfolio, and the potential loss of key staff members with organisational knowledge. The trustees continue to monitor these risks.

The trustees carried out an informal skills audit in 2025 to inform the recruitment of a fifth trustee to replace Master Bernard Richmond, who retired at the end of 2024.

Structure, Governance, and Management

The charity represents a collection of diverse funds grouped together under a scheme approved by the Charity Commission on 3 September 1975 and is a registered charity in England & Wales, number 314246.

The endowed funds that were originally grouped together were as follows.

Alfred Harmsworth Memorial Fund	Middle Temple Benefactors' Fund
The Astbury Scholarship Fund	Chrystal Macmillan Memorial Fund
Middle Temple Colombos Trust	JB Montague Memorial Trust Fund
The Charity of Constantine John Colombos	Helena Normanton Prize Fund
Robert Garraway Rice Pupillages Prize Fund	Middle Temple Archibald Safford Trust

Subsequently, new endowed funds were established and included within the original Charity Commission registration, which are shown below.

Lord Justice Sachs Entrance Exhibition Fund	Jules Thorn Fund
Lintern Award Fund	The Joseph Jackson Memorial Fund

On 24 July 2003, The Middle Temple Scholarship Fund was incorporated into the original scheme of registration. Following a review conducted in 2014, this fund was reclassified by the trustees as an Unrestricted Income Fund.

In 2010, a 'Marshalling Bursaries/Access to the Bar Fund' was established as a Restricted Income Fund and awards were made to students from 2011 onwards. In 2016, the fund was renamed as the 'Sherrard Access to the Bar Fund'.

During 2012, a 'Readers' Essay Prize Fund' was approved by the trustees as a Restricted Income Fund. In 2015 and following approval by the original donor of the funds, the fund was reclassified as an Unrestricted Income Fund and the name of the award changed to the 'Readers' Scholarship'.

In 2016, the trustees approved the establishment of the 'McMullen Access to the Bar Fund' as a Restricted Income Fund. This fund enables a further eight students to experience life at the Bar first-hand during a one-week placement alongside the students in receipt of a Sherrard Access to the Bar bursary.

In 2018, following the untimely death of the then Master Treasurer, Sir Paul Jenkins, KCB, a Restricted Income Fund was established in his memory to provide fully funded scholarships to intending practitioners from communities where becoming a barrister is not a traditional career path.

The trustees are approved for appointment by the Master Treasurer on behalf of the Benchers of the Inn and agreement to that appointment is made by the existing trustees. Appointments and retirements are confirmed by the execution of an appropriate Deed.

There are at least two trustees' meetings each year; one in the Hilary term and one in the Michaelmas term. Discussion focuses on compliance with the policy objectives of each Fund, investment performance, budget setting and financial management, and risk management. Each year, the trustees' annual report and financial statements are made available to the Inn and are considered by its Finance & Resources Committee. Ongoing training is provided to the trustees and professional advisers attend trustee meetings as required. Training also takes place as part of the induction process for new trustees.

The trustees give of their time freely and approve strategic and policy matters. Day-to-day management of the Trust Funds is delegated to a professional staff, who also volunteer their time freely. No trustee remuneration was paid during the year (2023: nil).

The selection of scholarship recipients is delegated to the Scholarships & Prizes Committee, a committee of the Inn. Specific training is provided to those members of the Inn who sit on the Awards Panels. These Awards Panels meet each year during the Easter recess and interview all scholarship applicants. The trustees observe a sample of scholarship interviews and committee meetings. The awards are then subject to review by the Finance Review Panel, which is composed of three members of the Inn who have not taken part in the scholarship interview process or sat on one of the Awards Panels. The Secretary to the Trustees takes part in the Finance Review Panel meetings to provide financial and budgetary advice to panel members.

The Endowed Funds and part of the Unrestricted Income Funds are held in a common investment portfolio, the management of which is delegated to the Investment Sub-committee, a Sub-committee of the Inn's Finance & Resources Committee. One of the charity's trustees, historically its Chair, is a member of that Sub-committee. Investment Sub-committee meetings take place at the end of each quarter and consider the investment performance and valuation report from each investment manager. The performance and valuation reports and the minutes of the Investment Sub-committee meetings are shared with the charity trustees and the Chair will make an oral report on the proceedings of the Investment Sub-committee at each trustee meeting.

In order to better co-ordinate the income generation and expenditure dispersal activities of the Trust Funds, the Inn's Associate Director of Development & Communications (representing fundraising activities) and the Director of Education and the Scholarships Officer (representing scholarship awards activities) attend trustees' meetings when necessary.

Going concern assessment

Each year, as part of the audit process, the trustees formally consider whether or not the Trust Funds can be considered as a 'going concern.' In carrying out this assessment, the trustees consider several pieces of information, namely: -

- Management accounts;

- Cash flow forecasts;
- Annual budgets and five-year projections;
- The Risk register.

Based on this information and of enquiries of management, the trustees consider that it is appropriate for the 'going concern' basis to be adopted for these financial statements.

Note on the auditors

During the financial year, the charity's auditors changed their legal name from 'haysmacintyre LLP' to 'HaysMac LLP'; there has been no change to their appointment with the charity.

Signed for and on behalf of the trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple



**Andrew Burns, KC
Chair of Trustees**

Date: 14 October 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the trustees to prepare financial statements for each financial year and not to approve those financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the charity as at the date of the Statement of Financial Position and of its incoming resources and the application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements that give a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities Statement of Recommended Practice ('Charity SORP');
- Make judgments and estimates that are reasonable and prudent;
- State whether or not applicable accounting standards and statements of recommended practice have been followed, subject to any material departures that are disclosed and explained in the financial statements; and
- Prepare the financial statements on the 'going concern' basis unless it is inappropriate to assume that the charity will continue on that basis.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and that enable them to ensure that the financial statements comply with the Charities Act 2011. The trustees 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.

Approved by the trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple and signed on their behalf by:



**Andrew Burns, KC
Chair of Trustees**

Date: 14 October 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHARITIES ADMINISTERED IN CONNECTION WITH THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE

Opinion

We have audited the financial statements of The Charities Administered ICW the Honourable Society of the Middle Temple for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of 31 December 2024 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept by the charity, or
- sufficient accounting records have not been kept; or
- the charity 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, 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 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

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:

Based on our understanding of the charity and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Physical inspection of tangible assets susceptible to fraud or irregularity;
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.

HaysMac LLP

HaysMac LLP
Statutory Auditor
Date: 21/10/2025

10 Queen Street Place
London EC4R 1AG

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

STATEMENT OF FINANCIAL ACTIVITIES

£000s	Notes	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	2024	2023
INCOME						
Donations and legacies	2	86	1	-	87	543
Investment income from Funds		411	-	-	411	391
Investment income from Rental Properties		134	-	-	134	131
Investment income from bank interest		88	-	-	88	53
Total Income		719	1	-	720	1,118
EXPENDITURE						
Raising Funds						
Costs of generating voluntary income		3	-	-	3	1
Investment fund management costs		75	-	-	75	56
Investment property management costs		24	-	-	24	16
Charitable Activities						
Scholarship awards		1,414	32	-	1,446	977
Other expenditure						
Governance costs	6	18	-	-	18	18
Total Expenditure		1,534	32	-	1,566	1,068
OPERATIONAL (DEFICIT)/surplus BEFORE GAINS & LOSSES		(815)	(31)	-	(846)	50
Net gains/(losses) on investments						
Gains/(Losses) on investment properties	8	-	-	131	131	(67)
Gains/(Losses) on investment funds	8	425	-	1,078	1,503	(2,509)
		425	-	1,209	1,634	(2,576)
NET SURPLUS/(DEFICIT)		(390)	(31)	1,209	788	(2,526)
FUNDS BROUGHT FORWARD	12	5,904	1,789	14,930	22,623	25,149
FUNDS AT FINANCIAL YEAR END CARRIED FORWARD		5,514	1,758	16,139	23,411	22,623

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 26 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

£000s	Notes	2024	2023
FIXED ASSETS			
Investment properties	8	3,403	3,272
Investment portfolio	8	16,785	16,142
		20,188	19,414
CURRENT ASSETS			
Debtors	9	8	43
Bank balances		3,955	3,741
		3,963	3,784
CURRENT LIABILITIES			
Amounts falling due within one year	10	(740)	(575)
NET CURRENT ASSETS		3,223	3,209
NET ASSETS		23,411	22,623
CAPITAL & RESERVES			
Endowment Funds	12	16,139	14,930
Restricted Income Funds	12	1,758	1,789
Unrestricted Income Funds	12	5,514	5,904
TOTAL CAPITAL & RESERVES		23,411	22,623

The notes on pages 18 to 26 form part of these financial statements.

These financial statements were approved and authorised for issue, and signed on behalf of, the trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple, by:



**Andrew Burns, KC
Chair of Trustees**

Date: 14 October 2025

**STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2024**

£000s	Notes	2024	2023
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	13	(2,782)	277
Cash flows from investing activities:			
Dividends, interest and rent from investments		633	575
Proceeds from sale of investments	8	15,077	4,338
Purchase of investments	8	(15,556)	(2,840)
Realised (gains)/losses on investments	8	1,503	(897)
Net cash provided by/(used in) investing activities		1,657	1,176
Change in cash and cash equivalents in the reporting period		(1,125)	1,453
Cash and cash equivalents at the beginning of the reporting period		5,351	3,898
Cash and cash equivalents at the end of the reporting period		4,226	5,351

The notes on pages 18 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Accounting policies

The principal accounting policies adopted, judgments, and key sources of estimation uncertainty in the preparation of the financial statements are as follows: -

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102).

The Charities Administered in connection with The Honourable Society of the Middle Temple is a charity registered in England & Wales (charity registration number 314246) and meets the definition of a public benefit entity under FRS 102. The principal office is located at The Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT.

Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s). All financial assets and liabilities are basic financial instruments. The financial statements have been prepared in UK sterling, the entity's reporting currency, and have been rounded to the nearest thousand pounds.

Preparation of financial statements on a 'going concern' basis

The trustees consider that there are no material uncertainties about the Trust Funds' ability to continue as a 'going concern'. The review of the financial position, reserves levels, and future plans gives the trustees confidence that the Trust Funds remain a 'going concern' for the foreseeable future.

Critical accounting judgments and estimates

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of the Trust Funds' accounting policies and the reported assets, liabilities, income and expenditure, and the disclosures made in the financial statements. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

The trustees have relied on the professional skill and judgment of third-party property valuation experts for the annual revaluation of the investment properties.

Income recognition

All income is recognised once the Trust Funds has entitlement to that income, it is probable that the income will be received, and the amount of income receivable can be reliably measured.

Gifts in kind

Gifts in kind represent assets donated for distribution or use by the Trust Funds. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Trust Funds are recognised when receivable.

Gifts in kind are valued at the amount actually realised from the disposal of assets or at the price the Trust Funds would otherwise have paid for the assets. The services provided by the trustees and accounting and other administrative services provided by The Honourable Society of the Middle Temple are not included in the financial statements as their value is not easily quantifiable.

Investment income

Investment income is recognised on a receivable basis once the amounts can be reliably measured.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Expenditure is classified under the following activity headings.

- Costs of raising funds, including fundraising costs, investment fund management costs, and investment property management costs.
- Expenditure on charitable activities, which relates to scholarship awards.
- Other expenditure, representing audit and other governance costs.

The Trust Funds are not registered for Value Added Tax purposes.

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs

The Honourable Society of the Middle Temple provides the Trust Funds with free administrative and support costs, including staff time. The Trust Funds have no employees.

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market value of investments are shown as unrealised gains or losses in the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the value between the sales proceeds and their opening carrying values or their purchase value if acquired after the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and the carrying value of the investment.

Both realised and unrealised investment gains and losses are combined in the Statement of Financial Activities and the Statement of Financial Position.

Investments – stocks and shares

Quoted investments are stated at bid value at the date of the Statement of Financial Position and unquoted investments are stated at estimated market value. Any gain or loss made on the investments is taken to the Statement of Financial Activities.

Investments – properties

Freehold land and buildings are treated as investment properties and are included in the financial statements at their latest market valuation. No depreciation is provided on these assets.

Increases in value over their historic cost will be included in the Property Revaluation Reserve, whilst any decrease below historic cost will be charged to the Middle Temple Benefactors' Fund (the source of the funds used to purchase the properties).

The annual revaluation exercise is carried out by third-party professional valuers with relevant experience of domestic property valuations.

Creditors and provisions

Creditors and provisions are recognised where the Trust Funds has a present obligation resulting from a past event that will probably result in the transfer of funds to a third-party and the amount due to settle that obligation can be reliably measured or estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts that may be applicable.

Debtors

Short-term debtors are measured at transaction value, less any impairment to that value.

Cash at Bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity date of three months or less from the date acquisition or opening of the deposit or similar account.

Funds

Unrestricted Income Funds are represented by donations and other income receivable or generated for the objects of the Trust Funds.

Restricted Income Funds are those funds that are to be used in accordance with specific instructions imposed by the donor or trust deed.

Endowment Funds represent several significant historic funds previously donated to the Inn from benefactors. The policy for these funds is to use only the income generated by them each year to pay scholarship awards. The trustees are aware of the need to retain these funds as assets for the long-term delivery of the Trust Funds' charitable purposes. The trustees will continue to preserve the capital of these endowment funds and, if possible, to increase their value for the long-term.

Employee benefits

The Trust Funds have no employees.

Note 2: Donations and legacies

CURRENT YEAR - £000s	Endowment Funds	Unrestricted Income Funds	Restricted Income Funds	2024
Middle Temple grant	-	-	-	-
Legacies	-	50	-	50
Donations				
- Gift Aid donations, including tax recovered	-	31	1	32
- Non-Gift Aid donations	-	5	-	5
Total Donations	-	36	1	37
Total voluntary income	-	86	1	87

PRIOR YEAR - £000s	Endowment Funds	Unrestricted Income Funds	Restricted Income Funds	2023
Middle Temple grant	500	-	-	500
Legacies	-	5	-	5
Donations				
- Gift Aid donations, including tax recovered	-	25	8	33
- Non-Gift Aid donations	-	5	-	5
Total Donations	-	30	8	38
Total voluntary income	500	35	8	543

Note 3: analysis of expenditure

£000s	2024	2023
Direct costs: Staff	-	-
Direct costs: Other	102	73
Scholarship Awards	1,446	977
Support Costs	18	18
Total Expenditure	1,566	1,068

Note 4: analysis of support costs

£000s	2024	2023
Governance	18	18
Total Support Costs	18	18

Note 5: operating lease income

The Middle Temple Trust Funds own three investment properties, located in Clapham, London. The leases are all residential and during the reporting year generated income of £134k. Each of the leases has a fixed term of three years.

	£000s
Not later than One year	31.5
Later than One year but not later than Five years	-
Later than Five years	-

The leases were renewed in March and April 2025 on expiration of the existing tenancy and for a period of three years expiring in 2028.

Note 6: Governance costs

£000s	2024	2023
Auditor's remuneration	18	18
Total Governance Costs	18	18

Note 7: net income for the year

£000s	2024	2023
Net Income is stated after charging/crediting		
Auditor's remuneration	18	18

Note 8: investments

£000s	2024	2023
INVESTMENT PROPERTIES		
Market value at 1 January	3,272	3,339
Unrealised gain/(loss) on revaluation	131	(67)
Market value at 31 December	3,403	3,272
INVESTMENT FUNDS		
Market value at 1 January	14,532	18,539
Acquisitions/additions at cost	15,556	2,840
Proceeds of disposal	(15,077)	(4,338)
Net (losses)/gains on disposals & revaluations	1,503	(2,509)
	16,514	14,532
Cash held in investment portfolio	271	1,610
Market value at 31 December	16,785	16,142

All investments in the Investment Funds are listed on recognised stock exchanges.

Note 9: Debtors

£000s	2024	2023
Investment income	8	43
Total Debtors	8	43

Note 10: Creditors – amounts falling due within one year

£000s	2024	2023
Audit & taxation	18	17
Middle Temple	-	2
Accruals for scholarships payable	721	554
Total Creditors	739	573

Note 11: analysis of net assets between funds

CURRENT YEAR - £000s	Endowment Funds	Unrestricted Income Funds	Restricted Income Funds	2024
Investment properties	3,403	-	-	3,403
Investment funds	12,736	4,049	-	16,785
Net current assets	-	1,465	1,758	3,223
Total Net Assets between Funds	16,139	5,514	1,758	23,411

PRIOR YEAR - £000s	Endowment Funds	Unrestricted Income Funds	Restricted Income Funds	2023
Investment properties	3,272	-	-	3,272
Investment funds	11,658	4,484	-	16,142
Net current assets	-	1,420	1,789	3,209
Total Net Assets between Funds	14,930	5,904	1,789	22,623

Note 12: analysis of funds

CURRENT YEAR	Balance as at 1 January	New capital	Movement in investment properties market value	Movement in investment funds market value	Balance as at 31 December
ENDOWED FUNDS (£000s)					
Alfred Harmsworth Memorial Fund	1,107	-	-	80	1,187
The Astbury Scholarship Fund	1,270	-	-	92	1,362
Middle Temple Benefactors' Fund	8,699	-	131	628	9,458
Jules Thorn Fund	1,248	-	-	90	1,338
The Queen Mother Scholarships & Awards Fund	2,160	-	-	156	2,316
The Joseph Jackson Memorial Fund	446	-	-	32	478
TOTAL ENDOWED FUNDS	14,930	-	131	1,078	16,139

PRIOR YEAR	Balance as at 1 January	New capital	Movement in investment properties market value	Movement in investment funds market value	Balance as at 31 December
ENDOWED FUNDS (£000s)					
Alfred Harmsworth Memorial Fund	1,241	-	-	(134)	1,107
The Astbury Scholarship Fund	1,424	-	-	(154)	1,270
Middle Temple Benefactors' Fund	9,830	-	(67)	(1,064)	8,699
Jules Thorn Fund	1,399	-	-	(151)	1,248
The Queen Mother Scholarships & Awards Fund	2,422	-	-	(262)	2,160
The Joseph Jackson Memorial Fund	500	-	-	(54)	446
TOTAL ENDOWED FUNDS	16,816	-	(67)	(1,819)	14,930

Note 12: analysis of funds

CURRENT YEAR	Alfred Harmsworth Memorial Fund	The Arbury Scholarship Fund	Middle Temple Benefactors' Fund	Jules Thom Fund	The Queen Mother Scholarships & Awards Fund	The Joseph Jackson Memorial Fund	Middle Temple Scholarship Fund	Total Unrestricted Income Funds
UNRESTRICTED INCOME FUNDS [£000s]								
Balance as at 1 January	1	(1)	(26)	1	1	39	5,889	5,904
Costs of generating voluntary income	-	-	-	-	-	-	(3)	(3)
Donations	-	-	-	-	-	-	86	86
Governance costs	(1)	(1)	(8)	(1)	(2)	-	(5)	(18)
Grant from Middle Temple	-	-	-	-	-	-	-	-
Investment fund management costs	(4)	(4)	(31)	(4)	(8)	(2)	(22)	(75)
Investment Income	22	25	172	24	43	9	116	411
Other income	4	6	37	5	9	2	25	88
Property Expenditure	-	-	(24)	-	-	-	-	(24)
Property Income	-	-	134	-	-	-	-	134
Scholarship awards	(250)	(28)	(544)	(178)	(131)	(13)	(270)	(1,414)
Movement in investment portfolio market value	-	-	-	-	-	-	425	425
Balance as at 31 December	(228)	(3)	(290)	(153)	(88)	35	6,241	5,514
PRIOR YEAR								
UNRESTRICTED INCOME FUNDS [£000s]								
Balance as at 1 January	-	-	(156)	-	-	19	6,650	6,513
Donations	-	-	-	-	-	-	35	35
Governance costs	(1)	(1)	(7)	(1)	(2)	-	(7)	(19)
Grant from Middle Temple	112	76	139	68	89	16	-	500
Investment fund management costs	(3)	(4)	(24)	(3)	(6)	(1)	(15)	(56)
Investment Income	21	24	165	24	41	8	108	391
Other income	3	3	22	3	6	1	15	53
Property Expenditure	-	-	(16)	-	-	-	-	(16)
Property Income	-	-	131	-	-	-	-	131
Scholarship awards	(131)	(99)	(280)	(90)	(127)	(4)	(207)	(938)
Movement in investment portfolio market value	-	-	-	-	-	-	(690)	(690)
Balance as at 31 December	1	(1)	(26)	1	1	39	5,889	5,904

Note 12: analysis of funds

CURRENT YEAR	Balance as at 1 January	Incoming resources from activities	Other expenditure	Balance as at 31 December
RESTRICTED INCOME FUNDS [£000s]				
Access to the Bar Fund: Sherrard	11	-	(6)	5
Access to the Bar Fund: McMullen	17	-	(6)	11
VIS Moot Fund	(1)	-	-	(1)
Reader's Scholarship Fund	15	-	-	15
Sir Paul Jenkins' Memorial Fund	1,582	1	-	1,583
Emergency Assistance Fund	165	-	(20)	145
TOTAL RESTRICTED INCOME FUNDS	1,789	1	(32)	1,758
PRIOR YEAR				
RESTRICTED INCOME FUNDS [£000s]				
Access to the Bar Fund: Sherrard	23	1	(13)	11
Access to the Bar Fund: McMullen	17	-	-	17
VIS Moot Fund	1	(2)	-	(1)
Reader's Scholarship Fund	15	-	-	15
Sir Paul Jenkins' Memorial Fund	1,577	5	-	1,582
Emergency Assistance Fund	187	4	(26)	165
TOTAL RESTRICTED INCOME FUNDS	1,820	8	(39)	1,789

All funds, with the exception of the Middle Temple Emergency Assistance Fund, support the award of scholarships to intending practitioners at the Bar of England & Wales. These costs include course fees to gain the required academic qualifications, living expenses whilst studying, the fees for joining the Inn, and the fees to enable Call to the Bar.

All Unrestricted Income Funds support these types of expenditure.

Restricted Income Funds are used in accordance with the donor restrictions, i.e., the Sherrard and McMullen Access to the Bar awards provide an opportunity for undergraduate students from communities where a career at the Bar of England & Wales may not be an immediate career path to see how the profession works in practice. The VIS Moot Fund provides financial support to Middle Temple students taking part in the annual mooting competition. The Readers' Scholarship Fund provides an annual scholarship to one of the successful scholarship applicants. The Sir Paul Jenkins' Memorial Fund provides funding to support fully funded scholarships to two eligible scholarship award candidates each year, as well as supporting the Inn's 'outreach' programme.

The Middle Temple Emergency Assistance Fund was established during the COVID-19 pandemic to support those Middle Temple members in need of financial assistance who would not meet the criteria for support from the Barristers' Benevolent Association.

Note 13: reconciliation of net income to net cash flow from operating activities

	2024	2023
Net Income/(Expenditure) for the reporting period (as per the Statement of Financial Activities)	(846)	50
Adjustments for:		
Realised (gains)/losses on investments	(1,503)	897
Dividends, interest and rent from investments	(633)	(575)
(Increase)/decrease in debtors	35	1
(Decrease)/increase in creditors	165	(96)
Net cash (used in)/provided by operating activities	(2,782)	277
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	3,955	3,741
Cash at investment managers	271	1,610
	4,226	5,351

Note 14: related party transactions

There were no related party transactions during the year, nor in the prior year.

During the year, no trustees received any remuneration or other benefits (2023: £nil).

Accounts



**THE CHARITIES ADMINISTERED IN CONNECTION WITH
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE**

Charity registration number: 314246

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2023

Contents

REFERENCE AND ADMINISTRATIVE DETAILS.....	3
TRUSTEES' ANNUAL REPORT	4
Objects and Activities for the Public Benefit.....	4
Achievements and Performance.....	5
Financial Review	7
Investment policy and performance	7
Reserves policy	7
Plans for future periods	8
Risk management	8
Structure, Governance, and Management	9
Going concern assessment	11
STATEMENT OF TRUSTEES' RESPONSIBILITIES	13
DRAFT INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHARITIES ADMINISTERED IN CONNECTION WITH THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE.....	14
STATEMENT OF FINANCIAL ACTIVITIES	17
STATEMENT OF FINANCIAL POSITION.....	18
STATEMENT OF CASH FLOWS.....	19
NOTES TO THE FINANCIAL STATEMENTS	20
Note 1: Accounting policies	20
Note 2: Donations and legacies.....	24
Note 3: analysis of expenditure	24
Note 4: analysis of support costs	25
Note 5: operating lease income	25
Note 6: Governance costs.....	25
Note 7: net income for the year.....	25
Note 8: investments.....	26



Note 9: Debtors	27
Note 10: Creditors – amounts falling due within one year	27
Note 11: analysis of net assets between funds	28
Note 12: analysis of funds	29
Note 13: reconciliation of net income to net cash flow from operating activities	32
Note 14: related party transactions	32

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	The Charities Administered in connection with The Honourable Society of the Middle Temple
Charity registration number	314246
Principal office	Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT
Trustees	Bernard Richmond, KC [Chair] Marilynne Morgan [to 10 August 2023] Jessica Simor, KC Araba Taylor [to 6 December 2023] Andrew Burns, KC [from 10 August 2023] Evan Price [from 10 August 2023] Louise McCullough [from 23 May 2024]
Secretary to the Trustees	Andrew Hopkin, BA(hons), ACMA, CGMA Director of Finance & Corporate Services The Honourable Society of the Middle Temple
Bankers	The Royal Bank of Scotland, 250 Bishopsgate, London. EC2M 4AA
Solicitors	Lester Aldridge LLP, 1 King Street, London. EC2V 8AU
Auditors	Haysmacintyre LLP, Queen Street Place, London. WC4R 1AG
Investment managers	Investec Wealth & Investment Limited, 30 Gresham Street, London. EC2V 7QN Cazenove Capital, 1 London Wall Place, London. EC2Y 5AU Waverton Investment Management Limited, 16 Babmaes Street, London. SW1Y 6AH

TRUSTEES' ANNUAL REPORT

These financial statements have been prepared under the accounting policies detailed in Note 1 on page 19 of the financial statements and comply with the Trust Deed, applicable law, and the requirements of the "Accounting and Reporting by Charities: Statement of Recommended Practice" (FRS 102).

Objects and Activities for the Public Benefit

The trustees confirm that they have considered the public benefit guidance available from the Charity Commission when reviewing the Trust Funds' aims and objectives and in planning future activities and setting the scholarship awards policy for the year.

The Trust Funds have been established to advance the education of intending practitioners at the Bar of England and Wales through the award of scholarships.

The trustees have established their scholarship awards policy to achieve maximum public benefit. Scholarships are awarded to applicants of all backgrounds to attract to the Bar talented people from all parts of our rich and diverse society. Scholarships recognise and reward merit and help to promote membership from underrepresented groups, including those facing financial or disability barriers in achieving a career at the Bar.

The trustees firmly believe that a strong and independent Bar is a vital part of the Constitution of the United Kingdom for the following reasons: -

1. Members of the Bar will, through experience and training, be able to present cases to the Courts in an efficient and time-saving way;
2. They will, for the same reason, form a body of practitioners from which judicial appointments can be made;
3. They will be able to challenge executive and other decisions fearlessly and publicly at whatever level; and
4. They will be able to represent a cause or individual however unpopular that cause or unattractive that individual may be.

The ultimate beneficiary of the Trust Funds' scholarship awards programme is the nation at large.

The Trust Funds carry out their objects by financing scholarships to individuals who are studying the Bar Training Course or a conversion course (the Graduate Diploma in Law, or its equivalent), with the intention to undertake pupillage in England and Wales and then to

commence in practice. Funds for these scholarships are provided from Endowment Funds (investment income only), Restricted Income Funds, and Unrestricted Income Funds.

A further scholarship fund, the Middle Temple Scholarship Fund, was established in 2003 to further encourage donations from members of the Middle Temple to continue to fund future scholarship awards for the public benefit.

The aim of the trustees is to ensure, wherever possible, a steady increase in the number and size of scholarship awards that are made available, whilst maintaining the underlying value of the investments in which the funds are held. The level of scholarship awards during the year was lower than in previous years because of fewer applicants. The trustees have delegated the task of making individual scholarship awards (in terms of both numbers and size) to the Scholarships & Prizes Committee and the proper investment of funds to the Investment Sub-committee. One of the trustees (historically, the Chair) is an *ex officio* member of the Investment Sub-committee and the reports from the investment managers considered by the Sub-committee are also reviewed by the trustees at each of their meetings.

Middle Temple interviews every scholarship applicant, who must be a member of Middle Temple and have secured a place on the Bar Training Course at one of several institutions across the country. The deciding criterion for the award of a scholarship is an individual's merit to succeed in a career at the Bar of England & Wales. Only once a scholarship has been awarded is the quantum of that award considered and is based on the successful individual's financial circumstances. Scholarships are awarded with a view to maximising financial assistance to the more disadvantaged scholars; the quantum of an award is such that those applicants from poorer sections of the community receive a higher value scholarship and more help is available to a wider range of students.

The details of how to apply for a Middle Temple scholarship are available at the following website address:

<https://www.middletemple.org.uk/education-and-training/scholarships-and-prizes>

Achievements and Performance

Scholarship awards with a total value of £977k (2022: £1,239k) were awarded during the year, the majority of which were in the form of study awards. This total was less than in 2022 due to a lower number of scholarship applicants than in previous years. The scholarship awards figure includes a total of £554k (2022: £626k) for awards that have been deferred to future years. The deferral of a scholarship award is allowed due to changes in the circumstances of beneficiaries between the date on which the scholarship was awarded and the commencement of the Bar Training Course. Successful scholars can defer the take up of their award for a maximum of three years. The Education Department of the Middle Temple administers the scholarship programme on behalf of the trustees, and they keep detailed records of all awards that are made, including details of deferrals. All deferred

scholarship awards are reviewed on an annual basis to ascertain if the award will eventually be paid or will lapse.

The trustees are aware of the materiality of deferred scholarship awards and the impact that has on holding cash that is not immediately required for the Trust Funds' cash flow requirements. The trustees are committed to continue to monitor this issue and to explore ways in which to better manage the Trusts' cash resources.

A further £543k (2022: £590k) was generously donated to the Trust Funds during the year.

During 2023, the value of the investment portfolio decreased to £16.14 million (2022: £18.72 million), due to adverse financial market conditions and the divestment of part of the portfolio towards the end of 2023 prior to the transfer of funds to new investment managers (as noted below). The Total Return achieved by the investment managers, net of fees, was as follows: -

- Investec Wealth & Investment: 7.0% (2022: -10.4%)
- Waverton Investment Management: 0.12% (2022: N/A)
- Cazenove Capital: 0.3% (2022: N/A)

During 2023, the trustees' concluded their review of the investment management appointment, with the support of the Investment Sub-committee. The review concluded that the mandate for Investec Wealth & Investment be terminated, and the investment portfolio split equally between two new managers: Waverton Investment Management and Cazenove Capital. The transfer of investment assets was initiated in late October 2023 and completed on 8 February 2024.

The investment portfolio figure disclosed in these financial statements includes cash deposits of £1.61 million (2022: £181k).

Further work is being carried out to facilitate measurement of the impact that the award of a scholarship has on the successful scholar. Anecdotal evidence suggests that Middle Temple scholars have a better chance of gaining pupillage than their non-scholar counterparts. A working group is to be established in 2024 to review the scholarship programme and the impact that is being delivered.

The Inn has been successful in admitting a broad range of diverse individuals to its membership and is committed to continuing its efforts to increase that diversity, particularly from individuals who would not otherwise consider a career at the Bar of England & Wales. The Inn has an 'outreach' capability, supported by the Sir Paul Jenkins' Fund, as well as the tried and tested 'Access to the Bar' scheme, supported by the Trust Funds' restricted income

funds, which offers bursaries to individuals to experience life at the Bar first-hand on a one-week placement. That work will continue in 2024.

Financial Review

The Trust Funds are reliant on several income streams, namely: -

- Income from the investment portfolio, which during the year generated £391k (2022: £367k);
- Donations of £543k (2022: £590k), which includes £500k of support from the Inn (2022: £500k) and £43k from external donors (2022: £90k);
- Rental income from the investment properties of £131k (2022: £134k); and
- Bank interest of £53k (2022: £11k).

Investment policy and performance

The investment portfolio is actively managed in accordance with the long-term objective of a balanced return with a medium risk profile, whilst continuing to hold a well-diversified portfolio.

In late 2023, the investment portfolio was transferred from Investec Wealth & Investment and split equally between Waverton Investment Management and Cazenove Capital. The performance figures for each manager are shown in the table below.

Figures as of 29 December 2023	£	Total return - Net	Benchmark
Investec Wealth & Investment	13,890,327	+6.95%	+10.44%
Waverton Investment Management	1,125,850	+0.12%	+0.84%
Cazenove Capital	1,125,850	+0.30%	N/A

Reserves policy

The trustees hold reserves to ensure that every-day administration costs can be funded internally for a period up to 12 months into the future. The trustees have also considered if it

would be prudent to hold reserves to be able to finance one years' worth of scholarship awards but have concluded that this would tie-up too much cash within the trusts.

However, the trustees hold total Unrestricted Income Funds of £5.90 million (2022: £6.51 million). These funds are represented by the Middle Temple Scholarship Fund. The trustees have considered how best to use these funds to support beneficiaries, both now and in the future. At their meeting in March 2021, the trustees resolved to implement a drawdown policy, if this was required in any one year, for the Unrestricted Income Funds of up to £300k per annum to support an increase in scholarship award funding to an average of 75% of the funding shortfall for successful scholarship applicants.

The amount of funds to withdraw from the Middle Temple Scholarship Fund is considered and agreed on an annual basis, as part of the overall consideration of the budget requirements for the forthcoming year. This discussion and decision-making process is also connected to the level of financial support that the Inn can provide each year, by way of its grant to scholarship funding. The trustees continue to consider all these constraints to maximise public benefit whilst ensuring the medium- and long-term sustainability of the Trust Funds.

Plans for future periods

The free reserves of the Trust Funds remain at a minimum level, as scholarship awards are generally equal to the value of income that is generated or received each year. Further 'real' growth in the value of scholarship awards will necessitate continued fundraising to generate a larger investment portfolio or an increase in the financial support provided by the Inn.

Risk management

The major risks to which the Trust Funds are exposed, as identified by the trustees, are reviewed annually and systems and procedures have been established to manage and/or mitigate those risks. There are four areas of 'major' risk: -

- Governance;
- Operational;
- Financial; and
- Environmental.

Risks are scored 'Gross' and 'Net' after taking account of existing risk controls. These risks are scored as 'red', 'yellow', or 'green' in descending order of impact and likelihood.

The highest Net score for the risks identified on the risk register is that for the capital risk to the investment portfolio. The individual investment holdings within the portfolio have been

diversified to mitigate material medium- and long-term challenges. The investment managers continue to report on their performance to agreed benchmarks at each meeting of the Investment Sub-committee.

The next level of risk, those risks that have a 'moderate' or 'yellow' risk score, is shared across various risks in the register.

- The 'Loss of key staff' risk is mitigated by the establishment of documented processes/procedures; the inhouse training of staff; and extended periods of notice for senior staff to be able to source an appropriate replacement.
- The risk of 'Dependency on the Inn's support' is mitigated by the work of the Inn's Development Team, who co-ordinate the programme of fundraising activities. The trustees are also aware that sustainable fundraising activity may require time to bear fruit. The current economic conditions in which the Inn operates are proving challenging, as they are for numerous organisations, and this may affect the level of support that the Inn can provide in future years.
- The risk of 'Changes in Government policy' presents very limited opportunity for mitigating actions. The Secretary to the Trustees, along with the auditors, continues to monitor the regulatory landscape for any potential changes in Government policies that may directly or indirectly affect the Trust Funds.
- The risk of the 'Trustee body lacking relevant skills' is mitigated by the thorough assessment of potential trustees and their approval process.

Structure, Governance, and Management

The Charities Administered in connection with The Honourable Society of the Middle Temple ("the Trust Funds") represents a collection of diverse funds grouped together under a scheme approved by the Charity Commission on 3 September 1975 and is a registered charity in England & Wales, number 314246.

The endowed funds that were originally grouped together were as follows.

Alfred Harmsworth Memorial Fund	Middle Temple Benefactors' Fund
The Astbury Scholarship Fund	Chrystal Macmillan Memorial Fund
Middle Temple Colombos Trust	JB Montague Memorial Trust Fund
The Charity of Constantine John Colombos	Helena Normanton Prize Fund
Robert Garraway Rice Pupillages Prize Fund	Middle Temple Archibald Safford Trust

Subsequently, new endowed funds were established and included within the original Charity Commission registration, namely the following.

Lord Justice Sachs Entrance Exhibition Fund	Jules Thorn Fund
Lintern Award Fund	The Joseph Jackson Memorial Fund

On 24 July 2003, The Middle Temple Scholarship Fund was incorporated into the original scheme of registration. Following a review conducted in 2014, this fund was reclassified by the trustees as an Unrestricted Income Fund.

In 2010, a 'Marshalling Bursaries/Access to the Bar Fund' was established as a Restricted Income Fund and awards were made to students from 2011 onwards. In 2016, the fund was renamed as the 'Sherrard Access to the Bar Fund'.

During 2012, a 'Readers' Essay Prize Fund' was approved by the trustees as a Restricted Income Fund. In 2015 and following approval by the original donor of the funds, the fund was reclassified as an Unrestricted Income Fund and the name of the award changed to the 'Readers' Scholarship'.

In 2016, the trustees approved the establishment of the 'McMullen Access to the Bar Fund' as a Restricted Income Fund. This fund enables a further eight students to experience life at the Bar first-hand during a one-week placement alongside the students in receipt of a Sherrard Access to the Bar bursary.

In 2018, following the untimely death of the then Master Treasurer, Sir Paul Jenkins, KCB, a Restricted Income Fund was established in his memory to provide fully funded scholarships to intending practitioners from communities where becoming a Barrister is not a traditional career path.

The Trustees are approved for appointment by the Master Treasurer on behalf of the Benchers of the Inn and agreement to that appointment is made by the existing trustees. Appointments and retirements are confirmed by the execution of an appropriate Deed.

There are at least two trustees' meetings each year; one in the Hilary term and one in the Michaelmas term. Discussion focuses on compliance with the policy objectives of each Fund, investment performance, budget setting and financial management, and risk management. Each year, the trustees' annual report and financial statements are made available to the Inn and are considered by its Finance & Resources Committee. Ongoing training is provided to the trustees and professional advisers attend trustee meetings as required. Training also takes place as part of the induction process for new trustees.

The trustees give of their time freely and approve strategic and policy matters. Day-to-day management of the Trust Funds is delegated to a professional staff, who also volunteer their time freely. No trustee remuneration was paid during the year (2022: nil).

The selection of scholarship recipients is delegated to the Scholarships & Prizes Committee, a committee of the Inn. Specific training is provided to those members of the Inn who sit on the Awards Panels. These Awards Panels meet each year during the Easter recess and interview all scholarship applicants. The awards to successful scholarship applicants are then subject to review by the Finance Review Panel, which is composed of three members of the Inn who have not taken part in the scholarship interview process or sat on one of the Awards Panels. The Secretary to the Trustees takes part in the Finance Review Panel meetings to provide financial and budgetary advice to panel members.

The Endowed Funds and part of the Unrestricted Income Funds are held in a common investment portfolio, the management of which is delegated to the Investment Sub-committee, a Sub-committee of the Inn's Finance & Resources Committee. One of the Trust Funds' trustees, historically its Chair, is a member of that Sub-committee. Investment Sub-committee meetings take place at the end of each quarter and consider the investment performance and valuation report from each investment manager. The performance and valuation reports and the minutes of the Investment Sub-committee meetings are shared with the Trust Funds trustees and the Chair will make an oral report on the proceedings of the Investment Sub-committee at each trustee meeting.

In order to better co-ordinate the income generation and expenditure dispersal activities of the Trust Funds, the Inn's Associate Director of Development & Communications (representing fundraising activities) and the Director of Education and the Scholarships Officer (representing scholarship awards activities) attend trustees' meetings when necessary.

Going concern assessment

Each year, as part of the audit process, the trustees formally consider whether or not the Trust Funds can be considered as a 'going concern.' In carrying out this assessment, the trustees consider several pieces of information, namely: -

- Management accounts;
- Cash flow forecasts;
- Annual budgets and five-year projections; and
- The Risk register.



Based on this information and enquiries of management, the trustees consider that it is appropriate for the 'going concern' basis to be adopted for these financial statements.

Signed for and on behalf of the trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple

Bernard Richmond, KC
Chair of Trustees

Date: 4/10/24,

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

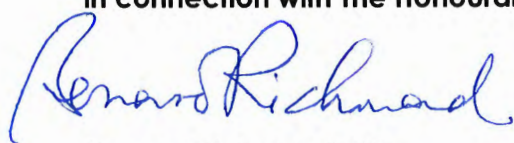
Charity law requires the trustees to prepare financial statements for each financial year and not to approve those financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the charity as at the date of the Statement of Financial Position and of its incoming resources and the application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements that give a true and fair view, the trustees should follow best practice and: -

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities Statement of Recommended Practice ('Charity SORP');
- Make judgments and estimates that are reasonable and prudent;
- State whether or not applicable accounting standards and statements of recommended practice have been followed, subject to any material departures that are disclosed and explained in the financial statements; and
- Prepare the financial statements on the 'going concern' basis unless it is inappropriate to assume that the charity will continue on that basis.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and that enable them to ensure that the financial statements comply with relevant law. The trustees 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.

Approved by the trustees and signed on behalf of the trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple by:



**Bernard Richmond, KC
Chair of Trustees**

Date: 4/10/24

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHARITIES ADMINISTERED IN CONNECTION WITH THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE

Opinion

We have audited the financial statements of The Charities Administered ICW the Honourable Society of the Middle Temple for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of 31 December 2023 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept by the charity, or
- sufficient accounting records have not been kept; or
- the charity 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, 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 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

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:

Based on our understanding of the charity and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Physical inspection of tangible assets susceptible to fraud or irregularity;
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.

Haysmacintyre LLP.

Haysmacintyre LLP

Statutory Auditor

Date: 7 October 2024

10 Queen Street Place

London EC4R 1AG

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

STATEMENT OF FINANCIAL ACTIVITIES

£000s		Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	2023	2022
	Notes					
INCOME						
Donations and legacies	2	535	8	-	543	590
Investment income from Funds		391	-	-	391	367
Investment income from Rental Properties		131	-	-	131	134
Other income		53	-	-	53	11
Total income		1,110	8	-	1,118	1,102
EXPENDITURE						
3						
<i>Raising Funds</i>						
Costs of generating voluntary income		1	-	-	1	11
Investment fund management costs		56	-	-	56	67
Investment property management costs		16	-	-	16	8
<i>Charitable activities</i>						
Scholarship awards		938	39	-	977	1,239
<i>Other</i>						
		18	-	-	18	16
Total Expenditure		1,029	39	-	1,068	1,341
OPERATIONAL SURPLUS/(DEFICIT) BEFORE GAINS & LOSSES		81	(31)	-	50	(239)
8						
<i>Net gains/(losses) on investments</i>						
Gains on investment properties		-	-	(67)	(67)	-
(Losses)/Gains on investment funds		(690)	-	(1,819)	(2,509)	1,035
		(690)	-	(1,886)	(2,576)	1,035
NET SURPLUS/(DEFICIT)		(609)	(31)	(1,886)	(2,526)	796
Transfers between Funds						
		-	-	-	-	-
NET MOVEMENT IN FUNDS		(609)	(31)	(1,886)	(2,526)	796
FUNDS BROUGHT FORWARD		6,513	1,820	16,816	25,149	24,353
FUNDS AS OF FINANCIAL YEAR END	12	5,904	1,789	14,930	22,623	25,149

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 31 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

£000s	Notes	2023	2022
FIXED ASSETS			
Investment property	8	3,272	3,339
Investments	8	16,142	18,720
		19,414	22,059
CURRENT ASSETS			
Debtors	9	43	44
Bank balances		3,741	3,717
		3,784	3,761
CREDITORS: Amounts falling due within one year	10	575	671
NET CURRENT ASSETS		3,209	3,090
NET ASSETS		22,623	25,149
CAPITAL & RESERVES			
Unrestricted Income Funds	12	5,904	6,453
Endowment funds			
Property	12	3,272	3,339
General		11,658	13,478
Total Endowment Funds		14,930	16,817
Restricted Income Funds	12	1,789	1,879
TOTAL CAPITAL & RESERVES		22,623	25,149

The notes on pages 19 to 31 form part of these financial statements.

These financial statements were approved and authorised for issue, and signed on behalf of, the trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple, by:



**Bernard Richmond, KC
Chair of Trustees**

Date: 4/10/24

**STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2023**

<i>£000s</i>		2023	2022
Cash flows from operating activities			
Net cash provided by (used in) operating activities	13	277	2,057
Cash flows from investing activities:			
Dividends, interest and rent from investments		575	512
Proceeds from sale of investments		4,338	4,569
Purchase of investments		(2,840)	(4,656)
Realised gains/(losses) on investments		(897)	(1,035)
Net cash provided by Investing activities		1,176	(610)
Change in cash and cash equivalents in the reporting period		1,453	1,447
Cash and cash equivalents at the beginning of the reporting period		3,898	2,451
Cash and cash equivalents at the end of the reporting period		5,351	3,898

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Accounting policies

The principal accounting policies adopted, judgments, and key sources of estimation uncertainty in the preparation of the financial statements are as follows: -

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), and the Companies Act 2006.

The Charities Administered in connection with The Honourable Society of the Middle Temple is a charity registered in England & Wales (charity registration number 314246) and meets the definition of a public benefit entity under FRS 102. The principal office is located at The Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT.

Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s). All financial assets and liabilities are basic financial instruments.

Preparation of financial statements on a 'going concern' basis

The trustees consider that there are no material uncertainties about the Trust Funds' ability to continue as a 'going concern'. The review of the financial position, reserves levels, and future plans gives the trustees confidence that the Trust Funds remain a 'going concern' for the foreseeable future.

Critical accounting judgments and estimates

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of the Trust Funds' accounting policies and the reported assets, liabilities, income and expenditure, and the disclosures made in the financial statements. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

The trustees have relied on the professional skill and judgment of third-party property valuation experts for the annual revaluation of the investment properties.

Income recognition

All income is recognised once the Trust Funds has entitlement to that income, it is probable that the income will be received, and the amount of income receivable can be reliably measured.

Gifts in kind

Gifts in kind represent assets donated for distribution or use by the Trust Funds. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Trust Funds are recognised when receivable.

Gifts in kind are valued at the amount actually realised from the disposal of assets or at the price the Trust Funds would otherwise have paid for the assets. The services provided by the trustees and accounting and other administrative services provided by The Honourable Society of the Middle Temple are not included in the financial statements as their value is not easily quantifiable.

Investment income

Investment income is recognised on a receivable basis once the amounts can be reliably measured.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Expenditure is classified under the following activity headings.

- Costs of raising funds, including fundraising costs, investment fund management costs, and investment property management costs.
- Expenditure on charitable activities, which relates to scholarship awards.
- Other expenditure, representing audit and other governance costs.

The Trust Funds are not registered for Value Added Tax purposes.

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs

The Honourable Society of the Middle Temple provides the Trust Funds with free administrative and support costs, including staff time. The Trust Funds have no employees.

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market value of investments are shown as unrealised gains or losses in the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the value between the sales proceeds and their opening carrying values or their purchase value if acquired after the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and the carrying value of the investment.

Both realised and unrealised investment gains and losses are combined in the Statement of Financial Activities and the Statement of Financial Position.

Investments – stocks and shares

Quoted investments are stated at bid value at the date of the Statement of Financial Position and unquoted investments are stated at estimated market value. Any gain or loss made on the investments is taken to the Statement of Financial Activities.

Investments – properties

Freehold land and buildings are treated as investment properties and are included in the financial statements at their latest market valuation. No depreciation is provided on these assets.

Increases in value over their historic cost will be included in the Property Revaluation Reserve, whilst any decrease below historic cost will be charged to the Middle Temple Benefactors' Fund (the source of the funds used to purchase the properties).

The annual revaluation exercise is carried out by third-party professional valuers with relevant experience of domestic property valuations.

Creditors and provisions

Creditors and provisions are recognised where the Trust Funds has a present obligation resulting from a past event that will probably result in the transfer of funds to a third-party and the amount due to settle that obligation can be reliably measured or estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts that may be applicable.

Debtors

Short-term debtors are measured at transaction value, less any impairment to that value.

Cash at Bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity date of three months or less from the date acquisition or opening of the deposit or similar account.

Funds

Unrestricted Income Funds are represented by donations and other income receivable or generated for the objects of the Trust Funds.

Restricted Income Funds are those funds that are to be used in accordance with specific instructions imposed by the donor or trust deed.

Endowment Funds represent several significant historic funds previously donated to the Inn from benefactors. The policy for these funds is to use only the income generated by them each year to pay scholarship awards. The trustees are aware of the need to retain these funds as assets for the long-term delivery of the Trust Funds' charitable purposes. The trustees will continue to preserve the capital of these endowment funds and, if possible, to increase their value for the long-term.

Employee benefits

The Trust Funds have no employees.

Note 2: Donations and legacies

Current Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	2023 £000s
Middle Temple grant	-	-	500	500
Legacies	5	-	-	5
Donations				
<i>Gift Aid donations</i>	24	9	-	33
<i>Non-gift aid donations</i>	5	-	-	5
Total donations	34	9	500	543
Tax recovered on donations	1	(1)	-	-
TOTAL VOLUNTARY INCOME	35	8	500	543

Prior Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	2022 £000s
Middle Temple grant	-	-	500	500
Legacies	11	11	-	22
Donations				
<i>Gift Aid donations</i>	28	9	-	37
<i>Non-gift aid donations</i>	18	3	1	22
Total donations	46	12	1	59
Tax recovered	9	-	-	9
TOTAL VOLUNTARY INCOME	66	23	501	590

Note 3: analysis of expenditure

Current Year	Direct Costs Staff	Direct Costs Other	Grant Funding	Support Costs	2023 Total £000s
Middle Temple Trust Funds	-	73	977	18	1,068
TOTAL EXPENDITURE	-	73	977	18	1,068

Prior Year	Direct Costs Staff	Direct Costs Other	Grant Funding	Support Costs	2022 Total £000s
Middle Temple Trust Funds	-	86	1,239	16	1,341
TOTAL EXPENDITURE	-	86	1,239	16	1,341

Note 4: analysis of support costs

	2023 <i>£000s</i>	2022 <i>£000s</i>
Governance	18	16
TOTAL SUPPORT COSTS	18	16

Note 5: operating lease income

The Middle Temple Trust Funds own three investment properties, located in Clapham, London. The leases are all residential and during the reporting year generated income of £131k. Each of the leases has a fixed term of between two and a half and three years.

	<i>£000s</i>
Not later than One year	131
Later than one year but not later than Five years; and	32
Later than five years	-

Note 6: Governance costs

	2023 <i>£000s</i>	2022 <i>£000s</i>
Auditor's remuneration	18	16
TOTAL GOVERNANCE COSTS	18	16

Note 7: net income for the year

	2023 <i>£000s</i>	2022 <i>£000s</i>
This is stated after charging/crediting		
Auditor's remuneration	18	16

Note 8: investments

	2023	2022
	<i>£000s</i>	<i>£000s</i>
Investment Properties		
Market value at 1 January	3,339	3,339
Unrealised loss on revaluation	(67)	-
Market value at 31 December	3,272	3,339

	2023	2022
	<i>£000s</i>	<i>£000s</i>
Investment Funds		
Market value at 1 January	18,539	17,406
Acquisitions/additions at cost	2,840	4,667
Proceeds of disposal	(4,338)	(4,569)
Net (losses)/gains on disposals & revaluations	(2,509)	1,035
	<hr/> 14,532	<hr/> 18,539
Cash held in investment portfolio	1,610	181
Market value at 31 December	16,142	18,720

The following individual investment represent 5% or more of the aggregate value of the charity investments:

Blackrock Fm Ltd Blackrock European Dynamic	5.0%
Vanguard Funds Plc S&P 500 Ucits Etf USD Dis	16.8%

	2023	2022
	<i>£000s</i>	<i>£000s</i>
Analysis of Investments		
Investment Properties	3,272	3,339
Investment Fund	16,142	18,720
Total Investments	19,414	22,059

All investments in the Investment Funds are listed on recognised stock exchanges.

Note 9: Debtors

	2023 <i>£000s</i>	2022 <i>£000s</i>
Tax recoverable	-	1
Investment income	43	43
TOTAL DEBTORS & PREPAYMENTS	43	44

Note 10: Creditors – amounts falling due within one year

	2023 <i>£000s</i>	2022 <i>£000s</i>
Audit & taxation	17	16
Investment management fees	-	17
Middle Temple	2	12
Accruals for scholarships payable	554	626
TOTAL CREDITORS: amounts falling due within one year	573	671

Note 11: analysis of net assets between funds

Current Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	Total £000s
Investment properties	-	-	3,272	3,272
Investment funds	4,484	-	11,658	16,142
Net current assets	1,420	1,789	-	3,209
TOTAL NET ASSETS BETWEEN FUNDS	5,904	1,789	14,930	22,623
Prior Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	Total £000s
Investment properties	-	-	3,339	3,339
Investment funds	5,243	-	13,477	18,720
Net current assets	1,270	1,820	-	3,090
TOTAL NET ASSETS BETWEEN FUNDS	6,513	1,820	16,816	25,149

Note 12: analysis of funds

ENDOWED FUNDS

CURRENT YEAR

**ENDOWED FUNDS
£000's**

Alfred Harmsworth Memorial Fund
The Astbury Scholarship Fund
Middle Temple Benefactors' Fund
Jules Thorn Fund
The Queen Mother Scholarships & Awards Fund
The Joseph Jackson Memorial Fund

TOTAL ENDOWED FUNDS

<i>Balance as at 1 January</i>	<i>New capital</i>	<i>Movement in investment property market value</i>	<i>Movement in investment funds market value</i>	<i>Balance as at 31 December</i>
1,241	-	-	(134)	1,107
1,424	-	-	(154)	1,270
9,830	-	(67)	(1,064)	8,699
1,399	-	-	(151)	1,248
2,422	-	-	(262)	2,160
500	-	-	(54)	446
16,816	-	(67)	(1,819)	14,930

PRIOR YEAR

**ENDOWED FUNDS
£000's**

Alfred Harmsworth Memorial Fund
The Astbury Scholarship Fund
Middle Temple Benefactors' Fund
Jules Thorn Fund
The Queen Mother Scholarships & Awards Fund
The Joseph Jackson Memorial Fund

TOTAL ENDOWED FUNDS

<i>Balance as at 1 January</i>	<i>New capital</i>	<i>Movement in investment property market value</i>	<i>Movement in investment funds market value</i>	<i>Balance as at 31 December</i>
1,185	-	-	56	1,241
1,360	-	-	64	1,424
9,385	-	-	445	9,830
1,336	-	-	63	1,399
2,312	-	-	110	2,422
477	-	-	23	500
16,055	-	-	761	16,816

Note 12: analysis of funds
UNRESTRICTED INCOME FUNDS

	Balance as at 1 January	Draw down of Unrestricted Income funds	Incoming resources from activities	Middle Temple grant	Investment income	Property income	Other income	Scholarship awards	Property costs	Investment management costs	Other expenditure	Movement in investment market value	Balance as at 31 December
CURRENT YEAR													
UNRESTRICTED INCOME FUNDS £000s													
Alfred Harmsworth Memorial Fund	-	-	-	112	21	-	3	(131)	-	(3)	(1)	-	1
Scholarship Reserve Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Benevolent Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Alfred Harmsworth Memorial Fund	-	-	-	112	21	-	3	(131)	-	(3)	(1)	-	1
The Astbury Scholarship Fund	-	-	-	76	24	-	3	(99)	-	(4)	(1)	-	(1)
Middle Temple Benefactors' Fund	(156)	-	-	139	165	131	22	(280)	(16)	(24)	(7)	-	(26)
Jules Thorn Fund	-	-	-	68	24	-	3	(90)	-	(3)	(1)	-	1
The Queen Mother Scholarships & Awards Fund	-	-	-	89	41	-	6	(127)	-	(6)	(2)	-	1
The Joseph Jackson Memorial Fund	19	-	-	16	8	-	1	(4)	-	(1)	-	-	39
Middle Temple Scholarship Fund	6,650	-	35	-	108	-	15	(207)	-	(15)	(7)	(690)	5,889
TOTAL UNRESTRICTED INCOME FUNDS	6,513	-	35	500	391	131	53	(938)	(16)	(56)	(19)	(690)	5,904
PRIOR YEAR													
UNRESTRICTED INCOME FUNDS £000s													
Alfred Harmsworth Memorial Fund	-	-	-	134	20	-	1	(150)	-	(4)	(1)	-	-
Scholarship Reserve Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Benevolent Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Alfred Harmsworth Memorial Fund	-	-	-	134	20	-	1	(150)	-	(4)	(1)	-	-
The Astbury Scholarship Fund	-	-	-	69	23	-	1	(87)	-	(4)	(2)	-	-
Middle Temple Benefactors' Fund	-	-	-	10	157	134	5	(419)	(8)	(29)	(6)	-	(156)
Jules Thorn Fund	-	-	-	147	22	-	1	(165)	-	(4)	(1)	-	-
The Queen Mother Scholarships & Awards Fund	-	-	-	140	39	-	1	(171)	-	(7)	(2)	-	-
The Joseph Jackson Memorial Fund	14	-	-	-	8	-	-	(1)	-	(1)	(1)	-	19
Middle Temple Scholarship Fund	6,417	-	57	-	97	-	3	(173)	-	(18)	(7)	274	6,650
TOTAL UNRESTRICTED INCOME FUNDS	6,431	-	57	500	366	134	12	(1,166)	(8)	(67)	(20)	274	6,513

Note 12: analysis of funds

RESTRICTED INCOME FUNDS

CURRENT YEAR

RESTRICTED INCOME FUNDS

£000's

Access to the Bar Fund: Sherrard
Access to the Bar Fund: McMullen
VIS Moot Fund
Reader's Scholarship Fund
Sir Paul Jenkins' Memorial Fund
Emergency Assistance Fund

	<i>Balance as at 1 January</i>	<i>Incoming resources from activities</i>	<i>Other expenditure</i>	<i>Balance as at 31 December</i>
	23	1	(13)	11
	17	-	-	17
	1	(2)	-	(1)
	15	-	-	15
	1,577	5	-	1,582
	187	4	(26)	165
TOTAL RESTRICTED INCOME FUNDS	1,820	8	(39)	1,789

PRIOR YEAR

RESTRICTED INCOME FUNDS

£000's

Access to the Bar Fund: Sherrard
Access to the Bar Fund: McMullen
VIS Moot Fund
Reader's Scholarship Fund
Sir Paul Jenkins' Memorial Fund
Emergency Assistance Fund

	<i>Balance as at 1 January</i>	<i>Incoming resources from activities</i>	<i>Other expenditure</i>	<i>Balance as at 31 December</i>
	29	-	(6)	23
	16	1	-	17
	-	1	-	1
	15	-	-	15
	1,562	15	-	1,577
	230	6	(49)	187
TOTAL RESTRICTED INCOME FUNDS	1,852	23	(55)	1,820

All funds, with the exception of the Middle Temple Emergency Assistance Fund, support the award of scholarships to intending practitioners at the Bar of England & Wales. These costs include course fees to gain the required academic qualifications, living expenses whilst studying, the fees for joining the Inn, and the fees to enable Call to the Bar.

All Unrestricted Income Funds support these types of expenditure.

Restricted Income Funds are used in accordance with the donor restrictions, i.e., the Sherrard and McMullen Access to the Bar awards provide an opportunity for undergraduate students from communities where a career at the Bar of England & Wales may not be an immediate career path to see how the profession works in practice. The VIS Moot Fund provides financial support to Middle Temple students taking part in the annual mooting competition. The Readers' Scholarship Fund provides an annual scholarship to one of the successful scholarship applicants. The Sir Paul Jenkins' Memorial Fund provides funding to support fully funded scholarships to two eligible scholarship award candidates each year, as well as supporting the Inn's 'outreach' programme.

The Middle Temple Emergency Assistance Fund was established during the COVID-19 pandemic to support those Middle Temple members in need of financial assistance who would not meet the criteria for support from the Barristers' Benevolent Association.

Note 13: reconciliation of net income to net cash flow from operating activities

	2023	2022
	<i>£000s</i>	<i>£000s</i>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,502)	(239)
Adjustments for:		
Unrealised (gains)/losses on investments	2,449	2,635
Dividends, interest and rent from investments	(575)	(512)
	2	(14)
(Decrease)/increase in creditors	(96)	187
Net cash provided by/ (used in) operating activities	278	2,057
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	3,741	3,717
Cash at investment managers	1,610	181
	5,351	3,898

Note 14: related party transactions

There were no related party transactions during the year, nor in the prior year.

During the year, no trustees received any remuneration or other benefits (2022: £nil).

Accounts



**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF
THE MIDDLE TEMPLE**

Charity registration number: 314246

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2022

Contents

Reference and Administrative details	2
Trustees' Annual Report.....	3
Statement of Trustees' Responsibilities.....	9
Independent auditor's report to the trustees of the Charities Administered in connection with the Honourable Society of the Middle Temple.....	10
Statement of Financial Activities.....	13
Statement of Financial Position	14
Statement of Cash flows.....	15
Notes to the Financial Statements	16

Reference and Administrative details

Charity name:	The Charities Administered ICW The Honourable Society of the Middle Temple
Charity registration number:	314246
Principal office:	The Treasury, Middle Temple, London. EC4Y 9BT
Trustees:	Bernard Richmond, KC (<i>Chair from 5 October 2022</i>) Rodney Stewart Smith (<i>to 21 September 2022</i>) Jessica Simor, KC Araba Taylor Evan Price (<i>from 10 August 2023</i>)
Secretary to the Trustees:	Andrew Hopkin, BA(hons), ACMA, CGMA Director of Finance & Corporate Services The Honourable Society of the Middle Temple
Bankers:	The Royal Bank of Scotland, 62-63 Threadneedle Street, London. EC2R 8LA
Solicitors:	Lester Aldridge LLP, 1 King Street, London. EC2V 8AU
Auditors:	Haysmacintyre LLP, Queen Street Place, London. WC4R 1AG
Investment Managers:	Investec Wealth & Investment Limited, 30 Gresham Street, London. EC2V 7QN

Trustees' Annual Report

These Financial Statements have been prepared under the accounting policies detailed in Note 1 on page 16 of the financial statements and comply with the Trust Deed, applicable law, and the requirements of the "Accounting and Reporting by Charities: Statement of Recommended Practice" (FRS 102).

Objects and Activities for the public benefit

The Trustees confirm that they have considered the public benefit guidance available from the Charity Commission when reviewing the Trust Funds' aims and objectives and in planning future activities and setting scholarship awards policy for the year.

The Trust Funds have been established to advance the education of intending practitioners at the Bar of England and Wales, through the award of scholarships.

The Trustees have established their scholarship awards policy to achieve the maximum public benefit. The Trustees firmly believe that a strong and independent Bar is a vital part of the Constitution for the following reasons: -

- (a) Members of the Bar will, through experience and training, be able to present cases to the Courts in an efficient and time-saving way;
- (b) They will, for the same reason, form a body of practitioners from which judicial appointments can be made;
- (c) They will be able fearlessly and publicly to challenge executive or other decisions at whatever level;
- (d) They will be able to represent a cause or individual however unpopular the cause or unattractive the individual may be.

The ultimate beneficiary of the Trust Funds' scholarship awards is the nation at large.

The Trust Funds carry out these objects by financing scholarships to individuals studying the Bar Training Course, or BTC, (formerly known as the Bar Professional Training Course, or BPTC) or the conversion course (the Graduate Diploma in Law or an equivalent), with the intention to undertake pupillage in England & Wales and commence in practice. The funds are provided from several Restricted Funds and Unrestricted Funds.

The Middle Temple Scholarship Fund was established in 2003 to further encourage donations from members of Middle Temple to fund future scholarship awards for the public benefit.

The aim of the Trustees is to ensure, wherever possible, a steady increase in the number and size of awards available, whilst maintaining the underlying value of the investments. The Trustees have delegated the task of making individual awards (both as to numbers and size) to the Scholarship & Prizes Sub-committee and the proper investment of the Funds to the Investment Sub-committee. One of the Trustees (historically, the Chair) is an *ex officio* member of the Investment Sub-committee and the Investment Manager's reports to the Sub-committee are distributed to all the Trustees.

Middle Temple interviews every scholarship applicant, who must be a member of the Inn and have secured a place on the BTC at one of several institutions around the country. The deciding criterion for the award of a scholarship is an individual's merit. Scholarships are awarded with a view to maximising assistance to the more disadvantaged applicants; the quantum of any award is such that those applicants from poorer sections of the community receive a higher value scholarship and more help is available to a wider range of students.

Details of how to apply for a scholarship are available on the Middle Temple website: -
<https://www.middletemple.org.uk/education-and-training/scholarships-and-prizes>

Achievements and Performance

Scholarships with a total value of £1,239k (2021: £1,336k) were awarded during the year, the majority of which were in the form of study awards. This includes a total of £467k (2021: £412k) in scholarship awards that have been deferred to future years. A deferral of a scholarship award is allowed due to changes in the circumstances of beneficiaries between the award of a scholarship and the commencement of the BTC. Scholarship award recipients are allowed to defer take up of their award for up to three years. The Education Department of the Honourable Society of the Middle Temple administers the scholarship programme on behalf of the Trust Funds' Trustees and keeps detailed records of any awards that are deferred. These deferred awards are reviewed on an annual basis to ascertain if the awards will eventually be paid or not.

The Trustees are aware of the materiality of deferred awards and the impact that holding cash that is not immediately required has on the Trust Funds' cash flow requirements. The Trustees are committed to continue monitoring this issue and to explore ways in which to better manage cash resources.

A further £581k (2021: £2,330k) was generously donated to the Trust Funds during the year.

During 2022, the value of the investment portfolio increased to £18.72 million (2021: £17.74 million) and achieved a Total Return, net of fees, of -10.41% compared to a benchmark return of -6.86%. The total portfolio value includes cash deposits of £890.5k (2021: £417.8k).

Since June 2004 (when Investec took over investment management services), the Total Return, net of fees, was 7.6% on an annualised basis compared to a benchmark return of 7.4%.

Further work is being carried out to facilitate measurement of the impact that the award of a scholarship has on a scholar. As the Trusts have been established to advance the education of intending practitioners at the Bar of England & Wales, it can be said that the Trust Funds' impact is considerable in providing financial support to students attending the BPTC or the GDL (or its equivalent): the award of a scholarship being contingent on securing a place at the appropriate course provider.

The Development Department keeps a record of professional student's progress, from the relevant starting point of the Access to the Bar Scheme or a Major Scholarship award to BPTC grades, date of Call to the Bar of England and Wales, pupillage, and tenancy. Scholars are encouraged to keep the Inn informed of all stages of their progress but are not obliged to do so. The Inn's membership management system has improved the quality and accuracy of data held on its members, but it has not been possible to fully implement reliable tracking of an individual scholar's career progression. This is continuing to be addressed by the Education Department with assistance from the Development Department to improve impact measurement.

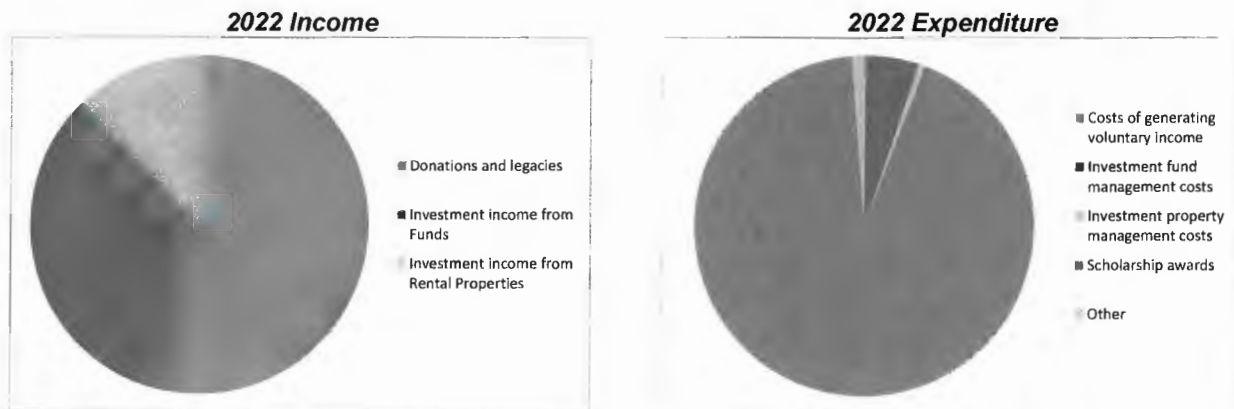
The Inn has been successful in admitting a broad range of diverse individuals to membership of the Inn and is committed to continuing its efforts to increase that diversity, particularly from individuals who would not otherwise consider a career at the Bar. The Inn has an 'outreach' capability as well as the tried and tested 'Access to the Bar' scheme, which offers bursaries to individuals to experience life at the Bar first-hand on a one-week placement.

Financial Review

The Trust Funds are reliant upon several income streams:

1. Income from the investment portfolio, which during the year amounted to £378k (2021: £397k);
2. Donations, which includes £500k (2021: £500k) of support from the Inn and £90k (2021: £1,830k) from external donors; and
3. Investment Properties income of £134k (2021: £133k).

Most of the income was awarded in scholarships: £1,239k in 2022 (2021: £1,336k).



Investment policy and performance

The investments are actively managed in accordance with the long-term objective of a balanced return within a medium risk profile, whilst continuing to hold a diversified portfolio. The annual Total Return performance of the portfolio since 2014 is shown in the table below.

2014	5.0%
2015	3.3%
2016	14.4%
2017	11.9%
2018	-4.3%
2019	17.1%
2020	3.5%
2021	11.7%
2022	9.04%

Reserves policy

The Trustees hold reserves to ensure that every-day administration costs can be funded for a period of up to 12-months. They have considered if it would be prudent to hold reserves to finance one year's worth of scholarship awards but have concluded that this would tie-up too much cash within the Trusts.

However, the total Unrestricted Income funds held is disclosed as £6.45m (2021: £6.37m). This includes the total value of the Middle Temple Scholarship Fund. The Trustees have considered how best to use these funds to support beneficiaries. At their meeting in March 2021, the Trustees resolved to implement a drawdown policy for the unrestricted funds of an average of £300k per annum to support an increase in scholarship award funding to an average of 75% of the funding shortfall for scholars.

How much to release from the Middle Temple Scholarship Fund is considered and agreed on an annual basis, at the time of setting the annual budget for the forthcoming year. The amount agreed by the Trustees to support awards made in 2022 awards was £300k. This discussion and decision-making process is also connected to the level of financial support that the Inn can provide, in the form of the annual grant to the Trust Funds. The Trustees continue to consider all these constraints in order to maximise public benefit whilst ensuring the medium- and long-term sustainability of the charity.

The investment portfolio is held for the longer term and is not available to pay for scholarships directly, given the restrictions on certain of the trusts that are held in the portfolio. Rather, that portfolio generates income to support annual scholarship awards. This income is drawn off from the portfolio and is supplemented by funding from the Inn.

It is hoped that the Inn's Development team will be able to generate new donations in the future, to build on those that have been received since the creation of the team in October 2019.

Plans for future periods

The free reserves of the Trust Funds remain at a minimum level; scholarships are generally equal to the value of the annual income generated/received and the donation from the Inn. Further growth in the value of scholarships will necessitate continued fundraising to generate a larger investment pool or an increase in the financial support provided by the Inn.

The Trust Funds rely heavily on the generosity of the Inn for financial support to its scholarship awards. The Inn is entering a period where its financial resources will come under pressure. The Inn continues its commitment to ensuring that a combination of income sources from investments and the annual grant from the Inn enable the Trust Funds to maintain a stable level of scholarship awards.

Risk management

The major risks to which the charity is exposed, as identified by the Trustees, are reviewed annually and systems and procedures have been established to manage those risks. There are four areas of 'major risk': Governance, Operational, Financial, and Environmental. Risks are scored "gross" and "net" after taking account of current risk controls. The risks are scored red, yellow, and green, in descending order of impact and likelihood.

The highest net score is under financial risks: the capital risk of the investment portfolio. The individual investment holdings have been diversified to mitigate material medium- and long-term challenges. The investment managers continue to report on their strategy to the Investment Sub-committee.

The next level of risk, moderate, is shared across various items in the risk register.

- Loss of key staff is mitigated by the establishment of documented processes/procedures; in-house training of staff; and extended notice periods for senior staff in order to be able to source an appropriate replacement.
- Dependency on the Inn's support is mitigated by the work of the Development Team, that has been preparing various fundraising strategies. The Trustees are also aware that sustainable fundraising activity may require a certain amount of time to bear fruit. The Trustees are aware that the current economic situation may affect the levels of financial support provided by the Inn. The Inn remains committed to support the Trust Funds to continue providing scholarship awards at a sustainable level going forwards.
- Changes to Government policy present very little opportunity for mitigation. The Director of Finance & Corporate Services, with assistance from the auditors, continues to monitor the regulatory landscape for any potential changes in Governmental policies that may affect the Trust Funds.
- The risk of the Trustees body lacking relevant skills is mitigated by the thorough assessment of potential trustees and their approval process.

Structure, Governance, and Management

The Charities Administered in connection with The Honourable Society of the Middle Temple (the "Trust Funds") represents a collection of diverse funds grouped together under a scheme approved by the Charity Commission on 3 September 1975 and is a charity registered in England & Wales, number 314246. On 24 July 2003, the Charity Commission confirmed the registration of The Middle Temple Scholarship Fund as a subsidiary of the original registration.

The Funds that were originally grouped together are: Alfred Harmsworth Memorial Fund, Middle Temple Benefactors' Fund, The Astbury Scholarship Fund, Chrystal Macmillan Memorial Fund, Middle Temple Colombos Trust, JB Montague Memorial Trust Fund, The Charity of Constantine John Colombos, Helena Normanton Prize, Robert Garraway Rice Pupillage Prizes, and the Middle Temple Archibald Safford Trust.

Subsequently, new Funds were established and included within the Charity Commission registration. These funds were: Lord Justice Sachs Entrance Exhibition, Jules Thorn Fund, Lintern Award, The Joseph Jackson Memorial Fund, The Queen Mother's Scholarships & Awards Fund, and The Middle Temple Scholarship Fund.

A Marshalling Bursaries/Access to the Bar Fund was established in 2010 and awards were made to students from 2011 onwards. A Readers' Essay Prize Fund was approved by resolution of the Trustees during 2012. The 'Readers' Essay Prize' was converted to the 'Readers' Scholarship' with effect from 4 February 2015. The underlying prize fund was also at this time reclassified as an Unrestricted Income Fund and subsumed within the Middle Temple Scholarship Fund, following approval of the change by the donor of the original fund. In 2016, the McMullen restricted income fund was established. In 2018, after the untimely death of Sir Paul Jenkins, KCB, one of the Inn's distinguished members, a restricted income fund was set up on his memory.

The Trustees are appointed by the Treasurer on behalf of the Benchers of the Inn. They meet at least twice each year and ensure that the policy objectives of each Fund are met in accordance with the individual schemes of administration. They also consider investment performance and risk management policies and procedures. Each year the Trustees' annual report and financial statements are published to the Inn and considered by its Finance & Resources Committee. Training is available for Trustees on an ongoing basis; professional advisers attend meetings and provide training on specific issues upon which the Trustees are required to make decisions, e.g., investment strategy, accounting changes, etc. Training also takes place upon the induction of new Trustees.

All Trustees give of their time freely and approve strategic and policy matters; day-to-day management is delegated to the relevant Inn's staff. These staff provide their services free to the Trust Funds. No Trustee remuneration was paid in the year. The selection of recipients for awards is delegated to the Scholarships & Prizes Sub-committee of the Inn. Training is undertaken for those members of the Sub-committee who sit on the Award Panels; these meet during the Easter holidays each year and interview all scholarship applicants.

The investments of the individual Trust Funds are pooled under a Charity Commission approved scheme. The management of the pool is delegated to the Investment Sub-committee of the Inn; one of the Trustees, generally the Chairman, is a member of this Sub-committee. The Sub-committee meets on a quarterly basis and considers the report on portfolio performance produced by the Investment Manager.

In order to better co-ordinate the income generation and expenditure arms of the Trust Funds, the Inn's Director of Education Services (representing the scholarship awards activity) and the Associate Director of Development & Communications (representing fundraising activity) attend meetings of the Trustees.

Going concern assessment

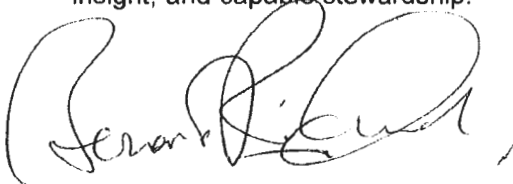
Management accounts, a cashflow forecast, and a budget are provided to the Trustees for their consideration and approval. The risk register also contributes to assessing and addressing any financial risks that may affect the ability of the Trust Funds to implementing the scholarship award strategy, in the medium- and long-term.

On the basis of the information that is available, the Trustees consider that it is appropriate for the 'going concern' basis to be adopted for these financial statements.

Chair of Trustees – in memoriam

The Trustees noted the very sad news of the death of the Chair, Master Rodney Stewart Smith, on 21 September 2022. Master Stewart Smith had been Chair of Trustees since 3 March 2022, having been an active Trustee since 27 January 2016.

The Trustees are grateful for his contribution to the management of the Trust Funds, for his diligence, insight, and capable stewardship.



Bernard Richmond, KC

Chair of Trustees

Date: *5/10/2022*

Statement of Trustees' Responsibilities

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

Charity law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 assume that the charity will continue on that basis.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with relevant law. The Trustees 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.

Approved by the Trustees and signed on behalf of the Trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple by:



Bernard Richmond, KC
Chair of Trustees
Date:

Independent auditor's report to the Trustees of the Charities Administered in connection with the Honourable Society of the Middle Temple

Opinion

We have audited the financial statements of The Charities Administered ICW the Honourable Society of the Middle Temple for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of 31 December 2022 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept by the charity, or
- sufficient accounting records have not been kept; or
- the charity 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 for the financial statements

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 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

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:

Based on our understanding of the charity and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.

Haysmacintyre LLP.

Haysmacintyre LLP
Statutory Auditors
Date: 09 January 2024

10 Queen Street Place
London
EC4R 1AG

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

Statement of Financial Activities

STATEMENT OF FINANCIAL ACTIVITIES

£000s		Unrestricted	Restricted	Endowed	2022	2021
	Notes	Income Funds	Income Funds	Funds		
INCOME ON:						
Donations and legacies	2	566	23	1	590	2,330
Investment income from Funds		378	-	-	378	397
Investment income from Rental Properties		134	-	-	134	133
Total income		1,078	23	1	1,102	2,860
EXPENDITURE FROM:						
<i>Raising Funds</i>						
Costs of generating voluntary income		11	-	-	11	-
Investment fund management costs		67	-	-	67	71
Investment property management costs		8	-	-	8	19
<i>Charitable activities</i>						
Scholarship awards		1,169	70	-	1,239	1,336
<i>Other</i>						
		16	-	-	16	15
Total Expenditure		1,271	70	-	1,341	1,441
OPERATIONAL SURPLUS/(DEFICIT) BEFORE GAIN & LOSSES		(193)	(47)	1	(239)	1,419
Net gains/(losses) on investments						
<i>Gains on investment properties</i>						
	8	-	-	-	-	-
<i>Gains on investment assets</i>						
		274	-	761	1,035	1,568
		274	-	761	1,035	1,568
Net income		81	(47)	762	796	2,987
Transfers between funds		-	-	-	-	-
Net movements in Funds		81	(47)	762	796	2,987
Funds brought forward		6,373	1,926	16,055	24,354	21,367
Funds as of financial year end	12	6,454	1,879	16,817	25,150	24,354

Statement of Financial Position
31 December 2022

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

£000s	Notes	2022	2021
FIXED ASSETS			
Investment property	8	3,339	3,339
Investments	8	<u>18,720</u>	<u>17,744</u>
		22,059	21,083
CURRENT ASSETS			
Debtors	9	44	30
Bank balances		<u>3,717</u>	<u>3,725</u>
		3,761	3,755
CREDITORS: Amounts falling due within one year	10	671	484
NET CURRENT ASSETS		<u>3,090</u>	<u>3,271</u>
NET ASSETS		<u>25,149</u>	<u>24,354</u>
FUNDS			
Unrestricted funds			
Unrestricted income funds	12	6,453	6,373
Endowment funds			
Capital endowment funds - property	12	3,339	3,339
Capital endowment funds - general		13,478	12,716
Restricted funds			
Restricted income funds	12	<u>1,879</u>	<u>1,926</u>
		<u>25,149</u>	<u>24,354</u>

The notes on pages 16 to 26 form part of these financial statements.

These financial statements were approved and authorised for issue by, and signed on behalf of, the Trustees:



Bernard Richmond, KC
Chair of Trustees
Date: 05/10/2022

Statement of Cash flows

£000s		2022	2021
Cash flows from operating activities			
Net cash provided by (used in) operating activities	13	(1,615)	1,073
Cash flows from investing activities:			
Dividends, interest and rent from investments		512	463
Proceeds from sale of investments		4,569	2,284
Purchase of investments		(4,667)	(2,481)
Gains/(losses) on investments		1,035	83
Net cash provided by Investing activities		1,449	349
Change in cash and cash equivalents in the reporting period		(166)	1,422
Cash and cash equivalents at the beginning of the reporting period		2,026	604
Cash and cash equivalents at the end of the reporting period		1,860	2,026

Notes to the Financial Statements

Note 1: Accounting policies

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charities Administered ICW The Honourable Society of the Middle Temple is a charity registered in England & Wales (charity registration number 314246) and meets the definition of a public benefit entity under FRS 102. The principal office is located at The Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a 'going concern' basis

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels, and future plans gives Trustees confidence that the charity remains a 'going concern' for the foreseeable future.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates, and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure, and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees have relied on the professional skill and judgment of third-party property valuation experts for the annual revaluation of the investment properties.

Income recognition

All income is recognised once the charity has entitlement to that income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies

Donations and gifts are included in full in the Statement of Comprehensive Income when the entitlement, probability of receipt, and the amount of income receivable can be measured reliably.

Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets. The services provided by the Trustees and accounting services provided by The Honourable Society of the Middle Temple are not included within the financial statements as their value is not easily quantifiable.

Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises fundraising cost, investment fund management costs, and investment property management costs.
- Expenditure on charitable activities comprises Scholarship awards.
- Other expenditure represents audit and other governance costs.

The charity is not registered for VAT.

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs

The Honourable Society of the Middle Temple provides The Charities Administered ICW The Honourable Society of the Middle Temple with free administrative and support costs, including staff time. The Middle Temple Trust Funds has no employees.

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Comprehensive Income.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Comprehensive Income. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Comprehensive Income.

Investments – Stock and Shares

Quoted investments are stated at bid value at the balance sheet date and unquoted investments are stated at estimated market value. Any gain or loss made on the investments is taken to the Statement of Comprehensive Income.

Investments – Properties

Freehold land and buildings are treated as investment properties and are included in the financial statement at their latest valuation: no depreciation is provided on these assets. Increases in value over their historic cost will be included in the capital endowment funds-property reserve, whilst any decrease below historic cost will be charged to that fund. A professional revaluation is carried out annually.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Debtors

Short term debtors are measured at transaction value, less any impairment.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Endowment funds represent a number of significant historic funds previously received by the Inn from a number of benefactors. The policy for these funds is to use only the income generated each year on Scholarship Awards. The Trustees are aware of the need to retain these funds as assets, for the long term delivery of the charitable purposes. The Trustees will continue to preserve the capital of these endowment funds and if possible to increase their value for the long term.

Employee benefits
There are no employees.

Note 2: Donations and legacies

**Note 2:
DONATIONS AND LEGACIES**

Current Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	2022 £000s
Middle Temple grant	500	-	-	500
Legacies	11	11	-	22
Donations				
<i>Gift Aid donations</i>	28	9	-	37
<i>Non-gift aid donations</i>	18	3	1	22
Total donations	557	23	1	581
Tax recovered	9	-	-	9
TOTAL VOLUNTARY INCOME	566	23	1	590

Prior Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	2021 £000s
Middle Temple grant	500	-	-	500
Legacies	826	788	-	1,614
Donations				
<i>Gift Aid donations</i>	28	93	-	121
<i>Non-gift aid donations</i>	10	55	-	65
Total donations	1,364	936	-	2,300
Tax recovered	7	23	-	30
TOTAL VOLUNTARY INCOME	1,372	959	-	2,330

Note 3: Analysis of expenditure

Current Year £000s	Direct Costs Staff	Direct Costs Other	Grant Funding	Support Costs	2022 Total £000s
Middle Temple Trust Funds	-	87	1,237	16	1,340
	-	87	1,237	16	1,340
Prior Year £000s	Direct Costs Staff	Direct Costs Other	Grant Funding	Support Costs	2021 Total £000s
Middle Temple Trust Funds	-	90	1,336	15	1,441
	-	90	1,336	15	1,441

Note 4: Analysis of support costs

	2022 £000s	2021 £000s
Governance	<u>16</u>	<u>15</u>
	<u>16</u>	<u>15</u>

Note 5: operating lease income

The Middle Temple Trust Funds has leases in three investment properties. The leases are residential. During the year they generated annual income of £133.6k. The leases have a fixed term, of two or five years.

	£000s
Not later than One year	<u>135</u>
Later than one year but not later than Five years; and	<u>303</u>
Later than five years	<u>0</u>

Note 6: Governance costs

	2022 £000s	2021 £000s
Audit remuneration	<u>16</u>	<u>15</u>
	<u>16</u>	<u>15</u>

Note 7: Net income for the year

	2022 £000s	2021 £000s
This is stated after charging/crediting		
Auditors remuneration	<u>16</u>	<u>15</u>

No expenses were reimbursed to the Trustees (2022: nil)

No Trustee received remuneration in the current or prior year

The Trustees are considered the key management of the charity, and are not remunerated for this role.

Note 8: Investments

	2022	2021
	£000s	£000s
Investment Property		
Market value at 1 January	3,339	3,339
Additions at cost	-	-
Unrealised gain on revaluation	-	-
Market value at 31 December	<u>3,339</u>	<u>3,339</u>
Investment Funds		
Market value at 1 January	17,406	16,131
Acquisitions/additions at cost	4,667	2,242
Proceeds of disposal	(4,569)	(2,535)
Net gains on disposals & revaluations	1,035	1,568
	<u>18,539</u>	<u>17,406</u>
Cash held in investment portfolio	181	338
Market value at 31 December	<u>18,720</u>	<u>17,744</u>

The following individual investment represent 5% or more of the aggregate value of the charity investments:

Vanguard Funds 11.40%

	2022	2021
	£000s	£000s
Analysis of Investments		
Investment Property	3,339	3,339
Investment Fund	18,720	17,744
Total Investments	<u>22,059</u>	<u>21,083</u>

All investments in the Investment Fund are listed

Note 9: Debtors – amounts falling due within one year

	2022	2021
	£000s	£000s
Tax recoverable	1	1
Investment income	43	29
TOTAL DEBTORS & PREPAYMENTS	<u>44</u>	<u>30</u>

Note 10: Creditors – amounts falling due within one year

	2022	2021
	£000s	£000s
Audit & taxation	16	15
Investment management fees	17	18
Middle Temple	12	5
Accruals for scholarships payable	626	446
TOTAL CREDITORS: amounts falling due within one year	<u>671</u>	<u>484</u>

Note 11: Analysis of net assets between funds

Current Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	Total £000s
Investment property	-	-	3.339	3.339
Investments	5.242	-	13.478	18.720
Net current assets	1.211	1.879	-	3.090
	<u>6,453</u>	<u>1,879</u>	<u>16,817</u>	<u>25,149</u>
Prior Year £000s	Unrestricted Income Funds	Restricted Income Funds	Endowed Funds	Total £000s
Investment property	-	-	3.339	3.339
Investments	5.028	-	12.716	17.744
Net current assets	1.345	1.926	-	3.271
	<u>6,373</u>	<u>1,926</u>	<u>16,055</u>	<u>24,354</u>

Note 12(a): Analysis of funds for 2022

	<i>Balance as at 1 January</i>	<i>New capital</i>	<i>Movement in investment property market value</i>	<i>Movement in investment portfolio market value</i>	<i>Balance as at 31 December</i>
ENDOWED FUNDS					
<i>£000's</i>					
Alfred Harmsworth Memorial Fund	1,185	-	-	56	1,241
The Astbury Scholarship Fund	1,360	-	-	64	1,424
Middle Temple Benefactors' Fund	9,385	1	-	445	9,831
Jules Thorn Fund	1,336	-	-	63	1,399
The Queen Mother Scholarships & Awards Fund	2,312	-	-	110	2,422
The Joseph Jackson Memorial Fund	477	-	-	23	500
			-		
TOTAL ENDOWED FUNDS	16,055	1		781	16,817

	Balance as at 1 January	Draw down of Unrestricted Income funds	New capital	Middle Temple grant	Investment income	Property income	Net Incoming resources from Charitable activities	Scholarship awards	Property costs	Other expenditure	Movement in investment market value	Balance as at 31 December
UNRESTRICTED INCOME FUNDS												
£000's												
Alfred Harmsworth Memorial Fund	(10)	-	-	134	21	-	-	(150)	-	(5)	-	(10)
Scholarship Reserve Account	10	-	-	-	-	-	-	-	-	-	-	10
Benevolent Account	-	-	-	134	21	-	-	(150)	-	(5)	-	-
Total Alfred Harmsworth Memorial Fund	-	-	-	268	42	-	-	(300)	-	(10)	-	-
The Astbury Scholarship Fund	-	-	-	69	24	-	-	(87)	-	(5)	-	1
Middle Temple Benefactors' Fund	-	-	-	10	162	134	-	(419)	(8)	(37)	-	(198)
Jules Thorn Fund	-	-	-	147	23	-	-	(165)	-	(5)	-	-
The Queen Mother Scholarships & Awards Fund	-	-	-	140	40	-	-	(171)	-	(9)	-	-
The Joseph Jackson Memorial Fund	14	-	-	-	8	-	-	(1)	-	(2)	-	19
Middle Temple Scholarship Fund	6,358	-	57	-	100	-	-	(173)	-	(24)	274	6,592
TOTAL INCOME FUNDS	6,372	-	57	500	378	134	-	(1,166)	(8)	(87)	274	6,454

	<i>Balance as at 1 January</i>	<i>Incoming resources from Generated funds</i>	<i>Incoming resources from Generated funds</i>	<i>Balance as at 31 December</i>
RESTRICTED INCOME FUNDS				
<i>£000's</i>				
Marshalling Bursaries/Access to the Bar Fund	29	-	(6)	23
Reader's Essay Prize Fund	15	1	-	16
J Mc Mullen	32	-	(15)	17
Sir Paul Jenkins Fund	1,620	15	-	1,635
Middle Temple Emergency Assistance Fund	230	7	(49)	188
TOTAL RESTRICTED INCOME FUNDS	1,926	23	(70)	1,879

Note 12(b): Analysis of funds for 2021

	<i>Balance as at 1 January</i>	<i>New capital</i>	<i>Movement in investment property market value</i>	<i>Movement in investment portfolio market value</i>	<i>Balance as at 31 December</i>
ENDOWED FUNDS					
<i>£000's</i>					
Alfred Harmsworth Memorial Fund	1,100	-	-	85	1,185
The Astbury Scholarship Fund	1,262	-	-	98	1,360
Middle Temple Benefactors' Fund	8,711	-	-	674	9,385
Jules Thorn Fund	1,240	-	-	96	1,336
The Queen Mother Scholarships & Awards Fund	2,146	-	-	166	2,312
The Joseph Jackson Memorial Fund	443	-	-	34	477
TOTAL ENDOWED FUNDS	14,902	-	-	1,153	16,055



	Balance as at 1 January	Draw down of Unrestricted Income funds	New capital	Middle Temple grant	Investment income	Property income	Net Incoming resources from Charitable activities	Scholarship awards	Property costs	Other expenditure	Movement in investment market value	Balance as at 31 December
UNRESTRICTED INCOME FUNDS												
£000's												
Alfred Harmsworth Memorial Fund	(10)	-	-	175	22	-	-	(192)	-	(5)	-	(10)
Scholarship Reserve Account	10	-	-	-	-	-	-	-	-	-	-	10
Benevolent Account	-	-	-	175	22	-	-	(192)	-	(5)	-	-
Total Alfred Harmsworth Memorial Fund	-	-	-	-	-	-	-	-	-	-	-	-
The Asbury Scholarship Fund	-	-	-	103	170	133	-	(350)	(19)	(37)	-	-
Middle Temple Benefactors' Fund	-	-	-	99	24	-	-	(118)	-	(5)	-	-
Jules Thorn Fund	-	-	-	90	42	-	-	(290)	-	(9)	-	-
The Queen Mother Scholarships & Awards Fund	-	167	-	-	9	-	-	(11)	-	(2)	-	14
The Joseph Jackson Memorial Fund	18	-	871	-	105	-	-	(210)	-	(24)	415	6,359
Middle Temple Scholarship Fund	5,369	(167)	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME FUNDS	5,387	-	871	467	372	133	-	(1,171)	(19)	(82)	415	6,373

	<i>Balance as at 1 January</i>	<i>Incoming resources from Generated funds</i>	<i>Incoming resources from Generated funds</i>	<i>Balance as at 31 December</i>
RESTRICTED INCOME FUNDS				
<i>£000's</i>				
Marshalling Bursaries/Access to the Bar Fund	32	2	(5)	29
Reader's Essay Prize Fund	15	-	-	15
J Mc Mullen	37	-	(5)	32
Sir Paul Jenkins Fund	822	798	-	1,620
TOTAL RESTRICTED FUNDS	1,079	958	(111)	1,926

All funds support the award of scholarships and grants. The purpose of the awards is to help with the costs of qualifying and practising as a barrister. These costs include: course fees to gain the required academic qualifications, living expenses whilst studying, the fees of joining the Inn and the fee to be Called to the Bar. Contributions also are made towards the cost of living during the year of pupillage. All unrestricted income is used for these types of expenditure. In terms of the Restricted Income Funds, the Marshalling Bursaries/Access to the Bar provides the opportunity for undergraduate students, from less well-represented backgrounds, to acquire work experience before deciding to undertake the training for the Bar. The McMullen Fund is for the same purpose as the Access to the Bar, but only for female candidates. The Sir Paul Jenkins Fund is to promote diversity in the Bar. The Readers Essay Prize also supports students in qualifying for the Bar.

Note 13: reconciliation of net income to net cash flow from operating activities

	2022	2021
	£000s	£000s
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(239)	1,720
Adjustments for:		
(Gains)/losses on investments	(1,035)	(242)
Dividends, interest and rent from investments	(512)	(463)
	(6)	19
(Decrease)/increase in creditors	177	(120)
Unrealised gain/(losses) on revaluation	0	159
Net cash provided by/ (used in) operating activities	(1,615)	1,073
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	3,717	1,924
Cash at investment managers	181	102
	3,898	2,026

Note 14: related party transactions

There were no related party transactions to disclose in the year.

Accounts

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF
THE MIDDLE TEMPLE**

Charity registration number: 314246

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2021

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Contents

	<i>page</i>
Reference and Administrative details	2
Trustees' report	3 – 9
Statement of Trustees' Responsibilities	10
Independent auditor's report	11-12
Statement of Comprehensive Income	13
Statement of Financial Position	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 - 29

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Reference and Administrative details

Charity name:	The Charities Administered ICW The Honourable Society of the Middle Temple
Charity registration number:	314246
Principal office:	The Treasury, Middle Temple, London. EC4Y 9BT
Trustees:	The Right Hon. Sir Richard Arnold <i>(Chair to 31 December 2021)</i> Rodney Stewart Smith <i>(Chair from 29 March 2022 to 21 September 2022)</i> Bernard Richmond, KC <i>(Chair from 5 October 2022)</i> Marilynne Morgan, CB Jessica Simor, KC (from 1 January 2021) Araba Taylor, KC (from 1 January 2021)
Secretary to the Trustees:	A. W. Hopkin, Esq. Director of Finance & Corporate Services The Honourable Society of the Middle Temple
Bankers:	The Royal Bank of Scotland, 62-63 Threadneedle Street, London. EC2R 8LA
Solicitors:	Lester Aldridge LLP, 1 King Street, London. EC2V 8AU
Auditors:	Haysmacintyre LLP, Queen Street Place, London. WC4R 1AG
Investment Managers:	Investec Wealth & Investment Limited, 30 Gresham Street, London. EC2V 7QN

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

TRUSTEES' REPORT

These Financial Statements have been prepared under the accounting policies detailed in Note 1 on page 16 of the accounts and comply with the Trust Deed, applicable law, and the requirements of the "Accounting and Reporting by Charities: Statement of Recommended Practice" (FRS102).

Objects and Activities for the public benefit

The Trustees confirm that they have considered the public benefit guidance available from the Charity Commission when reviewing the Trust Funds' aims and objectives and in planning future activities and setting scholarship making policy for the year.

The Trust Funds have been established to advance the education of intending practitioners at the Bar of England and Wales, through the award of scholarships.

The Trustees have established their scholarship policy to achieve the maximum public benefit. The Trustees firmly believe that a strong and independent Bar is a vital part of the Constitution for the following reasons:-

- (a) Members of the Bar will, through experience and training, be able to present cases to the Courts in an efficient and time-saving way;
- (b) They will, for the same reason, form a body of practitioners from which judicial appointments can be made;
- (c) They will be able fearlessly and publicly to challenge executive or other decisions at whatever level;
- (d) They will be able to represent a cause or individual however unpopular the cause or unattractive the individual may be.

The ultimate beneficiary of the Trust Funds' scholarship awards is the nation at large.

The Trust Funds carry out these objects by financing scholarships to individuals studying the Bar Professional Training Course (the 'BPTC') or the conversion course (the Graduate Diploma in Law or an equivalent), with the intention to undertake pupillage in England & Wales and commence in practice. The funds are provided from several Restricted Funds and Unrestricted Funds.

The Middle Temple Scholarship Fund was established in 2003 to further encourage donations from members of Middle Temple to fund future scholarship awards for the public benefit.

The aim of the Trustees is to ensure, wherever possible, a steady increase in the number and size of awards available, whilst maintaining the underlying value of the investments. The Trustees have delegated to the Scholarship & Prizes Sub-committee the task of making individual awards (both as to numbers and size) and to the Investment Sub-committee the proper investment of the Funds. One of the Trustees (historically, the Chair) is an *ex officio* member of the Investment Sub-committee and the Investment Manager's reports to the Sub-committee go to all the Trustees. The Middle Temple interviews every scholarship applicant, who must be a member of the Inn and have secured a place on the Bar Professional Training Course at one of ten institutions around the country. The deciding criterion for the award of a scholarship is an individual's merit. Scholarships are awarded with a view to maximising assistance to the more disadvantaged applicants; the quantum of any award is such that those applicants from poorer sections of the community receive a higher value scholarship and more help is available to a wider range of students.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Details of how to apply for a scholarship are available on the Middle Temple website. <https://www.middletemple.org.uk/education-and-training/scholarships-and-prizes>

Achievements and Performance

Scholarships with a total value of £1,136k (2020: £1,065k) were awarded during the year, the majority of which were in the form of study awards. There is a total of £446k (2020: £123k) awards deferred, whilst some of the deferred awards from the previous years were given up. This is due to changes in the circumstances of the beneficiaries between the award of a scholarship (in the Spring of each year) and the commencement of the Bar course (in the Autumn). In most cases this is due to being unable to cover the full cost of studying and living costs. In fewer instances the need to defer is driven by unforeseen changes in their life circumstances. Grant recipients are allowed to defer for up to three years. The Education team of the Honourable Society of the Middle Temple administers the grants on behalf of the Trust Funds and keeps detailed records of any awards that are deferred. These deferred awards are reviewed on an annual basis to ascertain if the awards will eventually be paid or not.

The Trustees are aware of the materiality of deferred awards and the impact that holding cash that is not immediately required has on the Trust Funds' cash flow requirements. The Trustees are committed to continue monitoring this issue and to explore ways in which to better manage cash resources.

£864k was donated to The Middle Temple Scholarship Fund, bringing the total raised so far to £7,209k.

During 2021 the value of the investment portfolio increased to £17.7m and achieved a Total Return of 11.7% (net of fees) compared to a benchmark of 16.2%. The total portfolio value includes cash deposits of £338k (2020: £102k). Due to the war in Ukraine the value of the portfolio decreased sharply in Q2 of 2022. The value has subsequently fallen to £15.8 million as of 21 September 2022.

Since June 2004 (when Investec took over investment management services), the Total Return was 8.7% on an annualised basis compared to a benchmark of 8.3%.

Further work is being carried out to facilitate measurement of the impact that the award of a scholarship has on a scholar. As the Trusts have been established to advance the education of intending practitioners at the Bar of England & Wales, it can be said that the Trust Funds' impact is considerable in providing financial support to students attending the BPTC or the GDL (or its equivalent): the award of a scholarship being contingent on securing a place at the appropriate course provider.

The Development Department keeps a record of professional student's progress, from the relevant starting point of the Access to the Bar Scheme or a Major Scholarship award to BPTC grades, date of Call to the Bar of England and Wales, pupillage, and tenancy. Scholars are encouraged to keep the Inn informed of all stages of their progress but are not obliged to do so. The Inn's new membership management system has improved the quality and accuracy of data held on its members. The implementation of the system has been challenging and it has not been possible to fully implement reliable tracking of an individual scholar's career progression. This is being addressed and the Inn's newly established Development Department will be working with the Education Department to improve impact measurement.

THE CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

The Inn has been successful in admitting a broad range of diverse individuals to membership of the Inn and is committed to continue its efforts to increase that diversity, particularly from individuals who would not otherwise consider a career at the Bar. The Inn has an 'outreach' capability as well as the tried and tested 'Access to the Bar' scheme, which offers bursaries to individuals to experience life at the Bar first-hand on a one-week placement. A new Diversity and Inclusion Co-ordinator started to work for the Inn in February 2022. The Trustees reviewed the diversity of scholarship beneficiaries and remain committed to ensuring that diversity continues.

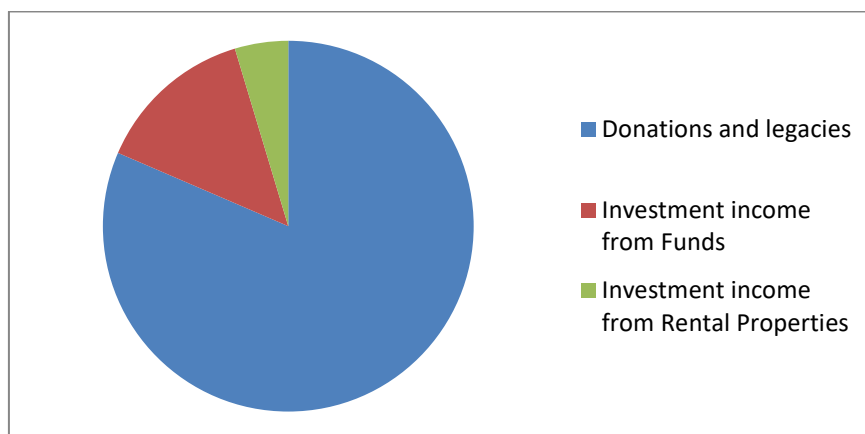
Financial Review

The Trust Funds are reliant upon a number of income streams:

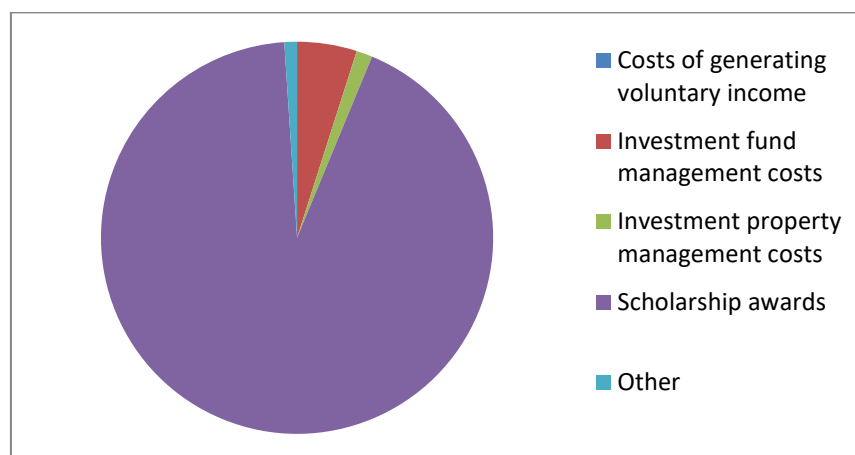
1. Income from the investment portfolio, which during the year amounted to £397k (2020: £341k);
2. Donations, which includes £500k (2020: £660k) from the Inn and £1,830k (2020: £1,751k) from external donors; and
3. Investment Properties income worth £133k (2020: £122k).

The majority of income was awarded in scholarships: £1,336k in 2021 (2020: £1,065k).

Income



Expenditure



**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Investment policy and performance

The investments are actively managed in accordance with the long-term objective of a balanced return within a medium risk profile, whilst continuing to hold a diversified portfolio. The annual Total Return performance of the portfolio since 2014 is shown in the table below.

2014	5.0%
2015	3.3%
2016	14.4%
2017	11.9%
2018	-4.3%
2019	17.1%
2020	3.5%
2021	11.7%

During 2021, the return on the investment portfolio returned exceeded that achieved in 2020. This results from active asset allocation and good stock selection on the part of the investment managers. The tactical position of being underweight in bonds was positive for the fund. The fund's bond investments continue to be biased towards shorter-dated and less volatile issues. Equity holdings performed well, also from tactical positioning. The returns on overseas equities were positive but were muted by the impact of currency movements, particularly sterling. The fund also benefited from its exposure to infrastructure assets, particularly in renewable energy.

Reserves policy

The Trustees hold reserves to ensure that every-day administration costs can be funded for a period of up to 12-months. They have considered if it would be prudent to hold reserves to finance one year's worth of scholarship awards but have concluded that this would tie-up too much cash within the Trusts.

However, the total Unrestricted Income funds held is disclosed as £6.37m (2020: £5.38m). This includes the total value of the Middle Temple Scholarship Fund. The Trustees have considered how best to use these funds to support beneficiaries. At their meeting in March 2021, the Trustees resolved to implement a drawdown policy for the unrestricted funds of an average of 300k per annum to support an increase in scholarship award funding to an average of 75% of the funding shortfall for scholars. The average ratio of funding provided, for awards granted in 2021, was 76%. £167k from the Scholarship Fund was deployed to cover the increase the ratio of funding awarded.

How much to release from the Scholarship Fund is considered and agreed on an annual basis, at the time of setting up the annual budget. The amount agreed by the Trustees for 2022 awards is 300k. This discussion and decision-making process is also connected to the level of financial support that the Inn can provide, in the form of the annual grant to the Trust Funds. The Trustees continue to consider all this constrains in order to maximise public benefit whilst ensuring the medium- and long-term sustainability of the charity.

The investment portfolio is held for the longer term and is not available to pay for scholarships directly, given the restrictions on certain of the trusts that are held in the portfolio. Rather, that portfolio generates income to support annual scholarship awards. This income is drawn off from the portfolio and is supplemented by funding from the Inn.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

It is hoped that the Inn's Development team will be able to generate new donations in the future, to build on those that have been received since the creation of the team in October 2019.

Plans for future periods

The free reserves of the Trust Funds remain at a minimum level; scholarships are generally equal to the value of the annual income generated and the donation from the Inn. Further growth in the value of scholarships will necessitate continued fundraising to generate a larger investment pool or an increase in the financial support provided by the Inn.

The Trust Funds rely heavily on the generosity of the Inn for financial support to its scholarship awards. The Inn is entering a period where its financial resources will come under pressure. The Inn continues its commitment to ensuring that a combination of income sources from Investments and the annual grant from the Inn enable the Trust Funds to maintaining the same levels of grant giving.

In September 2020, details of an extremely generous bequest from the estate of the late Master Pat Edwards, the former chair of the Scholarships & Prizes Committee, were received. The legacy was of benefit to the Middle Temple Scholarship Fund and to the Sir Paul Jenkins' Fund. £750k was received in 2020 for each fund. In 2021, further £787.5k was received for each of those two funds. A final distribution of £21.3k, was received in August 2022. The total legacy amounts £3,096k. This a remarkable gift that will make a very great difference to beneficiaries in the years to come.

Risk management

The major risks to which the charity is exposed, as identified by the Trustees, are reviewed annually and systems or procedures have been established to manage those risks. The are four areas of 'major risk': Governance, Operational, Financial, and Environmental. Risks are scored "gross" and "net" after factoring in risk controls, impact and likelihood. The risks are scored red, yellow and green.

The highest net score is under financial risks: the capital risk of the investment portfolio. The portfolio has suffered considerable fluctuations, caused by the market volatility the war in Ukraine generates. The holdings have been diversified to mitigate material a medium and long term changes. Investment managers continue to report on their strategy to the Investment sub-committee of the Inn, of which the Chair of the trustees is ex-officio a member of.

The next level of risk, moderate, is shared across various items in the register:

Loss of key staff is mitigated by the establishment of documented processes/procedures; in-house training of staff; and extended notice periods for senior staff in order to be able to source an appropriate replacement.

Dependency on the Inn's support is mitigated by the work of the Development Team, that has been preparing various fundraising strategies. The Trustees are also aware that sustainable fundraising activity may require a certain amount of time to bear fruit. The Trustees are aware that the current economic situation may affect the levels of support from the Inn. The Inn remains committed to support the Trust Funds to continue providing grants at the existing levels.

Changes to Government policy do not allow much scope to mitigate that risk. The Director of Finance and Corporate Services continues to be up to date with any potential changes in Governmental polices that may affect the Trust Funds.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

The risk of the Trustees body lacking relevant skills is mitigated by the thorough assessment of potential trustees and their approval process.

Structure, Governance, and Management

The Charities Administered in connection with The Honourable Society of the Middle Temple (the "Trust Funds") represents a collection of diverse funds grouped together under a scheme approved by The Charity Commission on 3 September 1975 and is a charity registered in England & Wales, number 314246. On 24 July 2003, the Charity Commission confirmed the registration of The Middle Temple Scholarship Fund as a subsidiary of the original registration.

The Funds originally grouped together were: Alfred Harmsworth Memorial Fund, Middle Temple Benefactors' Fund, The Astbury Scholarship Fund, Chrystal Macmillan Memorial Fund, Middle Temple Colombos Trust, JB Montague Memorial Trust Fund, The Charity of Constantine John Colombos, Helena Normanton Prize, Robert Garraway Rice Pupillage Prizes, Middle Temple Archibald Safford Trust.

Subsequently, new Funds were established and included within the scheme. The new Funds are: Lord Justice Sachs Entrance Exhibition, Jules Thorn Fund, Lintern Award, The Joseph Jackson Memorial Fund, The Queen Mother's Scholarships & Awards Fund, The Middle Temple Scholarship Fund.

A Marshalling Bursaries/Access to the Bar Fund was added in 2010 and awards were made to students from 2011 onwards. A Readers' Essay Prize Fund was approved by resolution of the Trustees during 2012. The 'Readers' Essay Prize' was converted to the 'Readers' Scholarship' with effect from 4 February 2015. The underlying prize fund was also at this time reclassified as an Unrestricted Income Fund and subsumed within the Middle Temple Scholarship Fund, following approval of the change by the donor of the original fund. In 2016 the Mc Mullen restricted income fund was established. In 2018, after the untimely death of Sir Paul Jenkins, a restricted income fund was set up on his memory.

The Trustees are appointed by the Treasurer on behalf of the Benchers of the Inn. They meet at least twice each year and ensure that the policy objectives of each Fund are met in accordance with the individual schemes of administration. They also consider investment performance and risk management policies and procedures. Each year the Trustees' report and financial statements are published to the Inn and considered by its Finance & Resources Committee. Training is available for Trustees on an ongoing basis; professional advisers attend meetings and provide training on specific issues upon which the Trustees are required to make decisions, e.g., investment strategy, accounting changes, etc. Training also takes place upon the induction of new Trustees.

All Trustees give of their time freely and approve strategic and policy matters; day-to-day management is delegated to the relevant Inn's staff. These staff provide their services free to the Trust Funds. No Trustee remuneration was paid in the year. The selection of recipients for awards is delegated to the Scholarships & Prizes Sub-committee of the Inn. Training is undertaken for those members of the Sub-committee who sit on the Award Panels; these meet during Easter each year and interview all scholarship applicants.

The investments of the individual Trust Funds are pooled under a Charity Commission approved scheme. The management of the pool is delegated to the Investment Sub-committee of the Inn; one of the Trustees, generally the Chairman, is a member of this Sub-committee. The Sub-committee

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

meets on a quarterly basis and considers the report on portfolio performance produced by the Investment Manager.

In order to better co-ordinate the income generation and expenditure arms of the Trust Funds, the Inn's Director of Education Services (representing the scholarship awards activity) and the Associate Director of Development (representing fundraising activity) attend meetings of the Trustees.

COVID-19

During 2021 the coronavirus pandemic (COVID-19) continued to impact everyday life, until a gradual ease of restrictions in the autumn. Acting for the benefit of the Trust Funds, the Inn's Education department was able to organise the Scholarship interviews which took place, as in the previous year, remotely. The pandemic has affected the study plans of many grant recipients. Many of those had to postpone their courses. This is reflected in the value of awards deferred. By the end of 2021, the value of the investment had recovered. The Clapham properties' tenants were given some flexibility to delay payments for rents, repaying it in instalments. The properties are fully tenanted with leases agreed until early 2025, and managed by a third-party property company.

Going concern

Management accounts, a cashflow forecast and a budget are provided to the trustees for their information and approval. The risk register also contributes to assessing and addressing any financial risks that may affect the ability of the Trust Funds to implementing the award strategy, in the medium and long term.

With receipt of the extremely generous bequest from the late Master Pat Edwards, the Trust Funds (the Middle Temple Scholarship Fund and the Sir Paul Jenkins' Fund in particular) are well placed to be able to support scholarship awards at the level that has been achieved in recent years in the near term; certainly farther into the future than the next 12 months following the date on which the financial statements are approved; the time horizon over which a 'going concern' assessment is made.

The Trustees consider that it is appropriate for the 'going concern' basis to be adopted for these financial statements.

Trustees

The Trustees noted the very sad news of the death of the Chair, Master Rodney Stewart Smith, on 21 September 2022. Master Stewart Smith had been Chair of Trustees since 3 March 2022, having been an active Trustee since 27 January 2016. The continuing Trustees are grateful for his contribution to the management of the Trust Funds, for his diligence, insight, and capable stewardship.

The Trustees are also grateful to Master Richard Arnold for his chairmanship up until the end of 2021, when he retired as a Trustee. Master Arnold was appointed as a Trustee on 26 January 2009 and became Chair of Trustees on 11 June 2019. Under Master Arnold's leadership, the Trustees developed a policy for the drawdown of funds from the Middle Temple Scholarship Fund to better support aspiring practitioners, dealt with the challenges presented by the COVID-19 pandemic and the establishment of a Middle Temple Emergency Assistance Fund (designed to support those practitioners not able to access financial support from the Barristers' Benevolent Fund), and introduced term limits for Trustees to ensure rotation of individuals and the regular refresh of skills on the trustee board.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 assume that the charity will continue on that basis.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with relevant law. The Trustees 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.

Approved by the Trustees on 5 October 2022, and signed on behalf of the Trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple by:



**Chair of Trustees
Bernard Richmond KC**



THE CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

Independent auditor's report to the trustees of the Charities Administered in connection with the Honourable Society of the Middle Temple

Opinion

We have audited the financial statements of The Charities Administered ICW the Honourable Society of the Middle Temple for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 December 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept by the charity, or
- sufficient accounting records have not been kept; or
- the charity 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.

THE CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 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

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:

Based on our understanding of the charity and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.

Haysmacintyre LLP.

Haysmacintyre LLP

Statutory Auditors

Date: 13 October 2022

10 Queen Street Place

London

EC4R 1AG

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

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF FINANCIAL ACTIVITIES

<i>£000s</i>		<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	<i>2021</i>	<i>2020</i>
	<i>Notes</i>					
INCOME ON:						
Donations and legacies	2	1,371	959	-	2,330	2,412
Investment income from Funds		397	-	-	397	341
Investment income from Rental Properties		133	-	-	133	122
Total income		<u>1,901</u>	<u>959</u>	<u>-</u>	<u>2,860</u>	<u>2,875</u>
EXPENDITURE FROM:						
<i>Raising Funds</i>						
Costs of generating voluntary income		-	-	-	-	-
Investment fund management costs		71	-	-	71	61
Investment property management costs		19	-	-	19	16
<i>Charitable activities</i>						
Scholarship awards		1,224	112	-	1,336	1,065
<i>Other</i>						
		15	-	-	15	14
Total Expenditure		<u>1,329</u>	<u>112</u>	<u>-</u>	<u>1,441</u>	<u>1,156</u>
OPERATIONAL SURPLUS/(DEFICIT) BEFORE GAIN & LOSSES		<u>572</u>	<u>847</u>	<u>-</u>	<u>1,419</u>	<u>1,719</u>
Net gains/(losses) on investments						
<i>Gains on investment properties</i>						
	8	-	-	-	-	159
<i>Gains on investment assets</i>						
		415	-	1,153	1,568	242
		415	-	1,153	1,568	401
Net income		<u>987</u>	<u>847</u>	<u>1,153</u>	<u>2,987</u>	<u>2,120</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movements in Funds		<u>987</u>	<u>847</u>	<u>1,153</u>	<u>2,987</u>	<u>2,120</u>
Funds brought forward		5,386	1,079	14,902	21,367	19,247
Funds as 31 December 2021	12	<u>6,373</u>	<u>1,926</u>	<u>16,055</u>	<u>24,354</u>	<u>21,367</u>

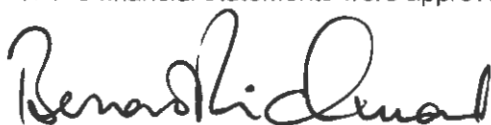
**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

<i>£000s</i>	<i>Notes</i>	<i>2021</i>	<i>2020</i>
FIXED ASSETS			
Investment property	8	3,339	3,339
Investments	8	<u>17,744</u>	<u>16,233</u>
		21,083	19,572
CURRENT ASSETS			
Debtors	9	30	28
Bank balances		<u>3,725</u>	<u>1,924</u>
		3,755	1,952
CREDITORS: Amounts falling due within one year	10	484	157
NET CURRENT ASSETS		<u>3,271</u>	<u>1,795</u>
NET ASSETS		<u>24,354</u>	<u>21,367</u>
FUNDS			
Unrestricted funds			
Unrestricted income funds	12	6,373	5,386
Endowment funds			
Capital endowment funds - property	12	3,339	3,339
Capital endowment funds - general		12,716	11,563
Restricted funds			
Restricted income funds	12	1,926	1,079
		<u>24,354</u>	<u>21,367</u>

The notes on pages 16 to 29 form part of these financial statements.

These financial statements were approved and authorised for issue by, and signed on behalf of, the Trustees:



Bernard Richmond KC
Chair
5 October 2022

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

**STATEMENT OF CASH FLOWS
31 DECEMBER 2021**

<i>£000s</i>		2021	2020
Cash flows from operating activities			
Net cash provided by (used in) operating activities	13	(355)	1,073
Cash flows from investing activities:			
Dividends, interest and rent from investments		530	463
Proceeds from sale of investments		2,535	2,284
Purchase of investments		(2,242)	(2,481)
Gains/(losses) on investments		1,568	83
Net cash provided by Investing activities		2,391	349
Change in cash and cash equivalents in the reporting period		2,036	1,422
Cash and cash equivalents at the beginning of the reporting period		2,026	604
Cash and cash equivalents at the end of the reporting period		4,062	2,026

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Notes to the Financial Statements

Note 1:

ACCOUNTING POLICIES

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charities Administered ICW The Honourable Society of the Middle Temple is a charity registered in England & Wales (charity registration number 314246) and meets the definition of a public benefit entity under FRS 102. The principal office is located at The Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a 'going concern' basis

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels, and future plans gives Trustees confidence that the charity remains a 'going concern' for the foreseeable future.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates, and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure, and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees have relied on the professional skill and judgment of third-party property valuation experts for the annual revaluation of the investment properties.

Income recognition

All income is recognised once the charity has entitlement to that income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies

Donations and gifts are included in full in the Statement of Comprehensive Income when the entitlement, probability of receipt, and the amount of income receivable can be measured reliably.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets. The services provided by the Trustees and accounting services provided by The Honourable Society of the Middle Temple are not included within the financial statements as their value is not easily quantifiable.

Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises fundraising cost, investment fund management costs, and investment property management costs.
- Expenditure on charitable activities comprises Scholarship Grants.
- Other expenditure represents audit costs.

The charity is not registered for VAT.

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs

The Honourable Society of the Middle Temple provides The Charities Administered ICW The Honourable Society of the Middle Temple with free administrative and support costs, including staff time. The Middle Temple Trust Funds has no employees.

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Comprehensive Income.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Comprehensive Income. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Comprehensive Income.

Investments – Stock and Shares

Quoted investments are stated at bid value at the balance sheet date and unquoted investments are stated at estimated market value. Any gain or loss made on the investments is taken to the Statement of Comprehensive Income.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Investments – Properties

Freehold land and buildings are treated as investment properties and are included in the financial statement at their latest valuation: no depreciation is provided on these assets. Increases in value over their historic cost will be included in the capital endowment funds-property reserve, whilst any decrease below historic cost will be charged to that fund. A professional revaluation is carried out annually.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Debtors

Short term debtors are measured at transaction value, less any impairment.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Endowment funds represent a number of significant historic funds previously received by the Inn from a number of benefactors. The policy for these funds is to use only the income generated each year on Scholarship Awards. The Trustees are aware of the need to retain these funds as assets, for the long term delivery of the charitable purposes. The Trustees will continue to preserve the capital of these endowment funds and if possible to increase their value for the long term.

Employee benefits

There are no employees.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 2:

DONATIONS AND LEGACIES

	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	2021 £000s
Middle Temple grant	500	-	-	500
Legacies	826	788	-	1,614
Donations				
<i>Gift Aid donations</i>	28	93	-	121
<i>Non-gift aid donations</i>	10	55	-	65
Total donations	<u>1,364</u>	<u>936</u>	-	<u>2,300</u>
Tax recovered	7	23	-	30
TOTAL VOLUNTARY INCOME	<u>1,371</u>	<u>959</u>	<u>-</u>	<u>2,330</u>
Prior Year	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	2020 £000s
Middle Temple grant	660	-	-	660
Legacies	758	750	10	1,518
Donations				
<i>Gift Aid donations</i>	22	39	-	61
<i>Non-gift aid donations</i>	22	135	-	157
Total donations	<u>1,462</u>	<u>924</u>	10	<u>2,396</u>
Tax recovered	6	10	-	16
TOTAL VOLUNTARY INCOME	<u>1,468</u>	<u>934</u>	<u>10</u>	<u>2,412</u>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 3:

ANALYSIS OF EXPENDITURE

	<i>Direct Costs Staff</i>	<i>Direct Costs Other</i>	<i>Grant Funding</i>	<i>Support Costs</i>	<i>2021 Total £000s</i>
Middle Temple Trust Funds	-	90	1,336	15	1,441
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	90	1,336	15	1,441
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Prior Year					
	<i>Direct Costs Staff</i>	<i>Direct Costs Other</i>	<i>Grant Funding</i>	<i>Support Costs</i>	<i>2020 Total £000s</i>
Middle Temple Trust Funds	-	77	1,065	14	1,156
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	77	1,065	14	1,156
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Note 4:

ANALYSIS OF SUPPORT COSTS

	<i>2021 £000s</i>	<i>2020 £000s</i>
Governance	<hr/>	<hr/>
	15	14
	<hr/>	<hr/>
	15	14
	<hr/>	<hr/>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 5:

OPERATING LEASE INCOME

The Middle Temple Trust Funds has leases in three investment properties. The leases are residential. During the year they generated annual income of £133.4k. The leases have a fixed term, of two or five years.

£000s

Not later than One year	135
Later than one year but not later than Five years; and	303
Later than five years	0

Note 6:

GOVERNANCE COSTS INCLUDED

2021 **2020**
£000s **£000s**

Audit remuneration	15	14
	15	14

Note 7:

NET INCOME FOR THE YEAR

2021 **2020**
£000s **£000s**

This is stated after charging/crediting

Auditors remuneration	15	14
-----------------------	----	----

No expenses were reimbursed to the Trustees (2020: nil)

No Trustee received remuneration in the current or prior year

The Trustees are considered the key management of the charity, and are not remunerated for this role.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 8:

INVESTMENTS

	2021	2020
	£000s	£000s
Investment Property		
Market value at 1 January	3,339	3,180
Additions at cost	-	-
Unrealised gain on revaluation	-	159
Market value at 31 December	<u>3,339</u>	<u>3,339</u>
Investment Funds		
	2021	2020
	£000s	£000s
Market value at 1 January	16,131	15,692
Acquisitions/additions at cost	2,242	2,481
Proceeds of disposal	(2,535)	(2,284)
Net gains on disposals & revaluations	1,568	242
	<u>17,406</u>	<u>16,131</u>
Cash held in investment portfolio	338	102
Market value at 31 December	<u>17,744</u>	<u>16,233</u>

The following individual investment represent 5% or more of the aggregate value of the charity investments:

Vanguard Funds	9.65%
Baillie Gifford American	6.98%

	2021	2020
	£000s	£000s
Analysis of Investments		
Investment Property	3,339	3,339
Investment Fund	17,744	16,233
Total Investments	<u>21,083</u>	<u>19,572</u>

All investments in the Investment Fund are listed

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 9:

DEBTORS: amounts falling due within one year

	<i>2021</i> <i>£000s</i>	<i>2020</i> <i>£000s</i>
Tax recoverable	1	2
Investment income	29	26
TOTAL DEBTORS & PREPAYMENTS	<u>30</u>	<u>28</u>

Note 10:

CREDITORS: amounts falling due within one year

	<i>2021</i> <i>£000s</i>	<i>2020</i> <i>£000s</i>
Audit & taxation	15	14
Investment management fees	18	17
Middle Temple	5	3
Accruals for scholarships payable	446	123
TOTAL CREDITORS: amounts falling due within one year	<u>484</u>	<u>157</u>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 11:

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	<i>Total £000s</i>
Investment property	-	-	3,339	3,339
Investments	5,028	-	12,716	17,744
Net current assets	1,345	1,926	-	3,271
	<u>6,373</u>	<u>1,926</u>	<u>16,055</u>	<u>24,354</u>

Prior Year

	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	<i>Total £000s</i>
Investment property	-	-	3,339	3,339
Investments	4,670	-	11,563	16,233
Net current assets	716	1,079	-	1,795
	<u>5,386</u>	<u>1,079</u>	<u>14,902</u>	<u>21,367</u>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 12:

ANALYSIS OF FUNDS

	<i>Balance as at 1 January</i>	<i>New Capital</i>	<i>Movement in property market value</i>	<i>Movement in market value</i>	<i>Balance as at 31 December</i>
ENDOWED FUNDS					
<i>£000's</i>					
Alfred Harmsworth Memorial Fund	1,100	-	-	85	1,185
The Astbury Scholarship Fund	1,262	-	-	98	1,360
Middle Temple Benefactors' Fund	8,711	-	-	674	9,385
Jules Thorn Fund	1,240	-	-	96	1,336
The Queen Mother Scholarships & Awards Fund	2,146	-	-	166	2,312
The Joseph Jackson Memorial Fund	443	-	-	34	477
		-	-		
TOTAL ENDOWED FUNDS	14,902	-	-	1,153	16,055

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 12:

ANALYSIS OF FUNDS

	<i>Balance as at 1 January</i>	<i>Draw down of Unrestricted Income Funds</i>	<i>New Capital</i>	<i>Middle Temple grant</i>	<i>Investment Income</i>	<i>Property Income</i>	<i>Net Incoming resources from Charitable Activities</i>	<i>Scholarship awards</i>	<i>Property Costs</i>	<i>Other Expenditure</i>	<i>Movement in market value</i>	<i>Balance as at 31 December</i>
UNRESTRICTED INCOME FUNDS												
<i>£000's</i>												
<i>Alfred Harmsworth Memorial Fund</i>												
Scholarship Reserve Account	(10)	-	-	175	22	-	-	(192)	-	(5)	-	(10)
Benevolent Account	10	-	-	-	-	-	-	-	-	-	-	10
Total Alfred Harmsworth Memorial Fund	-	-	-	175	22	-	-	(192)	-	(5)	-	-
The Astbury Scholarship Fund	-	-	-	33	25	-	-	(53)	-	(5)	-	-
Middle Temple Benefactors' Fund	-	-	-	103	170	133	-	(350)	(19)	(37)	-	-
Jules Thorn Fund	-	-	-	99	24	-	-	(118)	-	(5)	-	-
The Queen Mother Scholarships & Awards Fund	-	167	-	90	42	-	-	(290)	-	(9)	-	-
The Joseph Jackson Memorial Fund	18	-	-	-	9	-	-	(11)	-	(2)	-	14
Middle Temple Scholarship Fund	5,369	(167)	871	-	105	-	-	(210)	-	(24)	415	6,359
TOTAL INCOME FUNDS	5,386	-	871	675	419	133	-	(1,416)	(19)	(92)	415	6,373

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 12:

ANALYSIS OF FUNDS

RESTRICTED INCOME FUNDS	<i>Balance as at 31 December</i>	<i>Incoming resources from generated funds</i>	<i>Incoming resources from generated funds</i>	<i>Balance as at 31 December</i>
<i>£000's</i>				
Marshalling Bursaries/Access to the Bar Fund	32	2	(5)	29
Reader's Essay Prize Fund	15	-	-	15
J Mc Mullen	37	-	(5)	32
Sir Paul Jenkins Fund	822	798	-	1,620
Middle Temple Emergency Assistance Fund	173	158	(101)	230
TOTAL RESTRICTED FUNDS	1,079	958	(111)	1,926

All funds support the award of scholarships and grants. The purpose of the awards is to help with the costs of qualifying and practising as a barrister. These costs include: course fees to gain the required academic qualifications, living expenses whilst studying, the fees of joining the Inn and the fee to be Called to the Bar. Contributions also are made towards the cost of living during the year of pupillage. All unrestricted income is used for these types of expenditure. In terms of the Restricted Income Funds, the Marshalling Bursaries/Access to the Bar provides the opportunity for undergraduate students, from non-traditional backgrounds, to acquire work experience before deciding to undertake the training for the Bar. J Mc Mullen is for the same purpose as the Access to the Bar, but only for female candidates. The Paul Jenkins fund is to promote diversity in the Bar. The Readers Essay Prize also supports students in qualifying for the Bar.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 12:

ANALYSIS OF FUNDS

COMPARATIVE ANALYSIS OF FUNDS 2020

ENDOWED FUNDS <i>£000's</i>	<i>Balance as at 1 January</i>	<i>New Capital</i>	<i>Movement in property market value</i>	<i>Movement in market value</i>	<i>Balance as at 31 December</i>
Alfred Harmsworth Memorial Fund	1,087	-	-	13	1,100
The Astbury Scholarship Fund	1,247	-	-	15	1,262
Middle Temple Benefactors' Fund	8,442	10	159	100	8,711
Jules Thorn Fund	1,225	-	-	15	1,240
The Queen Mother Scholarships & Awards Fund	2,121	-	-	25	2,146
The Joseph Jackson Memorial Fund	437	-	-	6	443
TOTAL ENDOWED FUNDS	14,559	10	159	174	14,902

UNRESTRICTED INCOME FUNDS <i>£000's</i>	<i>Balance as at 1 January</i>	<i>New Capital</i>	<i>Investment Income</i>	<i>Property Income</i>	<i>Net Incoming resources from Charitable Activities</i>	<i>Scholarship awards</i>	<i>Property Costs</i>	<i>Other Expenditure</i>	<i>Movement in market value</i>	<i>Balance as at 31 December</i>
Alfred Harmsworth Memorial Fund	24	-	18	-	-	(129)	-	(4)	-	(10)
Scholarship Reserve Account	10	-	-	-	-	-	-	-	-	10
Benevolent Account	10	-	-	-	-	-	-	-	-	10
Total Alfred Harmsworth Memorial Fund	34	-	18	-	-	(129)	-	(4)	-	-
The Astbury Scholarship Fund	16	-	21	-	-	(71)	-	(5)	-	-
Middle Temple Benefactors' Fund	43	-	142	129	-	(441)	18	(31)	-	-
Jules Thorn Fund	7	-	21	-	-	(67)	-	(5)	-	-
The Queen Mother Scholarships & Awards Fund	29	-	36	-	-	(156)	-	(8)	-	-
The Joseph Jackson Memorial Fund	15	-	7	-	-	(2)	-	(2)	-	18
Middle Temple Scholarship Fund	4,388	809	96	-	-	(186)	-	(20)	69	5,369
TOTAL INCOME FUNDS	4,532	809	341	122	-	(1,053)	(18)	(75)	69	5,386

RESTRICTED INCOME FUNDS <i>£000's</i>	<i>Balance as at 31 December</i>	<i>Incoming resources from generated funds</i>	<i>Balance as at 31 December</i>
Marshalling Bursaries/Access to the Bar Fund	35	3	32
Reader's Essay Prize Fund	15	-	15
J Mc Mullen	42	-	37
Sir Paul Jenkins Fund	64	758	822
TOTAL RESTRICTED FUNDS	156	934	1,079

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

Note 13:

**RECONCILIATION OF NET INCOME TO
NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021	2020
	<i>£000s</i>	<i>£000s</i>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,419	1,720
Adjustments for:		
(Gains)/losses on investments	(1,568)	(242)
Dividends, interest and rent from investments	(530)	(463)
	(2)	19
(Decrease)/increase in creditors	326	(120)
Unrealised gain/(losses) on revaluation	0	159
Net cash provided by/ (used in) operating activities	<u>(355)</u>	<u>1,073</u>

	2021	2020
	<i>£000s</i>	<i>£000s</i>
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	3,724	1,924
Cash at investment managers	338	102
	<u>4,062</u>	<u>2,026</u>

Note 14:

RELATED PARTY TRANSACTIONS

There were no related party transactions to disclosure in the year.

Accounts

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF
THE MIDDLE TEMPLE**

Charity registration number: 314246

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2020

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Contents

	<i>page</i>
Reference and Administrative details	2
Trustees' report	3 – 9
Statement of Trustees' Responsibilities	10
Independent auditor's report	11-13
Statement of Comprehensive Income	14
Statement of Financial Position	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 - 32

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Reference and Administrative details

Charity name:	The Charities Administered ICW The Honourable Society of the Middle Temple
Charity registration number:	314246
Principal office:	The Treasury, Middle Temple, London. EC4Y 9BT
Trustees:	The Right Hon. Sir Richard Arnold (Chair from 8 October 2019) Mrs. Marilynne Morgan, CB Rodney Stewart Smith The Right Hon. Lord David Lloyd-Jones (appointed 11 June 2019; resigned 31 December 2020) Jessica Simor, QC (from 1 January 2021) Araba Taylor, QC (from 1 January 2021) Bernard Richmond, QC (from 1 January 2021)
Secretary to the Trustees:	A. W. Hopkin, Esq. Director of Finance & Corporate Services The Honourable Society of the Middle Temple
Bankers:	The Royal Bank of Scotland, 62-63 Threadneedle Street, London. EC2R 8LA
Solicitors:	Lester Aldridge LLP, 1 King Street, London. EC2V 8AU
Auditors:	Haysmacintyre LLP, Queen Street Place, London. WC4R 1AG
Investment Managers:	Investec Wealth & Investment Limited, 30 Gresham Street, London. EC2V 7QN

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

TRUSTEES' REPORT

These Financial Statements have been prepared under the accounting policies detailed in Note 1 on page 15 of the accounts and comply with the Trust Deed, applicable law, and the requirements of the "Accounting and Reporting by Charities: Statement of Recommended Practice" (FRS102).

Objects and Activities for the public benefit

The Trustees confirm that they have considered the public benefit guidance available from the Charity Commission when reviewing the Trust Funds' aims and objectives and in planning future activities and setting scholarship making policy for the year.

The Trust Funds have been established to advance the education of intending practitioners at the Bar of England and Wales, through the award of scholarships.

The Trustees have established their scholarship policy to achieve the maximum public benefit. The Trustees firmly believe that a strong and independent Bar is a vital part of the Constitution for the following reasons:-

- (a) Members of the Bar will, through experience and training, be able to present cases to the Courts in an efficient and time-saving way;
- (b) They will, for the same reason, form a body of practitioners from which judicial appointments can be made;
- (c) They will be able fearlessly and publicly to challenge executive or other decisions at whatever level;
- (d) They will be able to represent a cause or individual however unpopular the cause or unattractive the individual may be.

The ultimate beneficiary of the Trust Funds' scholarship awards is the nation at large.

The Trust Funds carry out these objects by financing scholarships to individuals studying the Bar Professional Training Course (the 'BPTC') or the conversion course (the Graduate Diploma in Law or an equivalent), with the intention to undertake pupillage in England & Wales and commence in practice. The funds are provided from several Restricted Funds and Unrestricted Funds.

The Middle Temple Scholarship Fund was established in 2003 to further encourage donations from members of Middle Temple to fund future scholarship awards for the public benefit.

The aim of the Trustees is to ensure, wherever possible, a steady increase in the number and size of awards available, whilst maintaining the underlying value of the investments. The Trustees have delegated to the Scholarship & Prizes Sub-committee the task of making individual awards (both as to numbers and size) and to the Investment Sub-committee the proper investment of the Funds. One of the Trustees (historically, the Chair) is an *ex officio* member of the Investment Sub-committee and the Investment Manager's reports to the Sub-committee go to all the Trustees. The Middle Temple interviews every scholarship applicant, who must be a member of the Inn and have secured a place on the Bar Professional Training Course at one of ten institutions around the country. The deciding criterion for the award of a scholarship is an individual's merit. Scholarships are awarded with a view to maximising assistance to the more disadvantaged applicants; the quantum of any award is such that those applicants from poorer sections of the community receive a higher value scholarship and more help is available to a wider range of students.

THE CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

Details of how to apply for a scholarship are available on the Middle Temple website. <https://www.middletemple.org.uk/education-and-training/scholarships-and-prizes>

Achievements and Performance

Scholarships with a total value of £1,065k (2019: £1,258k) were awarded during the year, the majority of which were in the form of study awards. There is a total of £123k (2019: £245k) awards deferred, whilst some of the deferred awards from the previous years were given up. This is due to changes in the circumstances of the beneficiaries between the award of a scholarship (in the Spring of each year) and the commencement of the Bar course (in the Autumn). In most cases this is due to being unable to cover the full cost of studying and living costs. In fewer instances the need to defer is driven by unforeseen changes in their life circumstances. Grant recipients are allowed to defer for up to three years. The Education team of the Honourable Society of the Middle Temple administers the grants on behalf of the Trust Funds and keeps detailed records of any awards that are deferred. These deferred awards are reviewed on an annual basis to ascertain if the awards will eventually be paid or not.

The Trustees are aware of the materiality of deferred awards and the impact that holding cash that is not immediately required has on the Trust Funds' cash flow requirements. The Trustees are committed to continue monitoring this issue and to explore ways in which to better manage cash resources.

A further £1,469k was donated to The Middle Temple Scholarship Fund, bringing the total raised so far to £6,345k.

During 2020, the value of the investment portfolio increased to £16.2m and achieved a Total Return of 3.5% (net of fees) compared to a benchmark of -0.3%. The total portfolio value includes cash deposits of £102k (2019: £362k). Following the onset of the COVID-19 pandemic, the value of the portfolio decreased to £13.26 million at the end of March 2020. The value has subsequently recovered to just under £17.4 million as of 24 September 2021.

Since June 2004 (when Investec took over investment management services), the Total Return was 8.5% on an annualised basis, which compares favourably with the benchmark of 7.8%.

Further work is being carried out to facilitate measurement of the impact that the award of a scholarship has on a scholar. As the Trusts have been established to advance the education of intending practitioners at the Bar of England & Wales, it can be said that the Trust Funds' impact is considerable in providing financial support to students attending the BPTC or the GDL (or its equivalent): the award of a scholarship being contingent on securing a place at the appropriate course provider.

The Development Department keeps a record of professional student's progress, from the relevant starting point of the Access to the Bar Scheme or a Major Scholarship award to BPTC grades, date of Call to the Bar of England and Wales, pupillage, and tenancy. Scholars are encouraged to keep the Inn informed of all stages of their progress but are not obliged to do so. The Inn's new membership management system has improved the quality and accuracy of data held on its members. The implementation of the system has been challenging and it has not been possible to fully implement reliable tracking of an individual scholar's career progression. This is being addressed and the Inn's newly established Development Department will be working with the Education Department to improve impact measurement.

THE CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

The Inn has been successful in admitting a broad range of diverse individuals to membership of the Inn and is committed to continue its efforts to increase that diversity, particularly from individuals who would not otherwise consider a career at the Bar. The Inn has an 'outreach' capability as well as the tried and tested 'Access to the Bar' scheme, which offers bursaries to individuals to experience life at the Bar first-hand on a one-week placement. As a result of the recent Black Lives Matter movement, the Trustees reviewed the diversity of scholarship beneficiaries and remain committed to ensuring that diversity continues.

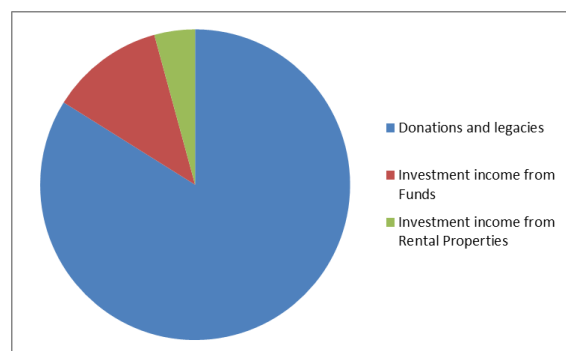
Financial Review

The Trust Funds are reliant upon a number of income streams:

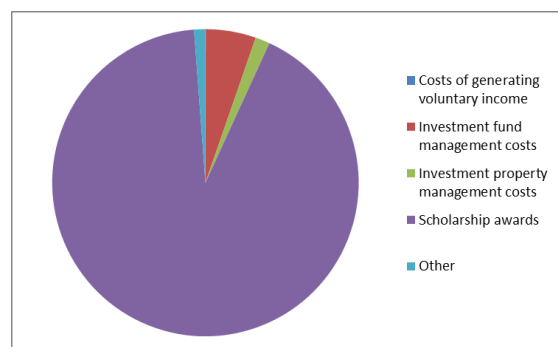
1. Income from the investment portfolio, which during the year amounted to £341k (2019: £487k);
2. Donations, which includes £660k (2019: £500k) from the Inn and £1,753k (2019: £111k) from external donors; and
3. Investment Properties income worth £122k (2019: £128k).

The majority of income was awarded in scholarships: £1,065k in 2020 (2019: £1,258k).

Income



Expenditure



Investment policy and performance

The investments are actively managed in accordance with the long-term objective of a balanced return within a medium risk profile, whilst continuing to hold a diversified portfolio. The annual Total Return performance of the portfolio since 2014 is shown in the table below.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

2014	5.0%
2015	3.3%
2016	14.4%
2017	11.9%
2018	-4.3%
2019	17.1%
2020	3.5%

During 2020, the return on the investment portfolio returned to positive territory from that in 2019. This results from active asset allocation and good stock selection on the part of the investment managers. The tactical position of being underweight in bonds was positive for the fund. The fund's bond investments continue to be biased towards shorter-dated and less volatile issues. Equity holdings performed well, also from tactical positioning. The returns on overseas equities were positive but were muted by the impact of currency movements, particularly sterling. The fund also benefited from its exposure to infrastructure assets, particularly in renewable energy.

Reserves policy

The Trustees hold reserves to ensure that every-day administration costs can be funded for a period of up to 12-months. They have considered if it would be prudent to hold reserves to finance one year's worth of scholarship awards but have concluded that this would tie-up too much cash within the Trusts.

However, the total Unrestricted Income funds held is disclosed as £5.38m (2019: £4.53m). This includes the total value of the Middle Temple Scholarship Fund. The Trustees have considered how best to use these funds to support beneficiaries. At their meeting in March 2021, the Trustees resolved to implement a drawdown policy for the unrestricted funds of an average of £300,000 per annum to support an increase in scholarship award funding to an average of 75% of the funding shortfall for scholars. The Trustees also resolved to review this position on a periodic basis.

How much to release is considered and agreed on an annual basis, at the time of setting up the annual budget. This discussion and decision-making process is also connected to the level of financial support that the Inn can provide, in the form of the annual grant to the Trust Funds. The Trustees continue to consider all this constrains in order to maximise public benefit whilst ensuring the medium- and long-term sustainability of the charity.

The investment portfolio is held for the longer term and is not available to pay for scholarships directly, given the restrictions on certain of the trusts that are held in the portfolio. Rather, that portfolio generates income to support annual scholarship awards. This income is drawn off from the portfolio and is supplemented by funding from the Inn.

It is hoped that the Inn's Development team will be able to generate new donations in the future, to build on those that have been received since the creation of the team in October 2019.

Plans for future periods

The free reserves of the Trust Funds remain at a minimum level; scholarships are generally equal to the value of the annual income generated and the donation from the Inn. Further growth in the value of scholarships will necessitate continued fundraising to generate a larger investment pool or an increase in the financial support provided by the Inn.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

The Trust Funds rely heavily on the generosity of the Inn for financial support to its scholarship awards. The Inn is entering a period where its financial resources will come under pressure. The Inn continues its commitment to ensuring that a combination of income sources from Investments and the annual grant from the Inn enable the Trust Funds to maintaining the existing levels of grant giving.

In September 2020, details of an extremely generous bequest from the estate of the late Master Pat Edwards, the former chair of the Scholarships & Prizes Committee, were received. The legacy was of benefit to the Middle Temple Scholarship Fund and to the Sir Paul Jenkins' Fund. £750k was received in 2020 for each fund. In 2021, further £787.5k was received for each of those two funds. This a remarkable gift that will make a very great difference to beneficiaries in the years to come.

Risk management

The major risks to which the charity is exposed, as identified by the Trustees, are reviewed annually and systems or procedures have been established to manage those risks. The Trustees have identified four categories of 'major risk': Governance, Operational, Financial, and Environmental. The risks identified as 'red', i.e. being the most serious that the Trusts face, are as follows: -

1. The loss of key staff employed by the Inn and who carry out the management of the Trusts on behalf of the Trustees. This is mitigated by the establishment of documented processes/procedures; in-house training of staff; and extended notice periods for senior staff in order to be able to source an appropriate replacement.
2. Dependency on income sources. The Inn very generously supports its Trust Funds with a substantial annual donation. The Inn is committed to its financial support, however, as noted above, the next years will be financially challenging for the Inn. The Inn intends to support the Trust Funds as fully as its resources will allow. In addition, the Inn has appointed a new Development Team, which has been in place since the Autumn of 2019. Its role will include to fundraise for the Trust Funds.
3. Lack of effective fundraising. The fundraising activities should be able to generate sufficient funds to justify the costs, particularly the employment costs, that are incurred by the Inn. This is relevant as the overall staff overhead of the Inn may have an impact on how much funds are available for the annual grant to the Trust Funds. The Trustees are aware of the fundraising strategy drawn up by the recently established Development Department and are updated on the fundraising initiatives taken. The Trustees are also aware that sustainable fundraising activity may require a certain amount of time to bear fruit.
4. The portfolio is managed with the long-term objective of a balanced return within a medium risk profile, although the income generated is maximised so as to minimise the grant from the Middle Temple to support the level of scholarships awarded. This risk is managed by limiting the discretionary powers of the professional investment managers and regular monitoring of their performance.

THE CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

Structure, Governance, and Management

The Charities Administered in connection with The Honourable Society of the Middle Temple (the "Trust Funds") represents a collection of diverse funds grouped together under a scheme approved by The Charity Commission on 3 September 1975 and is a charity registered in England & Wales, number 314246. On 24 July 2003, the Charity Commission confirmed the registration of The Middle Temple Scholarship Fund as a subsidiary of the original registration.

The Funds originally grouped together were: Alfred Harmsworth Memorial Fund, Middle Temple Benefactors' Fund, The Astbury Scholarship Fund, Chrystal Macmillan Memorial Fund, Middle Temple Colombos Trust, JB Montague Memorial Trust Fund, The Charity of Constantine John Colombos, Helena Normanton Prize, Robert Garraway Rice Pupillage Prizes, Middle Temple Archibald Safford Trust.

Subsequently, new Funds were established and included within the scheme. The new Funds are: Lord Justice Sachs Entrance Exhibition, Jules Thorn Fund, Lintern Award, The Joseph Jackson Memorial Fund, The Queen Mother's Scholarships & Awards Fund, The Middle Temple Scholarship Fund.

A Marshalling Bursaries/Access to the Bar Fund was added in 2010 and awards were made to students from 2011 onwards. A Readers' Essay Prize Fund was approved by resolution of the Trustees during 2012. The 'Readers' Essay Prize' was converted to the 'Readers' Scholarship' with effect from 4 February 2015. The underlying prize fund was also at this time reclassified as an Unrestricted Income Fund and subsumed within the Middle Temple Scholarship Fund, following approval of the change by the donor of the original fund. In 2016 the Mc Mullen restricted income fund was established. In 2018, after the untimely death of Sir Paul Jenkins, a restricted income fund was set up on his memory.

The Trustees are appointed by the Treasurer on behalf of the Benchers of the Inn. They meet at least twice each year and ensure that the policy objectives of each Fund are met in accordance with the individual schemes of administration. They also consider investment performance and risk management policies and procedures. Each year the Trustees' report and financial statements are published to the Inn and considered by its Finance & Resources Committee. Training is available for Trustees on an ongoing basis; professional advisers attend meetings and provide training on specific issues upon which the Trustees are required to make decisions, e.g., investment strategy, accounting changes, etc. Training also takes place upon the induction of new Trustees.

All Trustees give of their time freely and approve strategic and policy matters; day-to-day management is delegated to the relevant Inn's staff. These staff provide their services free to the Trust Funds. No Trustee remuneration was paid in the year. The selection of recipients for awards is delegated to the Scholarships & Prizes Sub-committee of the Inn. Training is undertaken for those members of the Sub-committee who sit on the Award Panels; these meet during Easter each year and interview all scholarship applicants.

The investments of the individual Trust Funds are pooled under a Charity Commission approved scheme. The management of the pool is delegated to the Investment Sub-committee of the Inn; one of the Trustees, generally the Chairman, is a member of this Sub-committee. The Sub-committee meets on a quarterly basis and considers the report on portfolio performance produced by the Investment Manager.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

In order to better co-ordinate the income generation and expenditure arms of the Trust Funds, the Inn's Director of Education Services (representing the scholarship awards activity) and the Associate Director of Development (representing fundraising activity) attend meetings of the Trustees.

COVID-19

The annual report and financial statements are approved during a period where there is a great deal of uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Trustee's response has been to implement its contingency planning arrangements for such circumstances.

Acting for the benefit of the Trust Funds, the Inn's Education department was able to organise the Scholarship interviews, which took place remotely and 2020 awards have been granted. The fluctuations in the value of the investment portfolio has been monitored closely. The Clapham properties are tenanted and managed by a third-party property company. Tenants have been given some flexibility to delay payments for rents, which they are now repaying in instalments. Given the impact of the pandemic on the economy, it is estimated that the fundraising targets for 2020 will not be met. The Inn's Development team continues to research potential donors and approach them where appropriate.

The ultimate impact of COVID-19 on the world, the United Kingdom, the economy (both global and national), and the Inn is yet to be seen with any measure of certainty. The response of HM Government to the pandemic has been unprecedented and is an indication of the extreme effects the outbreak will have on the domestic economy.

Through appropriate consideration of risks as part of its normal risk management processes and mitigating actions, both already taken and available to be taken, the Trustees consider that it is appropriate for the 'going concern' basis to be adopted for these financial statements.

The Trustees continues to monitor the operational landscape and its impact on assets and related income.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

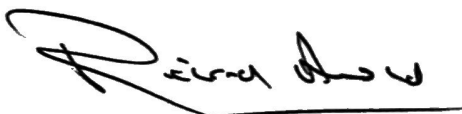
Charity law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 assume that the charity will continue on that basis.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with relevant law. The Trustees 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.

Approved by the Trustees on 4 October 2021, and signed on behalf of the Trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple by:



**The Right Hon. Sir Richard Arnold
Chair of Trustees**

THE CHARITIES ADMINISTERED ICW THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CHARITIES ADMINISTERED IN CONNECTION WITH THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE

Opinion

We have audited the financial statements of The Charities Administered ICW the Honourable Society of the Middle Temple for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 December 2020 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We 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. 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 [group/charity]'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept by the charity, or
- sufficient accounting records have not been kept; or
- the charity 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 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

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:

Based on our understanding of the charity and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

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 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.

Haysmacintyre LLP.

Haysmacintyre LLP
Statutory Auditors
Date: 28 October 2021

10 Queen Street Place
London
EC4R 1AG

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

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF FINANCIAL ACTIVITIES

<i>£000s</i>		<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	2020	2019
	<i>Notes</i>					
INCOME ON:						
Donations and legacies	2	1,468	934	10	2,412	611
Investment income from Funds		341	-	-	341	487
Investment income from Rental Properties		122	-	-	122	128
Total income		1,931	934	10	2,875	1,226
EXPENDITURE FROM:						
<i>Raising Funds</i>						
Costs of generating voluntary income		-	-	-	-	1
Investment fund management costs		61	-	-	61	67
Investment property management costs		16	-	-	16	40
<i>Charitable activities</i>						
Scholarship awards		1,054	11	-	1,065	1,258
<i>Other</i>						
		14	-	-	14	12
Total Expenditure		1,145	11	-	1,156	1,379
OPERATIONAL SURPLUS/(DEFICIT) BEFORE GAIN & LOSSES		786	923	10	1,719	(153)
Net gains/(losses) on investments						
<i>Gains on investment properties</i>		-	-	159	159	58
<i>Gains on investment assets</i>		68	-	174	242	1,963
		68	-	333	401	2,021
Net income		854	923	343	2,120	1,868
Transfers between funds		-	-	-	-	-
Net movements in Funds		854	923	343	2,120	1,868
Funds brought forward		4,532	156	14,559	19,247	17,377
Funds as 31 December 2020	11	5,386	1,079	14,902	21,367	19,247

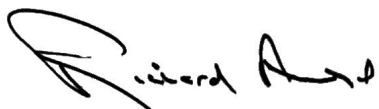
**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020**

<i>£000s</i>	<i>Notes</i>	<i>2020</i>	<i>2019</i>
FIXED ASSETS			
Investment property	8	3,339	3,180
Investments	8	<u>16,233</u>	<u>16,054</u>
		19,572	19,234
CURRENT ASSETS			
Debtors	9	28	46
Bank balances		<u>1,924</u>	<u>241</u>
		1,952	287
CREDITORS: Amounts falling due within one year	10	157	274
NET CURRENT ASSETS		<u>1,795</u>	<u>13</u>
NET ASSETS		<u>21,367</u>	<u>19,247</u>
FUNDS			
Unrestricted funds			
Unrestricted income funds	11	5,386	4,532
Endowment funds			
Capital endowment funds - property	11	3,339	3,180
Capital endowment funds - general		11,563	11,379
Restricted funds			
Restricted income funds	11	1,079	156
		<u>21,367</u>	<u>19,247</u>

The notes on pages 17 to 32 form part of these financial statements.

These financial statements were approved and authorised for issue by, and signed on behalf of, the Trustees:



The Right Hon. Sir Richard Arnold
4 October 2021

Trustee

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

**STATEMENT OF CASH FLOWS
31 DECEMBER 2020**

<i>£000s</i>		2020	2019
Cash flows from operating activities			
Net cash provided by (used in) operating activities	13	1,073	(2,632)
Cash flows from investing activities:			
Dividends, interest and rent from investments		463	615
Proceeds from sale of investments		2,284	822
Purchase of investments		(2,481)	(1,082)
Gains/(losses) on investments		83	1,904
Net cash provided by Investing activities		349	2,259
Change in cash and cash equivalents in the reporting period		1,422	(373)
Cash and cash equivalents at the beginning of the reporting period		604	975
Cash and cash equivalents at the end of the reporting period		2,026	604

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Notes to the Financial Statements

Note 1:

ACCOUNTING POLICIES

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charities Administered ICW The Honourable Society of the Middle Temple is a charity registered in England & Wales (charity registration number 314246) and meets the definition of a public benefit entity under FRS 102. The principal office is located at The Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a 'going concern' basis

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels, and future plans gives Trustees confidence that the charity remains a 'going concern' for the foreseeable future.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates, and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure, and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees have relied on the professional skill and judgment of third-party property valuation experts for the annual revaluation of the investment properties.

Income recognition

All income is recognised once the charity has entitlement to that income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies

Donations and gifts are included in full in the Statement of Comprehensive Income when the entitlement, probability of receipt, and the amount of income receivable can be measured reliably.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets. The services provided by the Trustees and accounting services provided by The Honourable Society of the Middle Temple are not included within the financial statements as their value is not easily quantifiable.

Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises fundraising cost, investment fund management costs, and investment property management costs.
- Expenditure on charitable activities comprises Scholarship Grants.
- Other expenditure represents audit costs.

The charity is not registered for VAT.

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs

The Honourable Society of the Middle Temple provides The Charities Administered ICW The Honourable Society of the Middle Temple with free administrative and support costs, including staff time. The Middle Temple Trust Funds has no employees.

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Comprehensive Income.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Comprehensive Income. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Comprehensive Income.

Investments – Stock and Shares

Quoted investments are stated at bid value at the balance sheet date and unquoted investments are stated at estimated market value. Any gain or loss made on the investments is taken to the Statement of Comprehensive Income.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Investments – Properties

Freehold land and buildings are treated as investment properties and are included in the financial statement at their latest valuation: no depreciation is provided on these assets. Increases in value over their historic cost will be included in the capital endowment funds-property reserve, whilst any decrease below historic cost will be charged to that fund. A professional revaluation is carried out annually.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Debtors

Short term debtors are measured at transaction value, less any impairment.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Endowment funds represent a number of significant historic funds previously received by the Inn from a number of benefactors. The policy for these funds is to use only the income generated each year on Scholarship Awards. The Trustees are aware of the need to retain these funds as assets, for the long term delivery of the charitable purposes. The Trustees will continue to preserve the capital of these endowment funds and if possible to increase their value for the long term.

Employee benefits

There are no employees.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 2:

DONATIONS AND LEGACIES

	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	2020 £000s
Middle Temple grant	660	-	-	660
Legacies	758	750	10	1,518
Donations				
<i>Gift Aid donations</i>	22	39	-	61
<i>Non-gift aid donations</i>	22	135	-	157
Total donations	<u>1,462</u>	<u>924</u>	<u>10</u>	<u>2,396</u>
Tax recovered	6	10	-	16
TOTAL VOLUNTARY INCOME	<u>1,468</u>	<u>934</u>	<u>10</u>	<u>2,412</u>
Prior Year	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	2019 £000s
Middle Temple grant	500	-	-	500
Legacies	2	-	-	2
Donations				
<i>Gift Aid donations</i>	34	20	-	53
<i>Non-gift aid donations</i>	26	11	6	42
Total donations	<u>562</u>	<u>30</u>	<u>6</u>	<u>598</u>
Tax recovered	8	5	-	13
TOTAL VOLUNTARY INCOME	<u>570</u>	<u>35</u>	<u>6</u>	<u>611</u>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 3:

ANALYSIS OF EXPENDITURE

	<i>Direct Costs Staff</i>	<i>Direct Costs Other</i>	<i>Grant Funding</i>	<i>Support Costs</i>	<i>2020 Total £000s</i>
Middle Temple Trust Funds	-	77	1,065	14	1,156
	<u>-</u>	<u>77</u>	<u>1,065</u>	<u>14</u>	<u>1,156</u>
Prior Year					
	<i>Direct Costs Staff</i>	<i>Direct Costs Other</i>	<i>Grant Funding</i>	<i>Support Costs</i>	<i>2019 Total £000s</i>
Middle Temple Trust Funds	-	109	1,258	12	1,379
	<u>-</u>	<u>109</u>	<u>1,258</u>	<u>12</u>	<u>1,379</u>

Note 4:

ANALYSIS OF SUPPORT COSTS

	<i>Governance</i>	<i>2020 £000s</i>	<i>2019 £000s</i>
Middle Temple Trust Funds	14	14	12
	<u>14</u>	<u>14</u>	<u>12</u>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 5:

OPERATING LEASE INCOME

The Middle Temple Trust Funds has leases in three investment properties. The leases are residential. During the year they generated annual income of £122k. The leases have a fixed term, of two or five years.

£000s

Not later than One year	135
Later than one year but not later than Five years; and	46
Later than five years	0

Note 6:

GOVERNANCE COSTS INCLUDED

	2020	2019
	£000s	£000s
Auditors remuneration:		
Audit work	14	12
	14	12

Note 7:

NET INCOME FOR THE YEAR

	2020	2019
	£000s	£000s
This is stated after charging/crediting		
Auditors remuneration	14	12

No expenses were reimbursed to the Trustees (2019: nil)

No Trustee received remuneration in the current or prior year

The Trustees are considered the key management of the charity, and are not remunerated for this role.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 8:

INVESTMENTS

	2020	2019
	£000s	£000s
Investment Property		
Market value at 1 January	3,180	3,122
Additions at cost	-	-
Unrealised gain on revaluation	159	58
Market value at 31 December	<u>3,339</u>	<u>3,180</u>
Investment Funds		
Market value at 1 January	15,692	13,468
Acquisitions/additions at cost	2,481	1,082
Proceeds of disposal	(2,284)	(822)
Net gains on disposals & revaluations	242	1,963
	<u>16,131</u>	<u>15,692</u>
Cash held in investment portfolio	102	362
Market value at 31 December	<u>16,233</u>	<u>16,054</u>

The following individual investment represent 5% or more of the aggregate value of the charity investments:

Baillie Gifford American	8.71%
Findlay Park Fds American	5.30%
Vanguard Funds	6.79%

	2020	2019
	£000s	£000s
Analysis of Investments		
Investment Property	3,339	3,180
Investment Fund	16,233	16,054
Total Investments	<u>19,572</u>	<u>19,234</u>

All investments in the Investment Fund are listed

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 9:

DEBTORS: amounts falling due within one year

	<i>2020</i> <i>£000s</i>	<i>2019</i> <i>£000s</i>
Tax recoverable	2	2
Investment income	26	44
TOTAL DEBTORS & PREPAYMENTS	<u>28</u>	<u>46</u>

Note 10:

CREDITORS: amounts falling due within one year

	<i>2020</i> <i>£000s</i>	<i>2019</i> <i>£000s</i>
Audit & taxation	14	13
Investment management fees	17	17
Middle Temple	3	-
Deferred scholarships	123	245
TOTAL CREDITORS: amounts falling due within one year	<u>157</u>	<u>275</u>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 11:

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	<i>Total £000s</i>
Investment property	-	-	3,339	3,339
Investments	4,670	-	11,563	16,233
Net current assets	716	1,079	-	1,795
	<u>5,386</u>	<u>1,079</u>	<u>14,902</u>	<u>21,367</u>

Prior Year

	<i>Unrestricted Income Funds</i>	<i>Restricted Income Funds</i>	<i>Endowed Funds</i>	<i>Total £000s</i>
Investment property	-	-	3,180	3,180
Investments	4,675	-	11,379	16,054
Net current assets	(143)	156	-	13
	<u>4,532</u>	<u>156</u>	<u>14,559</u>	<u>19,247</u>

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 12:

ANALYSIS OF FUNDS

	<i>Balance as at 1 January</i>	<i>New Capital</i>	<i>Transfers between Funds</i>	<i>Movement in property market value</i>	<i>Movement in market value</i>	<i>Balance as at 31 December</i>
ENDOWED FUNDS						
<i>£000's</i>						
Alfred Harmsworth Memorial Fund	1,087	-	-	-	13	1,100
The Astbury Scholarship Fund	1,247	-	-	-	15	1,262
Middle Temple Benefactors' Fund	8,442	10	-	159	100	8,711
Jules Thorn Fund	1,225	-	-	-	15	1,240
The Queen Mother Scholarships & Awards Fund	2,121	-	-	-	25	2,146
The Joseph Jackson Memorial Fund	437	-	-	-	6	443
TOTAL ENDOWED FUNDS	14,559	10	-	159	174	14,902

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

	Balance as at 1 January	Transfer between funds	New Capital	Middle Temple grant	Investment Income	Property Income	Net Incoming resources from Charitable Activities	Scholarship awards	Property Costs	Other Expenditure	Movement in market value	Balance as at 31 December
UNRESTRICTED INCOME FUNDS												
<i>£000's</i>												
<i>Alfred Harmsworth Memorial Fund</i>												
Scholarship Reserve Account	24	-	-	81	18	-	-	(129)	-	(4)	-	(10)
Benevolent Account	10	-	-	-	-	-	-	-	-	-	-	10
Total Alfred Harmsworth Memorial Fund	34	-	-	81	18	-	-	(129)	-	(4)	-	-
The Astbury Scholarship Fund	16	-	-	39	21	-	-	(71)	-	(5)	-	-
Middle Temple Benefactors' Fund	43	-	-	183	142	122	-	(441)	(18)	(31)	-	-
Jules Thorn Fund	7	-	-	44	21	-	-	(67)	-	(5)	-	-
The Queen Mother Scholarships & Awards Fund	29	-	-	99	36	-	-	(156)	-	(8)	-	-
The Joseph Jackson Memorial Fund	15	-	-	-	7	-	-	(2)	-	(2)	-	18
Middle Temple Scholarship Fund	4,388	-	809	214	96	-	-	(186)	-	(20)	69	5,369
TOTAL INCOME FUNDS	4,532	-	809	660	341	122	-	(1,053)	(18)	(75)	69	5,386

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

RESTRICTED INCOME FUNDS	<i>Balance as at 31 December</i>	<i>Transfer between funds</i>	<i>Incoming resources from generated funds</i>	<i>Other expenditure</i>	<i>Balance as at 31 December</i>
<i>£000's</i>					
Marshalling Bursaries/Access to the Bar Fund	35	-	3	(6)	32
Reader's Essay Prize Fund	15	-	-	-	15
J Mc Mullen	42	-	-	(5)	37
Sir Paul Jenkins Fund	64	-	758	-	822
Middle Temple Emergency Assistance Fund	-	-	173	-	173
TOTAL RESTRICTED FUNDS	156	-	934	(11)	1,079

All funds support the award of scholarships and grants. The purpose of the awards is to help with the costs of qualifying and practising as a barrister. These costs include: course fees to gain the required academic qualifications, living expenses whilst studying, the fees of joining the Inn and the fee to be Called to the Bar. Contributions also are made towards the cost of living during the year of pupillage. All unrestricted income is used for these types of expenditure. In terms of the Restricted Income Funds, the Marshalling Bursaries/Access to the Bar provides the opportunity for undergraduate students, from non-traditional backgrounds, to acquire work experience before deciding to undertake the training for the Bar. J Mc Mullen Fund is for the same purpose as the Access to the Bar, but only for female candidates. The Sir Paul Jenkins fund is to promote diversity in the Bar. The Readers Essay Prize also supports students in qualifying for the Bar.

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 12:

ANALYSIS OF FUNDS

COMPARATIVE ANALYSIS OF FUNDS 2019

	<i>Balance as at 1 January</i>	<i>New Capital</i>	<i>Transfers between Funds</i>	<i>Movement in property market value</i>	<i>Movement in market value</i>	<i>Balance as at 31 December</i>
ENDOWED FUNDS						
<i>£000's</i>						
Alfred Harmsworth Memorial Fund	981	-	-	-	106	1,087
The Astbury Scholarship Fund	1,126	-	-	-	121	1,247
Middle Temple Benefactors' Fund	7,562	6	-	60	814	8,442
Jules Thorn Fund	1,106	-	-	-	119	1,225
The Queen Mother Scholarships & Awards Fund	1,915	-	-	-	206	2,121
The Joseph Jackson Memorial Fund	394	-	-	-	42	436
TOTAL ENDOWED FUNDS	13,084	6	-	60	1,408	14,558

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

	Balance as at 1 January	Transfer between funds	New Capital	Middle Temple grant	Investment Income	Property Income	Net Incoming resources from Charitable Activities	Scholarship awards	Property Costs	Other Expenditure	Movement in market value	Balance as at 31 December
UNRESTRICTED INCOME FUNDS												
<i>£000's</i>												
<i>Alfred Harmsworth Memorial Fund</i>												
Scholarship Reserve Account	11	-	-	135	26	-	-	(143)	-	(4)	-	24
Benevolent Account	10	-	-	-	-	-	-	-	-	-	-	10
Total Alfred Harmsworth Memorial Fund	21	-	-	135	26	-	-	(143)	-	(4)	-	34
<i>The Astbury Scholarship Fund</i>												
Middle Temple Benefactors' Fund	21	-	-	87	30	-	-	(117)	-	(5)	-	16
Jules Thorn Fund	163	-	-	-	202	129	-	(376)	40	(33)	-	43
The Queen Mother Scholarships & Awards Fund	21	-	-	136	30	-	-	(175)	-	(5)	-	7
The Joseph Jackson Memorial Fund	37	-	-	104	51	-	-	(155)	-	(8)	-	29
Middle Temple Scholarship Fund	17	-	-	-	10	-	-	(11)	-	(2)	-	14
	3,876	-	60	38	138	-	-	(267)	-	(23)	554	4,388
TOTAL INCOME FUNDS	4,156	-	60	500	487	128	-	(1,244)	(40)	(80)	554	4,532

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

	<i>Balance as at 31 December</i>	<i>Transfer between funds</i>	<i>Incoming resources from generated funds</i>	<i>Other expenditure</i>	<i>Balance as at 31 December</i>
RESTRICTED INCOME FUNDS					
<i>£000's</i>					
Marshalling Bursaries/Access to the Bar Fund	35	-	16	(4)	34
Reader's Essay Prize Fund	15	-	8	(7)	21
J Mc Mullen	42	-	-	(5)	47
Sir Paul Jenkins Fund	64	-	35	-	35
TOTAL RESTRICTED FUNDS	156	-	59	(16)	137

Note 13:

**RECONCILIATION OF NET INCOME TO
NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020	2019
	<i>£000s</i>	<i>£000s</i>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,720	(153)
Adjustments for:		
(Gains)/losses on investments	(242)	(1,963)
Dividends, interest and rent from investments	(463)	(615)
(Increase)/decrease in debtors	19	12
(Decrease)/increase in creditors	(120)	29
Unrealised gain/(losses) on revaluation	159	59
Net cash provided by/ (used in) operating activities	1,073	(2,631)
	2020	2019
	<i>£000s</i>	<i>£000s</i>
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	1,924	241
Cash at investment managers	102	362
	2,026	603

**THE CHARITIES ADMINISTERED ICW
THE HONOURABLE SOCIETY OF THE MIDDLE TEMPLE
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**

Note 14:

RELATED PARTY TRANSACTIONS

There were no related party transactions to disclosure in the year.