

The Hulme Hall Trust Foundation
Financial Statements and Governors' Report
for the Year Ended 30 June 2023



The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

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The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Registered Charity Number 526647

Governors and Advisors

Governors:	Appointing Body	Term Commencement	Length of term
Richard Young Chairman	Co-optative member	19 October 2018	5 years
Susan Jee Treasurer	Hulme Trust Estates (Educational)	15 October 2022	3 years
Rt. Rev. Mark Davies Bishop of Middleton	Bishop of Manchester	12 March 2021	3 years
Canon Ian Gomersall	Bishop of Manchester	15 October 2022	3 years
Dr Gareth Hughes	University of Manchester	19 October 2021	3 years
Mike Mercer	Hulme Trust Estates (Educational)	19 October 2021	3 years

The Governors are appointed for a term of three years with the exception of Co-optative Governors who are appointed for a five-year term.

Clerk to the Governors: Jonathan Aldersley

Administrative address: Butcher & Barlow, 3 Royal Mews, Gadbrook Park, Northwich, CW9 7UD

Bankers: Unity Trust Bank plc, Nine Brindley Place, Birmingham B1 2HB

Investment Managers: Rathbone Investment Management Ltd, Port of Liverpool Building, Pier Head, Liverpool L31NW

Reporting Accountants: Harts, Westminster House, 10 Westminster Road, Macclesfield SK10 1BX

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Report of the Governors for the Year Ended 30 June 2023

The Governors are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and the relevant version of the 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).

Objectives and activities for the public benefit

The Hulme Hall Trust Foundation ("the Foundation") is governed by a Scheme dated 13 July 1964, approved by the Charity Commission and varied with their consent by the Scheme of 23 January 1976 as amended by Resolution dated 9 April 2008.

Hulme Hall is a hall of residence of the University of Manchester, located in the Victoria Park campus, and houses some 300 students. The hall has seven blocks, the oldest dating from 1907 and the latest added in 1967.

The Foundation is managed by six Governors of whom two are appointed by the Trustees of the charity known as Hulme Trust Estates (Educational), two are appointed by the Lord Bishop of Manchester, one by the University of Manchester and one co-optative member appointed by the other Governors.

The objectives of the Foundation are:

- a) The provision of assistance for higher education by means of grants to be awarded to students at the University of Manchester, including post-graduate and research students, and with preference for residents of Hulme Hall.
- b) The provision of benefits in connection with Hulme Hall (which includes the chapel and chaplaincy).

Hulme Hall Trust Foundation uses the investment income from a permanent endowment fund to further its charitable purposes through giving grants both to individuals and institutions. These awards take the form of supporting accommodation costs for students who otherwise might not be able to experience life in hall and also broader awards to individuals and institutions including the hall itself to help support the life of the hall and encourage the personal development of its residents.

The Trust Deed of the Foundation restricts the benefits to the students of Manchester University and gives preference to the residents of Hulme Hall. Nevertheless, the Governors have considered the Charity Commission's guidance on public benefit and borne it in mind when shaping and planning our activities. When considering a grant, no person or body is discriminated against, or held in prejudice by reason of gender, age, disability, faith or belief, gender identity, sexual orientation, status or ethnicity. Through the Warden, Senior Student, Tutors and JCR and publication of available grants we ensure that students understand that the support we provide is open to all based only on need.

The Governors meet as appropriate to decide on investment policy, to monitor the performance of the investment portfolio, to shape our activities for the year and to approve grants and awards. Governors actively seek feedback from beneficiaries and input from student leadership to ensure that the focus of awards stays relevant to changing needs.

New Governors are selected to ensure that the Foundation has a broad range and balance of expertise and skills. Potential new Governors are identified through consultation with advisers and other professional contacts. Where Governors are appointed by other parties, suggestions are made to the appointing body via the Clerk to Governors. Governors are encouraged to read the Charity Commission guidance 'The Essential Trustee' and where requested provided with training.

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Post Balance Sheet Events

During 2022/23 Governors considered the much reduced level of support required in recent years and recognised that activity was shrinking to solely providing bursaries through the Manchester University Widening Participation process. Reflecting on this, Governors concluded that the governance cost and volunteer time in continuing as a standalone Charity did not represent value for beneficiaries. After considering options Governors decided to approach Hulme Trust Estates (Educational), who also support students through Manchester University, to explore transferring the Foundation's assets with an agreement that Hulme Trust Estates (Educational) would continue to support students living in Hulme Hall. During the latter part of the financial year discussions progressed positively and the drafting of the legal agreements to achieve this took place. Since year-end, the legal agreements have progressed to final form and it is expected that Governors will approve them at the next meeting. Once these are agreed and Hulme Trust Estates (Educational) receive Charity Commission agreement to the change to their Trust deed we will, in an orderly fashion, settle the limited final expenses, transfer investment assets and remaining bank balances to Hulme Trust Estates (Educational) and then wind up the Foundation. Assets will transfer at the value they stand on the day of Transfer. No adjustments are made or required in these accounts in respect of this transaction as it is not yet finally agreed and dates of transfers are in the future and could not in any way be forecast. Further background is included in the Chairs report on page 4.

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Chairman's Report

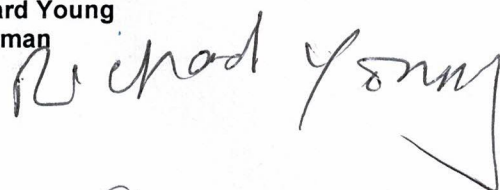
Our work in the Foundation has always been conducted in the belief that a university education is about much more than qualification and accommodation costs, it is about maturing as an adult and taking responsibility for the environment we live in. That is why we have always placed emphasis on both parts of our objectives as set out on page 2 of this report. The provision of accommodation grants (bursaries) satisfies the first part but equally important has been the funding of travel awards, rewarding contribution to hall life and funding elements of the social infrastructure of the hall. I noted in my report last year that over the last five or six years the more centralised management of halls of residence has made it harder to identify areas to support and covid has compounded this situation and that Governors were discussing our approach to providing benefits as per our objectives.

Whilst the demand and need for bursaries continues, it was clear to us that the other 'value added' support to Hulme Hall were no longer needed and that we could not identify any valuable other non- bursary activity. Bursaries are a very important part of meeting our charitable objectives but the governance cost of maintaining this sole activity through a standalone charity seemed to us not best value. In considering other options, we decided to approach Hulme Trust Estates (Educational) who also make grants through Manchester University and indeed are part of the Charity family from which we were formed.

Discussions have progressed very well with Hulme Trust Estates (educational). In March the Charity Commission were consulted and said they had no objection to the merger as long as both Charities had similar aims and both Governing bodies took legal advice, which confirmed that. At the time of writing, we have two legal agreements in final draft stage to enact the merger. The first is a Transfer Agreement which, in addition to normal legal requirements, sets out very clearly how the proportion of the post-merger income of the merged entity from our transferred funds will be determined in order to pay to Manchester University and an Ongoing Support Agreement which commits the University to using those payments for bursaries on the same basis as we currently do.

As Chair, I am very proud of the support we have provided over many years both to supporting the enrichment of the living in hall experience for many students and providing bursaries to students who otherwise may not be able to afford to reside in hall at all. I am equally proud of the decision we have taken to try to merge and ultimately wind up the Foundation to ensure reduce the cost of administering the benefits.

Richard Young
Chairman



Date:

17 February 2024

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Report of the Governors for the Year Ended 30 June 2023 Activities, Achievements and Performance

Grants totalling £26,200 were made during the year (2022: £28,412). See note 4

- Accommodation grants amounting to £26,200 were made to four students in the year, these were full bursaries made in conjunction with the University of Manchester's Widening Participation Scheme. These awards give students from challenging socio-economic backgrounds an opportunity to benefit from residential university life by funding their first year's hall fees. Feedback from previous beneficiaries continues to emphasise the significance of these awards to both academic and personal development.
- There were no requests for funds to enhance the Hulme Hall social environment, travel, contribution or other awards in 2022/23.

Financial Review

The charity is 'permanently endowed' which means that Governors can use the interest or other investment income (the Income Fund) to make grants or awards but cannot spend the Permanent Endowment fund itself. The Foundation's work is mainly but not entirely reliant on the investment returns from the Permanent Endowment Fund. This income is added to the Income Fund from which grants are made and governance expenses paid.

Income Fund,

Investment income was at the high end of our expected range in 2022/3 at £43,325 which is higher than last year (2022: £37,727). The details of both income and expenditure are set out in the Statement of Financial Activities on page 10. Take-up of bursaries was less than we had budgeted, there were no travel awards or expenditure requests from the hall, and so our income exceeded expenditure by £9,112. Undistributed reserves are held in bank deposit balances, and stand at £78,040. This reserve remains in excess of our minimum reserve.

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Permanent Endowment Fund

The value of the Permanent Endowment Fund at 30 June 2023 stands at £1,352,930 (2022: £1,377,996). The valuation of non-cash investments at 30 June 2023 represents 126% of historical cost (2022: 128%). The mark-to-market valuation of the portfolio of assets at 30 June 2023 created an unrealised loss of £27,962 (2022: £140,328 loss). In the normal course of Rathbones management of our portfolio, trading generated a gain of £10,209 (2022: loss £890).

Investment policy and performance

The policy objective is to preserve and if possible increase the value of the investment assets in real terms whilst allowing an annual withdrawal of income to support the activities of the Foundation. The policy objective seeks to maintain the longer-term purchasing power of returns by creating a more sustainable return over the medium to long term. The policy includes a detailed Statement of Investment Policy and a Strategic Asset Allocation for the investment portfolio. The policy as agreed by Trustees is implemented by our investment managers (whose investment results are reported in Note 5 to the Accounts).

In 2019/20 the strategy of the investment portfolio was adjusted following discussion between the Trustees and our Investment Adviser, Rathbone Investment Management, and considered the financial position of the charity, its long term investment horizon, endowed capital status and risk tolerance alongside the current economic and investment circumstances (notably the low interest environment) to review how best to invest to further the objectives of the charity. The conclusion to these discussions was to marginally increase the risk profile and thus the allowable range of equity investments to enhance returns over the medium to long term. The benchmarks used were also amended to ensure a continued appropriateness of performance measurement. The Investment Policy Review was approved by Trustees in March 2020.

Total Return for 2022/23 was:

Hulme Hall	1.8%
<i>Benchmarks:</i>	
MSCI PIMFA Growth	7.1%
ARC Charity Equity Risk	4.1%

Markets have been volatile over the year to 30th June, with inflation and associated interest rate rises remaining the dominant theme in markets. Against a backdrop of recovering supply chains, rising energy and food prices and a tight labour market, inflation in the UK peaked at around 11% in October last year. This came in the aftermath of the September mini budget, when Liz Truss' proposals to impose c£45bn of unfunded tax cuts were met with a global backlash which spooked markets. Inflation has remained sticky throughout the year, although we are starting to see some signs of inflation easing with the labour market key in this respect.

While the capital value of the portfolio has been impacted by these macroeconomic factors and events, the income generated over the last 12 months grew by 12% compared to the previous year.

Against this backdrop, the portfolio allocation to equities (overweight UK and underweight Overseas) has weighed on relative performance. In addition, the defensive tilt of the portfolio in light of the macroeconomic challenges and outlook has weighed on a relative basis as markets have been surprisingly resilient in the face of them. Additionally, it is worth noting that in the USA, the market gain year to date was driven by a narrow cohort of stocks (the 'magnificent 7' tech stocks – Apple, Amazon, Google, Tesla, Nvidia, Microsoft, Meta). While we have exposure to some of these names, and others associated to their themes, their weight in the index is not prudent to fully replicate from a risk management perspective (too concentrated). Indeed, the Nasdaq index has been reweighted in recognition that these have become too large a component.

Looking ahead, we are still likely to experience a slowdown/shallow recession and so maintain a defensive tilt but have balanced this with some exposure to structural growth themes and will adjust positioning accordingly as events unfold.

Investment Management charges are allocated 25% to Income and 75% to the Endowment Fund.

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Distribution and Reserves Policy

The income from the Permanent Endowment Fund is distributed to appropriate grant applicants throughout the year after proper scrutiny of their applications. Whilst it is not the policy of the Governors to accumulate income for its own sake, we are mindful of the importance of having funds available to deal with the unplanned situations in which students find themselves from time to time. Via the warden, senior student, tutors, posters and social networking sites we ensure that students are informed of the availability of our grants and awards.

In setting the budget for each year's awards, Governors consider carefully the objectives of the charity, views from the student body (via the Senior Student, Tutors and the Warden) and the chaplaincy.

Governors reviewed the Reserves Policy in 2019/20 and agreed a revised policy in March 2020. The review confirmed that the principles of ensuring that any unexpected cases of need can be accommodated and that the Foundation could maintain activity in the event of any temporary short-term reduction in investment income remained appropriate. We also confirmed the Reserve should be set so that a normal level of activity could be preserved for a year in a 'stressed' scenario of a one year 50% drop in income, albeit this is considered to be a cautious assumption. The University has indicated that it will no longer support the previous pattern of invoicing towards the end of the year and expects payments in stages through the year. A more detailed cash flow analysis was reviewed and as a result, it was agreed that the minimum reserve was set to be at or around £25,000. An internally earmarked internal income reserve of £8,000 was previously held to ensure capability to fund one off projects or exceptional hardship cases, given the lack of any such demands in recent years and the high level of available funds in excess of the Minimum Reserve this internal earmarking has been released.

Risks

The Governors review risks and have incorporated measures that they consider appropriate into the instructions given to their professional advisers. The primary risk is clearly investment risk, which is addressed by using professional investment managers, adopting a balanced strategy giving equal weight to capital preservation and stable income generation, being cautious in the assessment of future income streams and never committing expenditure in advance of income.

First year accommodation awards are made mainly via the University of Manchester Widening Participation Scheme and are thus subject to their structured application process. Grants other than these accommodation bursaries are considered only after a detailed review by the Warden of Hulme Hall and the Treasurer and in accordance with an agreed framework approved by Governors.

Statement of Governors' Responsibilities in Respect of the Accounts

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

Charity Law requires the Governors to prepare separate financial statements for each financial year, which give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources for the year.

In preparing these financial statements, Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- 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 presume that the Foundation will continue in operation.

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 2011 and provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware at the time that the report is approved:

- there is no relevant accounting information of which the Foundation's Reporting Accountants are unaware and
- the Governors have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the Reporting Accountants are aware of that information.

Approved by Governors on
and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Richard Young', written over a dotted line.

Richard Young
Chairman

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Independent Examiners Report to the Governors of The Hulme Hall Trust Foundation

(A Trust and a Registered Charity) Registered Charity Number 526647

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 June 2023 which are set out on pages 9 to 16.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

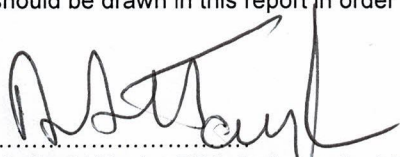
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the accounts do not accord with those records ; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr David Taylor FCA (Independent Examiner)
Harts Limited
Westminster House
10 Westminster Rd
Macclesfield
Cheshire
SK10 1BX

Date: 17.2.2024

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Statement of Financial Activities – for the Year Ended 30 June 2023

	Note	Unrestricted Accumulated Income Fund	Restricted Permanent Endowment	Total Funds 2023	Total Funds 2022
		£	£	£	£
Income and endowments from:					
Donations and legacies: University of Manchester		1,400	-	1,400	1,400
Investment income	3	<u>43,325</u>	-	<u>43,325</u>	<u>37,727</u>
Total		44,725	-	44,725	39,127
Expenditure on:					
<i>Raising Funds</i>					
Investment Management charges		<u>2,437</u>	<u>7,313</u>	<u>9,750</u>	<u>10,877</u>
<i>Charitable Activities:</i>					
Accommodation grants		33,176	-	33,176	29,928
Contribution to hall & community		-	-	-	352
Travel and Conference		-	-	-	-
Chaplaincy		-	-	-	1,452
Amenities, equipment and hall activities		-	-	-	-
Cost of Grant making	4	<u>33,176</u>	-	<u>33,176</u>	<u>31,732</u>
Total Expenditure		<u>35,613</u>	<u>7,313</u>	<u>42,926</u>	<u>42,609</u>
Net Income/expenditure and net movement of funds before gains and losses on investments		9,112	(7,313)	1,799	(3,482)
Other recognised gains and losses:					
Realised gains on investments		-	10,209	10,209	(890)
Unrealised gains on investments		-	<u>(27,962)</u>	<u>(27,962)</u>	<u>(140,328)</u>
Net movement in funds		<u>9,112</u>	<u>(25,066)</u>	<u>(15,954)</u>	<u>(144,700)</u>
Reconciliation of Funds					
Total Funds brought forward		<u>68,928</u>	<u>1,377,996</u>	<u>1,446,924</u>	<u>1,591,624</u>
Total Funds carried forward		<u>78,040</u>	<u>1,352,930</u>	<u>1,430,970</u>	<u>1,446,924</u>

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Balance Sheet as at 30 June 2023

	Notes	Unrestricted Accumulated Income Fund £	Restricted Permanent Endowment £	Total Funds 2023 £	Total Funds 2022 £
Investments	5	-	<u>1,347,626</u>	<u>1,347,626</u>	<u>1,375,179</u>
Current Assets					
Debtors	6	-	-	-	-
Cash at Bank and in hand	6	92,639	-	92,639	77,450
Due from Income to Permanent Fund		(7,729)	7,729	-	-
<i>Total current assets</i>		<u>84,910</u>	<u>7,729</u>	<u>92,639</u>	<u>77,450</u>
Liabilities					
Creditors falling due within one year	6	<u>(6,870)</u>	<u>(2,425)</u>	<u>(9,295)</u>	<u>(5,705)</u>
<i>Net Current Assets</i>		78,040	5,304	83,344	71,745
Total Assets less Current Liabilities		<u>78,040</u>	<u>1,352,930</u>	<u>1,430,970</u>	<u>1,446,924</u>
Total net assets		<u>78,040</u>	<u>1,352,930</u>	<u>1,430,970</u>	<u>1,446,924</u>
The funds of the Charity					
Unrestricted Income Fund	7	78,040	-	78,040	68,928
Permanent Endowment Fund	7	-	1,352,930	1,352,930	1,377,996
Total Charity Funds		<u>78,040</u>	<u>1,352,930</u>	<u>1,430,970</u>	<u>1,446,924</u>

Approved by the Board of Governors

Richard Young - Chairman

Richard Young
Date: 17 February 2024

Susan Jee - Treasurer

Susan Jee
Date: 17 February 2024

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Notes to the Financial Statements

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, and UK Generally Accepted Accounting Practice. The Charity has taken advantage of the available exemption as a small charity from preparing a cash flow statement.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity is a public benefit entity as defined by FRS102.

The Trustees of the Charity have reviewed the level and nature of investments held by the Charity which is a Permanent Endowment Fund. The Charity is a grant making charity and the number and size of grants approved in any particular year is determined by the investment return available in that year. No significant future grants are committed and Trustees are able to reduce grants offered should there be a reduction on the return earned by investments. The Trustees therefore consider it appropriate to prepare the financial statements on the going concern basis.

b) Income recognition

All income is recognised once the Charity has entitlement to the income, when it is probable that the income will be received and the amount of income receivable can be measured reliably. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Income from the investment portfolio is recognised when it is credited to our Income account with Rathbones whether or not it has been paid over to the Charity.

c) Expenditure recognition

1. Cost of Raising Funds

This records direct expenditure on the management of investments. Investment management expenses are charged across both funds to recognise the cost to both income and capital.

2. Cost of Charitable Activities

2.1 Grants Payable

Grants payable are payments made to third parties in the furtherance of the Charity's objectives. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant awarded. The notification gives the recipient a reasonable expectation that they will receive grant. The Charity does not award multi-year grants. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity. Provisions for grants are made

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Notes to the Financial Statements (cont.)

when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

2.2 Governance and Support Costs

Costs of governance are set out in the detailed notes to the accounts and have been allocated against each of the Charity's objects pro-rata to value. The Charity does not incur any support costs.

d) VAT

Transactions are shown gross of any irrecoverable VAT.

e) Taxation

The Trustees consider that requirements for the exemption from taxation set out in the Income and Corporation Taxes Act 2007 are met and, therefore, no provision is made for taxation.

f) Funds structure

The Charity has a single Permanent Endowment Fund. The income from this fund, after payment of costs, charges and expenses, is paid into the Unrestricted Income Fund.

The Unrestricted Income Fund comprises those funds which are available for Trustees to use for any purpose in furtherance of the charitable objects, subject to the Trustees' policy on maintaining reserves for the day to day running of the Charities.

Further details of each fund is set out in note 7 to the accounts

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h) Fixed Asset investments

The Charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net realised and unrealised gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

i) Current Asset investments

Current asset investments include cash and cash equivalents invested on a short-term basis with a maturity of twelve months or less from the date of acquisition. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of financial activities.

j) Cash at bank and in hand

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

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Notes to the Financial Statements (cont.)

k) 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 the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Related party transactions and trustees' expenses and remuneration

All Governors give their time voluntarily and receive no remuneration of any form nor have any of their expenses been reimbursed other than the reimbursement of actual expenditure they have incurred for, and as an agent of, the Foundation.

The Charity is a small Charity and does not have debit or credit cards or any other ability to purchase items other than direct payment of invoices. Sometimes this is not logistically practical or cost effective. In such circumstances, a Trustee may purchase pre agreed items on behalf of the charity and upon production of invoices, receipts and other evidence be reimbursed for this expenditure. In the year ended June 2023 there were no reimbursements to any of the Trustees as they did not incur any expenditure on behalf of the Trust.

Each year the Trustees agree a specific budget for general expenditure on amenities, social activities and peripheral kit and equipment for the benefit of the Hall and its residents. This both sets a financial limit and defines the framework for the nature of the items which the Foundation is prepared to fund. Similarly, the Trustees agree a budget for grants to residents for their contribution to the community, this also sets a financial limit and a framework for the nature of contributions which should be rewarded. Some of this expenditure is invoiced to, and paid directly by the Foundation but this is not always practical. Where this is the case and the Treasurer agrees that the proposed expenditure cannot be dealt with directly, after checking that the proposal is within the agreed budget and is appropriate, a Trustee will be requested to incur the expenditure on behalf of the Charity and claim the reimbursement. There were no such payments in the year.

3. Investment Income

	30 June 2023	30 June 2022
	£	£
Dividends-equities	37,651	35,607
Interest-fixed interest securities	3,873	2,028
Interest on cash deposits	<u>1,801</u>	<u>92</u>
	<u>43,325</u>	<u>37,727</u>

4. Analysis of Grants and Allocation of Governance Costs

Governance costs:

	30 June 2023	30 June 2022
	£	£
Independent Examiner's fee	904	848
Clerk's fee	2,400	2,400
Legal fees re merger	<u>3,600</u>	<u>-</u>
	<u>6,904</u>	<u>3,248</u>

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Notes to the Financial Statements (cont.)

The Charity does not incur support costs. Governance costs are met entirely from the unrestricted income fund. The Charity undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activity as set out below. All grants were paid from the Unrestricted Income Fund. Governance costs are allocated across activities based on the funds granted as shown in the table below

Analysis of charitable expenditure:

	Grant funded activity	Governance costs	Bank Charges	Total 2023	Total 2022
	£	£	£	£	£
Grants to individuals					
-Accommodation	26,200	6,904	72	33,176	29,928
-Travel & Conference	-	-	-	-	-
-Contribution to hall community	-	-	-	-	352
<i>Total to individuals</i>	<i>26,200</i>	<i>6,904</i>	<i>72</i>	<i>33,176</i>	<i>30,280</i>
Grants to institutions					
-St Chrysostom's Chaplaincy	-	-	-	-	1,452
-Hulme Hall: amenities, equipment and activities	-	-	-	-	-
<i>Total to institutions</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total	26,200	6,904	72	33,176	31,732

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

5. Fixed Asset Investments

Permanent Endowment Fund	30 June 2023 £	30 June 2022 £
Brought forward at 1 July 2022		
Cost	1,056,083	1,069,323
Add unrealised gains/ losses	<u>298,227</u>	<u>438,555</u>
Market value at 1 July 2023	<u>1,354,310</u>	<u>1,507,878</u>
Changes in year		
Additions to investments at cost	205,988	179,411
Disposals at carrying value	(211,630)	(192,651)
Add net unrealised gain/loss on revaluation	<u>(27,962)</u>	<u>(140,328)</u>
Net change	<u>(33,604)</u>	<u>(153,568)</u>
At 30 June 2023 Closing balance at cost	1,050,438	1,056,083
Unrealised gains/losses	<u>270,265</u>	<u>298,227</u>
Market value as at 30 June 2023	<u>1,320,706</u>	<u>1,354,310</u>
Investments at fair value comprised:		
UK Equities & Equity Funds	448,082	496,395
Global (exc. UK) Equities & Equity Funds	616,764	601,210
Fixed Interest (gilts) & Fixed Interest Funds	44,844	37,980
Alternatives	<u>211,016</u>	<u>218,725</u>
	<u>1,320,706</u>	<u>1,354,310</u>
Cash held within the investment portfolio	<u>26,920</u>	<u>20,869</u>
Total	<u>1,347,626</u>	<u>1,375,179</u>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The difference in the portfolio valued at mid and bid prices is considered to be immaterial. Asset sales and purchases are recognised at the date of the trade at cost.

The Charity manages investment risks by retaining a professional and reputable investment manager and operating a well-diversified investment strategy. The Charity does not make use of derivatives and similar complex financial instruments.

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance section of the Trustees' Annual Report.

6. Analysis of Current Assets & Liabilities

Current assets	30 June 2023 £	30 June 2022 £
Cash at bank	91,724	75,996
Cash in the income account with investment manager	<u>915</u>	<u>1,544</u>
Total	<u>92,639</u>	<u>77,450</u>

The Hulme Hall Trust Foundation

Financial Statements for the Year Ended 30 June 2023

Creditors	30 June 2023	30 June 2022
	£	£
Independent Examiners fee	870	830
Investment Managers fee	2,425	2,475
Legal Costs re Merger	3,600	-
Clerk's fee	<u>2,400</u>	<u>2,400</u>
Total	<u>9,295</u>	<u>5,705</u>

7. Funds

The Permanent Endowment Fund is a restricted fund as defined by the Trust Deed. Its purpose is to ensure that a suitable income stream is available to finance the on-going work of the Charity. It is represented by a portfolio of investments, which are managed by Rathbone Investment Management Ltd who have been given discretionary powers to acquire and dispose of investments within the policy set by the Governors. That policy has been explained in the Governors' report on page 5.

The Income Fund is an unrestricted fund, available to the Governors for distribution in accordance with the Trust Deed. This states that the Governors shall award Exhibitions and make grants to students of the University of Manchester in accordance with such rules as the Governors shall decide. Income may also be applied in the provision of benefits in connection with Hulme Hall, and the provision and maintenance of a Chaplaincy for the advancement of religion, provision of religious instruction and the pastoral care of students and staff of the University of Manchester.

Reconciliation of Funds

	Balance at 1 July 2022	Incoming Resources	Resources Expended	Investment Gains (Losses)	Balance at 30 June 2023
	£	£	£	£	£
Unrestricted Income Fund	68,928	44,725	(35,613)	-	78,040
Restricted Permanent Endowment	1,377,996	-	(7,313)	(17,753)	1,352,930
Total Funds	1,446,924	44,725	(42,926)	(17,753)	1,430,970

8. Grant and Other Commitments

The Charity sets a budget each year based on the expected income and the level and type of awards it would like to make. The Charity makes no binding commitments in advance of cash availability and income receipt and only very rarely does the charity consider any binding commitment which relates to a future year.

At 30 June 2023 there had been no offers made for 2023/24 full or partial bursaries but the University of Manchester had been advised that 5 bursaries were budgeted for that year.