

HULME TRUST ESTATES (EDUCATIONAL)

England & Wales · Charity number 532297

Details

Other names	HULME TRUST ESTATES (EDUCATIONAL) FOUNDATION, WILLIAM HULME GRAMMAR SCHOOL MANCHESTER
Status	Registered
Legal form	Other
Registered	1964-10-20
Register	View on the Charity Commission register

Contact

Address Butcher & Barlow LLP
3 Royal Mews
Gadbrook Park
Rudheath
Northwich
CW9 7UD

Phone 01606334309

Activities

Objects: AFTER EXPENSES 12% OF REMAINING INCOME TO THE GOVERNORS OF WILLIAM HULME'S GRAMMAR SCHOOL FOUNDATION. (510668) TO BE APPLIED IN ACCORDANCE WITH CLAUSES 52 TO 59 OF THE SCHEME DATED 26 OCTOBER 1979. THE RESIDUE TO BE PAID TO VARIOUS CHARITABLE INSTITUTIONS IN ACCORDANCE WITH CLAUSES 23 (2) (A) TO (D) OF SCHEME DATED 26 OCTOBER 1979.

Activities: The Charity is governed by a 1979 Scheme approved by the Charity Commissioners. Under the scheme there are named beneficiaries to receive fixed, non-discretionary percentages of income. A small percentage of income is distributed by the Schools Committee. These distributions are discretionary to Charities specified in the Charity Commission Scheme.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Lancashire
- Manchester City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£233,948	£467,582	-	-
2023-12-31	£256,291	£453,203	-	-
2022-12-31	£233,226	£419,016	-	-
2021-12-31	£203,954	£409,401	-	-
2020-12-31	£218,738	£394,172	-	-

Trustees

Name	Role	Appointed
THOMAS ANDREW HOYLE	Chair	
Andrew Marshall		2025-03-20
IAN RANKIN		2011-06-07
Michael Smith		2021-09-14
Philip Christopher Liam Parker		2011-06-07
Sarah Newman		2020-03-25

Accounts

Registered Charity No. 532297

HULME TRUST ESTATES (EDUCATIONAL)
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 2024

HULME TRUST ESTATES (EDUCATIONAL)

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HULME TRUST ESTATES (EDUCATIONAL)

Registered Charity No. 532297

Charity Information **for the year ended 31st December 2024**

Trustees:	<u>Appointing body</u>	<u>Term</u> <u>Commencement</u>	<u>Length</u> <u>of</u> <u>Term</u>
T A Hoyle – Chairman	Hulme Trustees	23 March 2023	4 years
I Rankin - Treasurer	Manchester Grammar School	20 September 2022	4 years
P Parker	Brasenose College	3 November 2022	4 years
N Wightman	Brasenose College	22 March 2022	4 years
S Newman	Hulme Trustees	20 March 2024	4 years
M Smith	Hulme Trustees	14 September 2021	4 years
S Gauge	Bury Grammar School	24 March 2022	3 years
A Marshall	Hulme Grammar School	20 March 2025	3 years

Secretary & Legal Advisor
J Aldersley

Correspondence Address
Butcher & Barlow
3 Royal Mews
Gadbrook Park
Northwich
CW9 7UD

Bankers
Unity Trust Bank Plc

Agricultural Property Managers
The Brown Rural Partnership
29 Church Street
Macclesfield
Cheshire
SK11 6LB

Investment Managers
Cazenove Capital
1 London Wall Place
London. EC2Y 5AU

Saltus Asset Management
22-23 Old Burlington Street
London. W1S 2JJ

Auditors
DJH Audit Limited
Bridge House
Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

Reporting Accountants
Harts Ltd
Chartered Accountants
Westminster House
10 Westminster Road
Macclesfield
Cheshire SK10 1BX

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2024**

The Trustees present their annual report and financial statements of Hulme Trust Estates (Educational) ('the Charity') for the year ended 31st December 2024. 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 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).

Objectives and activities

Charitable objects and Public Benefit Statement

The object of the Charity is the promotion of education.

The Charity does not actively fundraise, and is required to make distributions, after deducting expenses arising from the Charity's property, administration and management, to the beneficiaries named and in the proportion laid out in the Charity Commission Scheme governing the Charity. These are shown on page 18. The trustees have had regard to the Charity Commission's guidance on public benefit.

All beneficiaries are educational establishments, all of which are registered charities.

Achievements and performance

Following approval by the Charity Commission, the Charity's investment strategy is a total return approach to the investments of the total value of the endowment (the 'Total Endowment' or 'Fund').

In accordance with the Order, the Trustees confirm that:

- In identifying the value of the portion of the Total Endowment that represents distributable funds (the 'Expendable Endowment'), the Trustees first identified the value of the Permanent Endowment at 24 December 1980 (the earliest practical date), and
- The Expendable Endowment represents the difference between the Total Endowment and the Permanent Endowment, with the latter adjusted for inflation. When determining the annual distribution to beneficiaries out of the Expendable Endowment the Trustees have considered the long term sustainability of such a level of distribution, and
- When reaching their decision as to the level of distribution, the Trustees have taken advice from their investment advisers regarding the market outlook, investment trends and the prospects for growth in the value of the Fund..

The Investments Advisors are instructed to invest to maximise the total return on the non-agricultural permanent endowment investments, within the constraints of a long term investment strategy. The Trustees agree target asset allocations and seeks a return of inflation + 2.5%.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2024**

Financial review

The Charity is reliant on the Total Endowment which hold a diversified range of assets, mainly quoted equities but also agricultural properties and other assets. The return in 2024 before adjusting for distributions to beneficiaries was 5.32% (2023 – 2.78%). As inflation rates began to fall back in 2024, central banks were able to cut interest rates, which led to a strong rally in equity markets, led by the share prices of very large US technology companies

The Trustees have made an interim distribution of £190,000 (2023 - £180,000), and proposed a second distribution of £200,000 (2023 - £190,000) to maintain their principle of distributing approximately 2.5% of the average value of the Total Endowment over the last 5 years. At 31st December 2024 this average was £15,415,213 (2023 - £15,132,129).

Equity markets began 2025 strongly then fell back, particularly in the US, as fears about the economic and financial policies being pursued by the new Trump administration, but have since rallied again.

Reserves and Distribution Policy

The Trustees pursue an investment strategy which aims at least to maintain the real value of the Total Endowment as measured against movements in the retail price index, while maintaining the level of distributions at approximately 2.5% each year of the trailing average value of the Fund over the past 5 years. This may be increased up to 3% by the Trustees.

As at 31st December 2024 the value of the Fund was £16,204,419 (2023 - £15,523,452). The value of the Permanent Endowment was £11,756,332 and the value of the Expendable Endowment was £4,448,087. Further explanations are given in the notes to the financial statements on pages 15 and 18.

Future Plans

The Trustees are pleased to have been able in 2024 both to increase the distribution paid to beneficiaries and grow the value of the Fund.

The non-property assets of the Charity are managed by two Investment Managers. Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the Total Endowment, the Trustees do not intend to make any significant change to the investment strategy pursued by the Charity.

Structure, Governance and Management

The Charity is a registered charity, number 532297 and is governed by a scheme approved by the Charity Commissioners dated 26 October 1979. On 6 May 2010, the Charity Commission approved the Trustees' plan to adopt a policy of Total Return with effect from 1 January 2011. The board of trustees has delegated the day to day responsibility to the Clerk to the Trustees who is a practising solicitor with the firm of Butcher & Barlow LLP.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2024**

Recruitment and appointment of Trustees

There are seven Trustees, three appointed by the Trustees of the Estate of William Hulme, two by the Principal and Fellows of Brasenose College, Oxford, one by the Council of the University of Manchester and one by the beneficiary charities, in rotation.

Trustees are appointed for their expertise in specific areas related to the Charity's activities, including investment and property management. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are given in note 2 to the accounts. Trustees are required to disclose all relevant interests and to register them with the Clerk to the Trustees, and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

The Trustees meet twice a year to review the performance of and agree a strategy for the Fund, approve distributions and consider risk management.

Risk Management

The Trustees have considered the major risks to which the Charity is exposed and conduct an annual review of risks, established systems and procedures to manage those risks.

A Risk Management Statement is maintained and is reviewed annually.

The Trustees consider variability of investment returns on the Fund to constitute the Charity's major financial risk and continuing volatility in world stock markets has demonstrated this risk. The Trustees manage the Fund on a total return basis, having obtained an Order from the Charity Commission, allowing them to use a total return approach to the Fund.

The Trustees consider that, the using both a total return approach and taking a five-year average of the value of the Fund, when making distribution decisions will stabilise the amount available for distribution to beneficiaries.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2024**

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

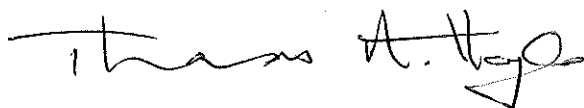
Charity Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources of the Charity for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulation's made there under. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time, the report is approved

- there is no relevant audit information of which the Charity's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.



T Hoyle - Chairman

Date – 18 September 2025

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2024

Opinion

We have audited the financial statements of Hulme Trust Estates (Educational) (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 2024 and of its incoming resources and application of resources, including its income and expenditure 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 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 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2024

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2024

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with the trustees, and from our previous knowledge and experience of the charity;
- We assessed the extent of compliance with the laws and regulations identified through making enquiries of management and inspecting any available legal correspondence; and
- We focused on specific laws and regulation which we consider may have a direct material effect on the Financial Statements, including legislation such as the Charity Act 2011 and the Statement of recommended practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standards applicable to the United Kingdom and Republic of Ireland (FRS 102).

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through officer and management bias and override of controls, we:

- performed analytical procedures on specific balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2024

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Enquiry of those charged with governance around actual and potential litigation and claims.
- Enquiry of trustees to identify any instances of non-compliance with laws and regulations.
- Agreeing Financial Statement disclosures to underlying supporting documents.
- Reviewing legal and professional fees incurred during the year to identify any potential indications of non-compliance with laws and regulations.
- Review of board meeting minutes

Despite appropriate planning and performing our work in accordance with International Auditing Standards, there are always inherent limitations that non-compliance is not detected. Non-compliance with laws and regulations is often further removed from the events and transactions reflected in the financial statements and material misstatements due to fraud can be deliberately concealed from auditors, for example through misrepresentation, forgery or collusion.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Joanne Beamish ACA FCCA (Senior Statutory Auditor)

for and behalf of DJH Audit Limited
Accountants

Statutory Auditor

30 September 2025



Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

DJH Audit Limited is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HULME TRUST ESTATES (EDUCATIONAL)
Statement of Financial Activities
for the year ended 31st December 2024

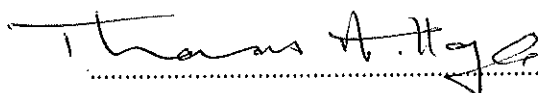
	<u>Page</u>	<u>Distribution</u> <u>Fund</u> £	<u>Endowment</u> <u>Fund</u> £	<u>31.12.24</u> <u>Total</u> £	<u>31.12.23</u> <u>Total</u> £
<u>INCOME & EXPENDITURE</u>					
Incoming Resources					
Rents Received and Receivable	20		41,314	41,314	40,467
Investment Income	16		187,412	187,412	197,266
Interest received			5,222	5,222	18,558
Total Incoming Resources			<u>233,948</u>	<u>233,948</u>	<u>256,291</u>
Resources Expended					
Cost of Generating Funds					
Fund Management			29,665	29,665	27,412
Property Insurance			1,365	1,365	4,407
Property Management fees			4,360	4,360	11,983
			<u>35,390</u>	<u>35,390</u>	<u>43,802</u>
Charitable Purposes (2022 – Distribution Fund only)					
Interim Distribution	19	190,000	-	190,000	180,000
Proposed Final Distribution	19	<u>200,000</u>	-	<u>200,000</u>	<u>190,000</u>
		<u>390,000</u>	-	<u>390,000</u>	<u>370,000</u>
Governance Costs					
Management Fees			21,600	21,600	21,600
Accounting fees			2,880	2,880	6,480
Audit Fee			7,260	7,260	7,260
Land and Planning Fees			8,940	8,940	2,936
Trustee and Meeting Expenses			1,235	1,235	848
Bank Charges and Interest			107	107	107
			<u>42,022</u>	<u>42,022</u>	<u>39,231</u>
Other Expenses					
Sinking Fund	17		170	170	170
Total Expenses		<u>390,000</u>	<u>77,582</u>	<u>467,582</u>	<u>453,203</u>
Net Expenditure		<u>(390,000)</u>	<u>156,366</u>	<u>(233,634)</u>	<u>(196,912)</u>
Capital Transactions					
Realised gains – Investments			36,681	36,681	1,900,402
Unrealised gains (losses) - Investments			877,920	877,920	(1,233,654)
Unrealised gains – Property			-	-	690,000
Net Capital transactions			914,601	914,601	1,356,748
Transfer between Funds		<u>390,000</u>	<u>(390,000)</u>	-	-
Net Movement in Funds			<u>680,967</u>	<u>680,967</u>	<u>1,159,836</u>
Balances at 31 December 2023			15,523,452	15,523,452	14,363,616
Balances at 31 December 2024			<u>16,204,419</u>	<u>16,204,419</u>	<u>15,523,452</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 12 to 20 form part of these financial statements.

HULME TRUST ESTATES (EDUCATIONAL)**Balance Sheet
at 31st December 2024**

	<u>Page</u>	<u>Endowment</u> <u>Fund</u> £	<u>31.12.24</u> <u>Total</u> £	<u>Total</u> <u>Fund</u> £	<u>31.12.23</u> <u>Total</u> £
Fixed Assets					
Investment Properties	20	3,620,101	3,620,101	3,620,101	3,620,101
Quoted Investments	16	12,643,706	12,643,706	11,874,920	11,874,920
		<u>16,263,807</u>	<u>16,263,807</u>	<u>15,495,021</u>	<u>15,495,021</u>
Current Assets					
Debtors	17	3,750	3,750	-	-
Balance at Broker		129,758	129,758	232,385	232,385
Cash at Bank		<u>22,568</u>	<u>22,568</u>	<u>4,071</u>	<u>4,071</u>
		<u>156,076</u>	<u>156,076</u>	<u>236,456</u>	<u>236,456</u>
Current Liabilities					
Creditors	17	15,464	15,464	18,025	18,025
Proposed Final Distribution		<u>200,000</u>	<u>200,000</u>	<u>190,000</u>	<u>190,000</u>
		<u>215,464</u>	<u>215,464</u>	<u>208,025</u>	<u>208,025</u>
Net Current Assets					
(Liabilities)		<u>(59,388)</u>	<u>(59,388)</u>	<u>28,341</u>	<u>28,431</u>
Total Assets Less Current Liabilities		<u>16,204,419</u>	<u>16,204,419</u>	<u>15,523,452</u>	<u>15,523,452</u>
Fund Balances		<u>16,204,419</u>	<u>16,204,419</u>	<u>15,523,452</u>	<u>15,523,452</u>

Approved by the Board of Trustees.

.....Chairman.

.....Treasurer.

Date : 18 September 2025

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2024**

1. ACCOUNTING POLICIES

Charity information

Hulme Trust Estates (Educational) is a registered charity.

Basis of preparation

The accounts 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 the Statement of Recommended Practice: Accounting and Reporting by 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011. The accounts are presented in £ Sterling.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going Concern

Global equity were generally strong in 2024 as inflation and interest rates fell. The Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the Total Endowment. The Trustees do not intend to make any significant change to the investment strategy pursued by the Trust. The Trustees consider it appropriate to prepare the financial statements on the going concern basis.

Cash Flow Statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Charity qualifies as a small Charity.

Key Judgements

The key judgements are those policies relating to Investment Property and Fixed Asset Investments.

Incoming Resources

Incoming resources comprise mainly investment income, interest and rents and are accounted for on a receivable basis.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

1. Cost of generating funds

This records direct expenditure on the management of investments, properties and the collection of rental and other income.

2. Cost of Charitable Activities

Resources expended are included on the basis of the amounts authorized and expended.

3. Governance Costs

Costs of Governance are set out in the Statement of Financial activities.

Taxation

The Trustees consider that requirements for the exemptions from taxation set out in the Income and Corporation Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992 are met, and therefore no provision is made for taxation.

Value Added Tax is not recoverable by the Charity, and as such is included in the relevant costs in the statement of financial activities.

Fund Structure

The Charity has a Total Endowment comprising a Permanent Endowment and an Expendable Endowment. The Charity Commission Scheme provides for the Trustees to invest the Total

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2024

Endowment in perpetuity and it is managed on a total return basis. The Trustees may at their discretion allocate any part of the Expendable Endowment to the purposes of the Charity.

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. A provision for bad and doubtful debts relating to rental arrears is made on an estimation of those specific debts at the statement of financial position date which are considered to be potentially irrecoverable.

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 market value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of financial activities.

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.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

HULME TRUST ESTATES (EDUCATIONAL)
Notes to the Financial Statements
for the year ended 31st December 2024

Creditors and Provision

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.

Investments

1. Property

Property Investments are held for investment purposes, and therefore no provision has been made for depreciation. These properties are measured at fair value at the reporting date. An annual assessment of the value of investment assets must be carried out. The Trustees have determined that the value of the Investment Properties is not materially different to the independent valuation made in March 2024. This has been determined by the use of routine and reputable indices published by RICS/RAU and Savills.

2. Quoted Investments

Investments are a form of basic financial instrument and are initially recognised as their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fund Transfers

The investment power of total return was granted by the Charity Commission on 6th May 2010. The power permits the Trustees to invest the Total Endowment to maximise total return and to apply part of the Expendable Endowment to distributions to beneficiaries each year. Until the power exercised to distribute part of the Expendable Endowment (as disclosed in the fund transfers, note 7) the Expendable Endowment remains invested alongside the Permanent Endowment in the Total Endowment and is also invested to maximise total returns.

The power allows the Trustees to decide in each year how much of the Expendable Endowment is distributed.

The Trustees, having considered the five year average value of the Total Endowment and their desire to smooth the annual distribution to beneficiaries, have decided to make a total distribution of £390,000.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2024

Fund Transfers (Continued)

	<u>£</u>	<u>Expendable Endowment £</u>	<u>Permanent Endowment £</u>	<u>Total Funds £</u>
Preserved value at 24 December 1980			2,094,612	
Allowance for inflation			<u>9,268,943</u>	
Balance at 31 December 2023		4,159,897	11,363,555	15,523,452
Investment Return	233,948			
Investment Gains	914,601			
Management Costs	(35,390)			
Governance Costs	<u>(42,192)</u>			
		1,070,967		1,070,967
Application to Expenditure Reserve		(390,000)		(390,000)
Transfer to allow for inflation		<u>(392,777)</u>	<u>392,777</u>	<u>-</u>
Preserved value at 31 December 2024		<u>4,448,087</u>	<u>11,756,332</u>	<u>16,204,419</u>

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The Charity has the following financial instruments:

	31.12.24 <u>£</u>	31.12.23 <u>£</u>
Financial assets measured at fair value through the Statement of Financial Activities:		
Investments stated at market value	16,263,807	15,495,021
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and cash equivalents	22,568	4,071
Balance at Broker	129,758	232,385
Rent in arrears	3,750	-
Financial liabilities at amortised cost:		
Accruals	15,464	13,870
Rents in advance	-	4,155

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2024**

2. RELATED PARTY, TRUSTEES EXPENSES AND OTHER TRANSACTIONS.

The following beneficiaries had appointed Trustees to the Trust who served during the year and are therefore classed as related parties. Transactions and balances with related parties are detailed below.

Related Party	Distribution 2024 £	Distribution 2023 £	Creditor 2024 £	Creditor 2023 £
Brasenose College	164,736	156,288	84,480	80,256
Manchester University	82,368	78,144	42,240	40,128
William Hulmes Grammar School	68,446	64,936	35,101	33,346
Manchester Grammar School	4,736	4,483	2,429	2,302
Bury Grammar School	21,646	20,536	11,101	10,546

Trustees received no emoluments (2023: Nil). During the year Trustees were reimbursed expenses of £449 (2023: £13).

Auditor's fee for the year was £7,260 including VAT (2023 - £7,260 including VAT)

There were no employees or employee remuneration during the year (2024: None).

3. INVESTMENTS.

Reconciliation of Quoted Investments

	<u>Market Value</u> £	<u>Cost</u> £
Opening Balance as at 01.01.24	11,874,920	11,343,499
Movement in year		
Additions	263,640	263,640
Disposals at Market Value/Cost	(418,200)	(373,227)
Net unrealised gains (loss) for year	<u>923,346</u>	<u>-</u>
Closing Balance as at 31.12.24	<u>12,643,706</u>	<u>11,233,912</u>

Summary of Investments

	<u>Cost</u> £	<u>Market Value</u> £	<u>Income</u> 31.12.24 £	31.12.23 £
Multi Asset Funds - Castlefield	-	-	-	74,922
Multi Asset Funds - Cazenove	5,677,229	6,200,726	154,877	121,127
Multi Asset Funds - Saltus	<u>5,537,506</u>	<u>6,442,980</u>	<u>32,535</u>	<u>1,217</u>
	<u>11,214,735</u>	<u>12,643,706</u>	<u>187,412</u>	<u>197,266</u>

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2024**

4. DEBTORS	<u>31.12.24</u>	<u>31.12.23</u>
	<u>£</u>	<u>£</u>
Rent in arrears	<u>3,750</u>	<u>-</u>
Total	<u>3,750</u>	<u>-</u>

5. CREDITORS	<u>31.12.24</u>	<u>31.12.23</u>
	<u>£</u>	<u>£</u>
Deferred Income	-	4,155
Accruals	13,844	12,420
Sinking fund	1,530	1,360
Other creditors	<u>90</u>	<u>90</u>
Total	<u>15,464</u>	<u>18,025</u>

6. SINKING FUND

Included in other creditors is a balance payable to the sinking fund of £1,530 (2023: £1,360). By an order dated 16 September 1982 the sum of £170 p.a. is to be paid into a sinking fund for a period of 75 years, to prevent a loss arising on the sale of the freehold reversion of Brasanose House and Ridgefield House.

<u>Date of Order</u>	<u>Maturing date</u>	<u>Fund Investment</u>
16 September 1982	2057	253.84 COIF Charities Investment Fund Accumulation units. (Market value £38,938)

7. FUNDS

The Permanent Endowment Fund

This is a restricted fund under the terms of the Trust Deed and must be held in perpetuity. Its purpose is to ensure a total return to finance the ongoing work of the Charity. It is represented by a portfolio of investments and land and buildings.

The Expendable Endowment Fund

The Expendable Fund arises from the changeover to Total Return Investing, and is a restricted fund enabling surpluses arising from the Permanent Endowment through investing activities to be used in accordance with the Charities objectives. It is assessed as the surplus arising on the Permanent Endowment after providing for a preserved level of this fund, based on its value at 24 December 1980 and adjusted by the Retail Price Index to recognise inflation to date.

The investments are managed by professional, independent investment managers who have been given discretionary power to acquire and dispose of quoted investments within the policy set out by the Trustees, and in accordance with the Trust Deeds. Managing agents appointed by the Trustees manage the portfolio of agricultural land and buildings on a day-to-day basis, without discretionary powers on acquisition and disposal.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2024**

Fund Reconciliation

	Balance at 1st January 2023 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gains/ Losses £	Balance at 31 December 2023 £
Expendable Endowment	3,557,745	256,291	(557,684)	(453,203)	1,356,748	4,159,897
Permanent Endowment	10,805,871	-	557,684	-	-	11,363,555
Total	14,363,616	256,291	-	(453,203)	1,356,748	15,523,452

	Balance at 1st January 2024 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gain (Losses) £	Balance at 31 December 2024 £
Expendable Endowment	4,159,897	233,948	(392,777)	(467,582)	914,601	4,448,087
Permanent Endowment	11,363,555	-	392,777	-	-	11,756,332
Total	15,523,452	233,948	-	(467,582)	914,601	16,204,419

8. VALUATION OF INVESTMENTS

Cazenove Capital and Saltus Asset Management, the fund managers, undertook the valuation of investments at 31 December 2024 at market value.

Agricultural properties were revalued in March 2024 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year end to represent a fair market value for the properties at the year end.

9. POST BALANCE SHEET EVENT

The Charity Commission has agreed to the proposed transfer of funds held by The Hulme Hall Trust Foundation to the Trustees of Hulme Trust Estates (Educational) dependent on certain conditions. These include the implementation of the Distribution Agreement and an amendment to the governing document of Hulme Trust Estates.

HULME TRUST ESTATES (EDUCATIONAL)

Distribution of Surplus Income for the year ended 31st December 2024

	<u>Total</u> £	<u>Brasenose</u> <u>College</u> £	<u>Manchester</u> <u>University</u> £	<u>William</u> <u>Hulmes GS</u> £	<u>Bury GS</u> £	<u>Hulme GS</u> <u>Oldham</u> £	<u>Manchester</u> <u>HS - Girls</u> £	<u>Manchester</u> <u>GS</u> £	<u>Schools</u> <u>Committee</u> £
12 % of Total to William Hulmes GS	46,800			46,800					
Residue Distributed as follows:									
Brasenose College	48% 164,736	164,736							
Manchester University	24% 82,368		82,368						
Governors of Listed Schools	12%								
William Hulmes GS	6/24 10,296			10,296					
Bury GS	6/24 10,296				10,296				
Hulme GS Oldham	6/24 10,296					10,296			
Manchester HS for Girls	5/24 8,580						8,580		
Manchester GS	1/24 1,716							1,716	
Schools Committee	16% 54,912								54,912
Total Distribution	390,000	164,736	82,368	57,096	10,296	10,296	8,580	1,716	54,912
Paid on Account	190,000	80,256	40,128	27,816	5,016	5,016	4,180	836	26,752
Further Distribution required	200,000	84,480	42,240	29,280	5,280	5,280	4,400	880	28,160

HULME TRUST ESTATES (EDUCATIONAL)

Investment Properties
for the year ended 31st December 2024

	<u>Cost at</u> <u>26.10.79</u>				
	<u>Valuation at</u> <u>31.3.85*</u>	<u>Valuation at</u> <u>March 2024</u>	<u>Valuation at</u> <u>March 2021</u>	<u>Income</u> <u>31.12.24</u>	<u>Income</u> <u>31.12.23</u>
	£	£	£	£	£
<u>Rack Rents</u>					
Bottom Fen Farm, Aslackby, Lincolnshire }		1,600,000	1,150,000	16,250	16,250
}	388,468				
Mill Farm, Gosberton, Lincolnshire }		570,000	500,000	7,100	7,100
Lincolnshire Estates	<u>388,468</u>	<u>2,170,000</u>	<u>1,650,000</u>	<u>23,350</u>	<u>23,350</u>
Brookfold Farmhouse and Buildings, Harwood, Lancashire	88,000 *	1,420,000	1,235,000	15,405	15,405
Land adjacent to 22 Brookfold Lane		15,000	30,000	250	625
Orange Mast at Brookfold Farm	<u></u>	<u>15,000</u>	<u>15,000</u>	<u>2,000</u>	<u>1,000</u>
Harwood Estate	<u>88,000</u>	<u>1,450,000</u>	<u>1,280,000</u>	<u>17,655</u>	<u>17,030</u>
	<u>476,468</u>	<u>3,620,000</u>	<u>2,930,000</u>	<u>41,005</u>	<u>40,380</u>
<u>Ground and Chief Rents</u>					
310/318 Manchester Road, Heaton Chapel	100 *	100	100	-	-
<u>Way leaves:</u>					
Sundry BT, United Utilities, E-On Oldham MBC, Anglian Water	1 *	1	1	309	87
	<u>101</u>	<u>101</u>	<u>101</u>	<u>309</u>	<u>87</u>
	<u>476,569</u>	<u>3,620,101</u>	<u>2,930,101</u>	<u>41,314</u>	<u>40,467</u>

Agricultural properties were revalued in March 2024 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year-end to represent a fair market value for the properties.

Note: Dunlop Heywood & Co undertook a partial revaluation of properties as at 31 March 1985. Those properties that were revalued are as indicated above by an asterisk (*).

Accounts

Registered Charity No. 532297

HULME TRUST ESTATES (EDUCATIONAL)
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 2023

HULME TRUST ESTATES (EDUCATIONAL)

Contents of the Financial Statements
for the year ended 31st December 2023

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HULME TRUST ESTATES (EDUCATIONAL)
Registered Charity No. 532297

Charity Information
for the year ended 31st December 2023

Trustees:	<u>Appointing body</u>	<u>Term Commencement</u>	<u>Length of Term</u>
T A Hoyle – Chairman	Hulme Trustees	23 March 2023	4 years
I Rankin - Treasurer	Manchester Grammar School	20 September 2022	4 years
P Parker	Brasenose College	3 November 2022	4 years
N Wightman	Brasenose College	22 March 2022	4 years
S Newman	Hulme Trustees	20 March 2020	4 years
M Smith	Hulme Trustees	14 September 2021	4 years
S Gauge	Bury Grammar School	24 March 2022	3 years

Secretary & Legal Advisor

J Aldersley

Correspondence Address

Butcher & Barlow
3 Royal Mews
Gadbrook Park
Northwich
CW9 7UD

Bankers

Unity Trust Bank Plc

Agricultural Property Managers

The Brown Rural Partnership
29 Church Street
Macclesfield
Cheshire
SK11 6LB

Investment Managers

Cazenove Capital
1 London Wall Place
London. EC2Y 5AU

Saltus Asset Management
22-23 Old Burlington Street
London. W1S 2JJ

Auditors

DJH Audit Limited
Bridge House
Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

Reporting Accountants

Harts Ltd
Chartered Accountants
Westminster House
10 Westminster Road
Macclesfield
Cheshire SK10 1BX

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2023**

The Trustees present their annual report and financial statements of the Charity for the year ended 31st December 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 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); Charities SORP 2019.

Objectives and activities

Charitable objects and Public Benefit Statement

The objects of the Charity are the promotion of education.

The Charity does not actively fundraise, and is required to make distributions, after deducting expenses arising from the Charity's property, administration and management, to the beneficiaries named and in the proportion laid out in the Charity Commission Scheme governing the Charity. These are shown on page 18. The trustees have had regard to the Charity Commission's guidance on public benefit.

All beneficiaries are educational establishments, all of which are registered charities.

Investment Policy and performance

Following approval by the Charity Commission, the Charity's investment strategy is a total return approach to the investments of the total value of the endowment (the 'Total Endowment' or 'Fund').

In accordance with the Order, the Trustees confirm that:

- In identifying the value of the portion of the Total Endowment that represents distributable funds (the 'Expendable Endowment'), the Trustees first identified the value of the Permanent Endowment at 24 December 1980 (the earliest practical date), and
- The Expendable Endowment represents the difference between the Total Endowment and the Permanent Endowment, with the latter adjusted for inflation. When determining the annual distribution to beneficiaries out of the Expendable Endowment the Trustees have considered the long term sustainability of such a level of distribution, and
- When reaching their decision as to the level of distribution, the Trustees have taken advice from their investment advisers regarding the market outlook, investment trends and yield and the prospects for future capital growth.

The Investments Advisors are instructed to invest to maximise the total return on the non-agricultural permanent endowment investments, within the constraints of a long term investment strategy. The Trustees agree target asset allocations and seeks a return of inflation + 2.5%.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2023**

Financial review

The Charity is reliant on the Total Endowment which hold a diversified range of assets, mainly quoted equities but also agricultural properties and other assets. The return in 2023 before adjusting for distributions to beneficiaries was 2.78% (2022 – 1.33%). Interest rates began to rise rapidly in 2023 as a reaction to very sharply higher rate of inflation (a consequence in part of Russia's invasion of Ukraine) and remained high in 2023. Both equities and bonds were generally weak in 2023 but equity markets began to recover later in the year and this recovery has continued in early 2024.

The Trustees have made an interim distribution of £180,000 (2022 - £175,000), and proposed a second distribution of £190,000 (2022 - £190,000) to maintain their principle of distributing approximately 2.5% of the average value of the Total endowment over the last 5 years. At 31st December 2023 this average was £15,132,129 (2022 - £14,698,535).

Reserves Policy

The Trustees have established a policy for withdrawal of funds from Expendable Endowment which aims to maintain the real value of the Total Endowment in the medium term (5 years) as measured against movements in the retail price index, and to maintain the level of distributions at approximately 2.5% each year of the trailing average value of the Fund over the past 5 years. This may be increased up to 3% by the Trustees.

As at 31st December 2023 the value of the Fund was £15,523,452. The value of the Permanent Endowment was £11,363,555 and the value of the Expendable Endowment was £4,159,897. Further explanations are given in the notes to the financial statements on pages 14 and 17.

Future Plans

In early 2024 global equity markets have been strong, anticipating that the peak of the interest rate cycle has been reached as inflation rates fall sharply.

The Trustees have appointed two new Investment Managers to manage the non-property assets of the Charity, replacing the former Investment Manager.

Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the total Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Charity.

Structure, Governance and Management

The Charity is a registered charity, number 532297 and is governed by a scheme approved by the Charity Commissioners dated 26 October 1979. On 6 May 2010, the Charity Commission approved the Trustees' plan to adopt a policy of Total Return with effect from 1 January 2011.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2023**

Trustees

There are seven Trustees, appointed as to three by the Trustees of the Estate of William Hulme, two by the Principal and Fellows of Brasenose College, Oxford, one by the Council of the University of Manchester and one by the beneficiary charities, in rotation.

Trustees are appointed for their expertise in specific areas related to the Charity's activities, including investment and property management. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are given in note 2 to the accounts. Trustees are required to disclose all relevant interests and to register them with the Clerk to the Trustees, and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

The Trustees meet twice a year to review the performance of and agree a strategy for the Fund, approve distributions and consider risk management.

Risk Management

The Trustees have considered the major risks to which the Charity is exposed and conduct an annual review of risks, established systems and procedures to manage those risks.

A Risk Management Statement is maintained and is reviewed annually.

The Trustees consider variability of investment returns on the Fund to constitute the Charity's major financial risk and recent volatility in world stock markets has demonstrated this risk.

The Trustees manage the Fund on a total return basis, having obtained an Order from the Charity Commission, allowing them to use a total return approach to the Fund.

The Trustees consider that the use of a total return approach will smooth the amount available for distribution to beneficiaries.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees
for the year ended 31st December 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

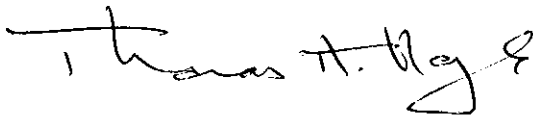
Charity Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources of the Charity for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulation's made there under. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time, the report is approved

- there is no relevant audit information of which the Charity's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information



T Hoyle - Chairman

Date – 19 September 2024

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2023

Opinion

We have audited the financial statements of Hulme Trust Estates (Educational) (the Charity) for the year ended 31 December 2023, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure 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 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 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2023

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Charities Act 2011, taxation legislation, data protection and employment.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of officers and management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2023

To address the risk of fraud through officer and management bias and override of controls, we:

- performed analytical procedures on specific balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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 Part 5 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DJH Audit Ltd

Candice Beynon FCCA (Senior Statutory Auditor)

For and behalf of DJH Audit Limited

DJH Audit Limited is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Date: *19 September 2024*

HULME TRUST ESTATES (EDUCATIONAL)**Statement of Financial Activities****for the year ended 31st December 2023**

	<u>Page</u>	<u>Distribution Fund</u> £	<u>Total Fund</u> £	<u>31.12.23 Total</u> £	<u>31.12.22 Total</u> £
<u>INCOME & EXPENDITURE</u>					
Incoming Resources					
Rents Received and Receivable	19		40,467	40,467	50,294
Investment Income	15		197,266	197,266	180,899
Interest received			18,558	18,558	633
Other Income			-	-	1,400
Total Incoming Resources			<u>256,291</u>	<u>256,291</u>	<u>233,226</u>
Resources Expended					
Cost of Generating Funds					
Fund Management			27,412	27,412	16,606
Property Insurance			4,407	4,407	(2,634)
Property Management fees			<u>11,983</u>	<u>11,983</u>	<u>3,972</u>
			<u>43,802</u>	<u>43,802</u>	<u>17,944</u>
Charitable Purposes (2022 – Distribution Fund only)					
Interim Distribution	18	180,000	-	180,000	175,000
Proposed Final Distribution	18	<u>190,000</u>	-	<u>190,000</u>	<u>190,000</u>
		<u>370,000</u>	-	<u>370,000</u>	<u>365,000</u>
Governance Costs					
Management Fees			21,600	21,600	21,760
Accounting fees			6,480	6,480	4,320
Audit Fee			7,260	7,260	6,744
Land and Planning Fees			2,936	2,936	2,268
Trustee and Meeting Expenses			848	848	696
Bank Charges and Interest			<u>107</u>	<u>107</u>	<u>114</u>
			<u>39,231</u>	<u>39,231</u>	<u>35,902</u>
Other Expenses					
Sinking Fund	16		<u>170</u>	<u>170</u>	<u>170</u>
Total Expenses		<u>370,000</u>	<u>83,203</u>	<u>453,203</u>	<u>419,016</u>
Net Expenditure		<u>(370,000)</u>	<u>173,088</u>	<u>(196,912)</u>	<u>(185,790)</u>
Capital Transactions					
Realised gains – Investments			1,900,402	1,900,402	149,032
Realised losses - Investments			-	-	(9,483)
Unrealised losses - Investments			(1,233,654)	(1,233,654)	(1,946,802)
Unrealised gains – Property			<u>690,000</u>	<u>690,000</u>	-
Net Capital transactions			1,356,748	1,356,748	(1,807,253)
Transfer between Funds		<u>370,000</u>	<u>(370,000)</u>	-	-
Net Movement in Funds			<u>1,159,836</u>	<u>1,159,836</u>	<u>(1,993,043)</u>
Balances at 31 December 2022			14,363,616	14,363,616	16,356,659
Balances at 31 December 2023			<u>15,523,452</u>	<u>15,523,452</u>	<u>14,363,616</u>

HULME TRUST ESTATES (EDUCATIONAL)**Balance Sheet
at 31st December 2023**

	<u>Page</u>	<u>Total</u> <u>Fund</u> £	<u>31.12.23</u> <u>Total</u> £	<u>Total</u> <u>Fund</u> £	<u>31.12.22</u> <u>Total</u> £
Fixed Assets					
Investment Properties	19	3,620,101	3,620,101	2,930,101	2,930,101
Quoted Investments	15	11,874,920	11,874,920	11,528,628	11,528,628
		<u>15,495,021</u>	<u>15,495,021</u>	<u>14,458,729</u>	<u>14,458,729</u>
Current Assets					
Debtors	16	-	-	3,750	3,750
Balance at Broker		232,385	232,385	100,934	100,934
Cash at Bank		<u>4,071</u>	<u>4,071</u>	<u>21,111</u>	<u>21,111</u>
		<u>236,456</u>	<u>236,456</u>	<u>125,795</u>	<u>125,795</u>
Current Liabilities					
Creditors	16	18,025	18,025	30,908	30,908
Proposed Final Distribution		<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>
		<u>208,025</u>	<u>208,025</u>	<u>220,908</u>	<u>220,908</u>
Net Current Assets		<u>28,431</u>	<u>28,431</u>	<u>(95,113)</u>	<u>(95,113)</u>
Total Assets Less Current Liabilities		<u>15,523,452</u>	<u>15,523,452</u>	<u>14,363,616</u>	<u>14,363,616</u>
Fund Balances		<u>15,523,452</u>	<u>15,523,452</u>	<u>14,363,616</u>	<u>14,363,616</u>

Approved by the Board of Trustees.

.....*Thomas A. Hays*.....Chairman.

.....*/P. Smith*.....Treasurer.

Date : 19 September 2024

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2023**

1. ACCOUNTING POLICIES

Basis of preparation

The accounts 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 the Statement of Recommended Practice: Accounting and Reporting by 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011. The accounts are presented in £ Sterling.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going Concern

Global equity and bond markets were generally weak in 2022 as a result of high inflation and rising interest rates. Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the Total Endowment, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust. The Trustees therefore consider it appropriate to prepare the financial statements on the going concern basis.

Cash Flow Statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Charity qualifies as a small Charity.

Key Judgements

The key judgements are those policies relating to Investment Property and Fixed Asset Investments.

Incoming Resources

Incoming resources comprise mainly investment income, interest and rents and are accounted for on a receivable basis.

Resources expended

1. Cost of generating funds

This records direct expenditure on the management of investments, properties and the collection of rental and other income.

2. Cost of Charitable Activities

Resources expended are included on the basis of the amounts authorized and expended.

3. Governance Costs

Costs of Governance are set out in the Statement of Financial activities.

Taxation

The Trustees consider that requirements for the exemptions from taxation set out in the Income and Corporation Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992 are met, and therefore no provision is made for taxation.

Value Added Tax is not recoverable by the Charity, and as such is included in the relevant costs in the statement of financial activities.

Fund Structure

The Charity has a Total Fund comprising a Permanent Endowment and an Expendable Endowment. The Charity Commission Scheme provides for the Trustees to invest the Fund in perpetuity and it is managed on a total return basis. The Trustees may at their discretion allocate any part of the Expendable Endowment to the purposes of the Charity.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2023**

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. A provision for bad and doubtful debts relating to rental arrears is made on an estimation of those specific debts at the statement of financial position date which are considered to be potentially irrecoverable.

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 market value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of financial activities.

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.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Creditors and Provision

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.

Investments

1. Property

Property Investments are held for investment purposes, and therefore no provision has been made for depreciation. These properties are measured at fair value at the reporting date. An annual assessment of the value of investment assets must be carried out. The Trustees have determined that the value of the Investment Properties is not materially different to the independent valuation made in March 2024. This has been determined by the use of routine and reputable indices published by RICS/RAU and Savills.

2. Quoted Investments

Investments are a form of basic financial instrument and are initially recognised as their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

Fund Transfers

The investment power of total return was granted by the Charity Commission on 6th May 2010. The power permits the Trustees to invest the Permanent Endowment to maximise total return and to apply part of the Expendable Endowment to distributions to beneficiaries each year. Until the power exercised to distribute part of the Expendable Endowment (as disclosed in the fund transfers, note 7) the Expendable Endowment remains invested alongside the Permanent Endowment in the Total Fund and is also invested to maximise total returns.

The power allows the Trustees to decide in each year how much of the Expendable Endowment is distributed.

The Trustees, having considered the five year average value of the Total Fund and their desire to smooth the annual distribution to beneficiaries, have decided to make a total distribution of £370,000.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2023

Fund Transfers (Continued)

	<u>£</u>	<u>Expendable Endowment £</u>	<u>Permanent Endowment £</u>	<u>Total Funds £</u>
Preserved value at 24 December 1980			2,094,612	
Allowance for inflation			<u>8,711,259</u>	
Balance at 31 December 2022		3,557,745	10,805,871	14,363,616
Investment Return	256,291			
Investment Gains	666,748			
Revaluation Gains	690,000			
Management Costs	(43,802)			
Governance Costs	<u>(39,401)</u>			
		1,529,836		1,529,836
Application to Expenditure Reserve		(370,000)		(370,000)
Transfer to allow for inflation		<u>(557,684)</u>	<u>557,684</u>	<u>-</u>
Preserved value at 31 December 2023		<u>4,159,897</u>	<u>11,363,555</u>	<u>15,523,452</u>

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The Charity has the following financial instruments:

	31.12.23 £	31.12.22 £
Financial assets measured at fair value through the Statement of Financial Activities:		
Investments stated at market value	15,495,021	14,458,729
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and cash equivalents	4,071	21,111
Balance at Broker	232,385	100,934
Rent in arrears	-	3,750
Financial liabilities at amortised cost:		
Accruals	13,780	18,160
Rents in advance	4,155	375

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2023**

2. RELATED PARTY, TRUSTEES EXPENSES AND OTHER TRANSACTIONS.

The following beneficiaries had appointed Trustees to the Trust who served during the year and are therefore classed as related parties. Transactions and balances with related parties are detailed below.

Related Party	Distribution	Distribution	Creditor	Creditor
	2023	2022	2023	2022
	£	£	£	£
Brasenose College	156,288	154,176	80,256	80,256
Manchester University	78,144	77,088	40,128	40,128
William Hulmes Grammar School	64,936	64,059	33,346	33,346
Manchester Grammar School	4,483	4,422	2,302	2,302
Bury Grammar School	20,536	20,259	10,546	10,546

Trustees received no emoluments (2022: Nil). During the year Trustees were reimbursed expenses of £13 (2022: £340).

Auditor's fee for the year was £7,260 including VAT (2022 - £6,600 including VAT)

3. INVESTMENTS.

Reconciliation of Quoted Investments

	<u>Market Value</u>	<u>Cost</u>
	£	£
Opening Balance as at 01.01.23	11,528,628	9,763,552
Movement in year		
Additions	11,428,336	11,428,336
Disposals at Market Value/Cost	(11,748,792)	(9,848,389)
Net unrealised gains (loss) for year	<u>666,748</u>	<u>-</u>
Closing Balance as at 31.12.23	<u>11,874,920</u>	<u>11,343,499</u>

Summary of Investments

	<u>Cost</u>	<u>Market Value</u>	<u>Income</u>	
	£	£	<u>31.12.23</u>	<u>31.12.22</u>
			£	£
Fixed Interest	-	-	8,122	24,714
UK Equities and Equity Funds	-	-	16,244	85,579
Equity Investment Instruments	-	-	41,151	25,090
Global Equities and Equity Funds	-	-	6,227	16,955
Property Funds and other Assets	-	-	3,178	18,764
Multi Asset Funds - Castlefield	-	-	-	9,797
Multi Asset Funds - Cazenove	5,677,229	5,863,693	121,127	-
Mutli Asset Funds – Saltus	<u>5,666,270</u>	<u>6,011,227</u>	<u>1,217</u>	<u>-</u>
	<u>11,343,499</u>	<u>11,874,920</u>	<u>197,266</u>	<u>180,899</u>

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2023**

4. DEBTORS	<u>31.12.23</u>	<u>31.12.22</u>
	<u>£</u>	<u>£</u>
Rent in arrears	-	3,750
Total	-	3,750

5. CREDITORS	<u>31.12.23</u>	<u>31.12.22</u>
	<u>£</u>	<u>£</u>
Rent in advance	4,155	375
Accrued Broker's Fee	3,000	4,000
Accrued Audit Fee	7,260	6,600
Accrued Clerk Fees	-	5,400
Accrued Accountancy Fee	2,160	2,160
Sinking Fund	1,360	1,190
Distribution Arrears	90	11,183
Total	18,025	30,908

6. SINKING FUND

By an order dated 16 September 1982 the sum of £170 p.a. is to be paid into a sinking fund for a period of 75 years, to prevent a loss arising on the sale of the freehold reversion of BRASENOSE HOUSE and RIDGEFIELD HOUSE.

<u>Date of Order</u>	<u>Maturing date</u>	<u>Fund Investment</u>
16 September 1982	2057	253.84 COIF Charities Investment Fund Accumulation units. (Market value £38,938)

7. FUNDS

The Permanent Endowment Fund

This is a restricted fund under the terms of the Trust Deed and must be held in perpetuity. Its purpose is to ensure a total return to finance the ongoing work of the Charity. It is represented by a portfolio of investments and land and buildings.

The Expendable Endowment Fund

The Expendable Fund arises from the changeover to Total Return Investing, and is a restricted fund enabling surpluses arising from the Permanent Endowment through investing activities to be used in accordance with the Charities objectives. It is assessed as the surplus arising on the Permanent Endowment after providing for a preserved level of this fund, based on its value at 24 December 1980 and adjusted by the Retail Price Index to recognise inflation to date.

The investments are managed by professional, independent investment managers who have been given discretionary power to acquire and dispose of quoted investments within the policy set out by the Trustees, and in accordance with the Trust Deeds. Managing agents appointed by the Trustees manage the portfolio of agricultural land and buildings on a day-to-day basis, without discretionary powers on acquisition and disposal.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2023**

Fund Reconciliation

	Balance at 1st January 2022 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gains/ Losses £	Balance at 31 December 2022 £
Expendable Endowment	6,831,062	233,226	(1,280,274)	(419,016)	(1,807,253)	3,557,745
Permanent Endowment	9,525,597	-	1,280,274	-	-	10,805,871
Total	16,356,659	233,226	-	(419,016)	(1,807,253)	14,363,616

	Balance at 1st January 2023 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gain (Losses) £	Balance at 31 December 2023 £
Expendable Endowment	3,557,745	256,291	(557,684)	(453,203)	1,356,748	4,159,897
Permanent Endowment	10,805,871	-	557,684	-	-	11,363,555
Total	14,363,616	256,291	-	(453,203)	1,356,748	15,523,452

8. VALUATION OF INVESTMENTS

Cazenove Capital and Saltus Asset Management, the fund managers, undertook the valuation of investments at 31 December 2023 at market value.

Agricultural properties were revalued in March 2024 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year end to represent a fair market value for the properties at the year end.

HULME TRUST ESTATES (EDUCATIONAL)

Distribution of Surplus Income for the year ended 31st December 2023

	<u>Total</u> £	<u>Brasenose</u> <u>College</u> £	<u>Manchester</u> <u>University</u> £	<u>William</u> <u>Hulmes GS</u> £	<u>Bury GS</u> £	<u>Hulme GS</u> <u>Oldham</u> £	<u>Manchester</u> <u>HS - Girls</u> £	<u>Manchester</u> <u>GS</u> £	<u>Schools</u> <u>Committee</u> £
12 % of Total to William Hulmes GS	44,400			44,400					
Residue Distributed as follows:									
Brasenose College	48%	156,288	156,288						
Manchester University	24%	78,144	78,144						
Governors of Listed Schools	12%								
William Hulmes GS	6/24	9,768		9,768					
Bury GS	6/24	9,768			9,768				
Hulme GS Oldham	6/24	9,768				9,768			
Manchester HS for Girls	5/24	8,140					8,140		
Manchester GS	1/24	1,628						1,628	
Schools Committee	16%	52,096							52,096
Total Distribution		370,000	156,288	78,144	54,168	9,768	8,140	1,628	52,096
Paid on Account		180,000	76,032	38,016	26,352	4,752	3,960	792	25,344
Further Distribution required		190,000	80,256	40,128	27,816	5,016	4,180	836	26,752

HULME TRUST ESTATES (EDUCATIONAL)

Investment Properties **for the year ended 31st December 2023**

	<u>Cost at</u> <u>26.10.79</u>		<u>Valuation at</u> <u>31.3.85*</u>	<u>Valuation at</u> <u>March 2024</u>	<u>Valuation at</u> <u>March 2021</u>	<u>Income</u> <u>31.12.23</u>	<u>Income</u> <u>31.12.22</u>
	£		£	£	£	£	£
<u>Rack Rents</u>							
Bottom Fen Farm, Aslackby, Lincolnshire }				1,600,000	1,150,000	16,250	16,250
Mill Farm, Gosberton, Lincolnshire }	388,468			570,000	500,000	7,100	7,100
Lincolnshire Estates	<u>388,468</u>			<u>2,170,000</u>	<u>1,650,000</u>	<u>23,350</u>	<u>23,350</u>
Brookfold Farmhouse and Buildings, Harwood, Lancashire	88,000 *			1,420,000	1,235,000	15,405	15,000
Land adjacent to 22 Brookfold Lane				15,000	30,000	625	1,750
Orange Mast at Brookfold Farm				<u>15,000</u>	<u>15,000</u>	<u>1,000</u>	<u>10,085</u>
Harwood Estate	<u>88,000</u>			<u>1,450,000</u>	<u>1,280,000</u>	<u>17,030</u>	<u>26,835</u>
	<u>476,468</u>			<u>3,620,000</u>	<u>2,930,000</u>	<u>40,380</u>	<u>50,185</u>
<u>Ground and Chief Rents</u>							
310/318 Manchester Road, Heaton Chapel	100 *			100	100	-	-
<u>Way leaves:</u>							
Sundry BT, United Utilities, E-On Oldham MBC, Anglian Water	1 *			1	1	87	109
	<u>101</u>			<u>101</u>	<u>101</u>	<u>87</u>	<u>109</u>
	<u>476,569</u>			<u>3,620,101</u>	<u>2,930,101</u>	<u>40,467</u>	<u>50,294</u>

Agricultural properties were revalued in March 2024 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year-end to represent a fair market value for the properties.

Note: Dunlop Heywood & Co undertook a partial revaluation of properties as at 31 March 1985. Those properties that were revalued are as indicated above by an asterisk (*).

Accounts

Registered Charity No. 532297

HULME TRUST ESTATES (EDUCATIONAL)
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 2022

HULME TRUST ESTATES (EDUCATIONAL)

Contents of the Financial Statements
for the year ended 31st December 2022

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HULME TRUST ESTATES (EDUCATIONAL)
Registered Charity No. 532297

Charity Information
for the year ended 31st December 2022

Trustees:	<u>Appointing body</u>	<u>Term Commencement</u>	<u>Length of Term</u>
T A Hoyle – Chairman	Hulme Trustees	23 March 2023	4 years
I Rankin - Treasurer	Manchester Grammar School	20 September 2022	4 years
P Parker	Brasenose College	3 November 2022	4 years
N Wightman	Brasenose College	22 March 2022	4 years
S Newman	Hulme Trustees	20 March 2020	4 years
M Smith	Hulme Trustees	14 September 2021	4 years
S Gauge	Bury Grammar School	24 March 2022	3 years

Secretary & Legal Advisor
J Aldersley

Correspondence Address
Butcher & Barlow
3 Royal Mews
Gadbrook Park
Northwich
CW9 7UD

Bankers
Unity Trust Bank Plc

Agricultural Property Managers
The Brown Rural Partnership
29 Church Street
Macclesfield
Cheshire SK11 6LB

Investment Managers
Castlefield Investments LLP
9th Floor, 111 Piccadilly
Manchester, M1 2HY

Auditors
Beever and Struthers
One Express,
1 George Leigh Street
Manchester M4 5 DL

Reporting Accountants
Harts Ltd
Chartered Accountants
Westminster House
10 Westminster Road
Macclesfield
Cheshire SK10 1BX

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2022**

The Trustees present their annual report and financial statements of the Charity for the year ended 31st December 2022. 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 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); Charities SORP 2019.

Objectives and activities

Charitable objects and Public Benefit Statement

The objects of the Charity are the promotion of education.

The Charity does not actively fundraise, and is required to make distributions, after deducting expenses arising from the Charity's property, administration and management, to the beneficiaries named and in the proportion laid out in the Charity Commission Scheme governing the Charity. These are shown on page 18. The trustees have had regard to the Charity Commission's guidance on public benefit.

All beneficiaries are educational establishments, all of which are registered charities.

Investment Policy and performance

Following approval by the Charity Commission, the Charity's investment strategy is a total return approach to the investments of the Total Endowment.

In accordance with the Order, the Trustees confirm that:

- In identifying the value of the portion of the Permanent Endowment that represents distributable funds, the Trustees first identified the value of the Permanent Endowment at 24 December 1980 (the earliest practical date), and
- The Expendable Endowment represents the difference between the total value of the endowment (the Total Endowment) and the Permanent Endowment. When determining the annual distribution to beneficiaries out of the Expendable Endowment the Trustees have considered the long term sustainability of such a level of distribution, and
- When reaching their decision as to the level of distribution, the Trustees have taken advice from their investment advisers regarding the market outlook, investment trends and yield and the prospects for future capital growth.

The Investments Advisors are instructed to invest to maximise the total return on the non-agricultural permanent endowment investments, within the constraints of a long term investment strategy.

The Trustees agree target asset allocations and seeks a return of inflation + 2.5%.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2022**

Financial review

The Charity is reliant on the Total Endowment (the Fund) which hold a diversified range of assets, mainly quoted equities but also agricultural properties and other assets. The return on the Fund in 2022 before adjusting for distributions to beneficiaries was 1.33% (2021 – 1.2%). Interest rates rose rapidly in 2022 as a reaction to very sharply higher rate of inflation (a consequence in part of Russia's invasion of Ukraine) and both equities and bonds were generally weak. Since the end of the year markets have been steadier.

The Trustees have made an interim distribution of £175,000 (2021 - £180,000), and propose a second distribution of £190,000 (2021 - £180,000) to maintain their principle of distributing approximately 2.5% of the average value of the endowment fund over the last 5 years. At 31st December 2022 this average was £14,736,255 (2021 - £14,600,003)

Reserves Policy

The Trustees have established a policy for withdrawal of funds from Expendable Endowment which aims to maintain the real value of the Total Endowment in the medium term (5 years) as measured against movements in the retail price index, and to maintain the level of distributions at approximately 2.5% each year of the trailing average value of the Fund over the past 5 years. This may be increased up to 3% by the Trustees.

As at 31st December 2022 the value of the Fund was £14,363,616. The value of the Permanent Endowment was £10,805,871 and the value of the Expendable Endowment was £3,557,745. Further explanations is given in the notes to the financial statements on page 13 and 16.

Future Plans

Inflation rates surged in 2022, partly as a consequence of Russia's invasion of Ukraine. Central banks increased interest rates, leading to generally weaker equity and bond markets. The return on the Fund before distributions to beneficiaries was 1.33%. (2021 – 1.2%)

Since the end of the year markets have been steadier notwithstanding concerns around bank stability. The Trustees have appointed two new Investment Managers to manage the non-property assets of the Charity, replacing the former Investment Manager.

Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the total Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Charity.

Structure, Governance and Management

The Charity is a registered charity, number 532297 and is governed by a scheme approved by the Charity Commissioners dated 26 October 1979. On 6 May 2010, the Charity Commission approved the Trustees' plan to adopt a policy of Total Return with effect from 1 January 2011.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2022**

Trustees

There are seven Trustees, appointed as to three by the Trustees of the Estate of William Hulme, two by the Principal and Fellows of Brasenose College, Oxford, one by the Council of the University of Manchester and one by the beneficiary charities, in rotation.

Trustees are appointed for their expertise in specific areas related to the Charity's activities, including investment and property management. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are given in note 2 to the accounts. Trustees are required to disclose all relevant interests and to register them with the Clerk to the Trustees, and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

The Trustees meet twice a year to review the performance of and agree a strategy for the investments, approve distributions and consider risk management.

Risk Management

The Trustees have considered the major risks to which the Charity is exposed and conduct an annual review of risks, established systems and procedures to manage those risks.

A Risk Management Statement is maintained and is reviewed annually.

The Trustees consider variability of investment returns on the permanent endowment to constitute the Charity's major financial risk and recent volatility in world stock markets has demonstrated this risk.

The Trustees manage the permanent endowment on a total return basis, having obtained an Order from the Charity Commission, allowing them to use a total return approach to these investments.

The Trustees consider that the use of a total return approach will smooth the amount available for distribution to beneficiaries.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees
for the year ended 31st December 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

Charity Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources of the Charity for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulation's made there under. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time, the report is approved

- there is no relevant audit information of which the Charity's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information



T Hoyle - Chairman

Date – 28 September 2023

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2022

Opinion

We have audited the financial statements of Hulme Trust Estates (Educational) (the Charity) for the year ended 31 December 2022, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure 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 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 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2022

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Charities Act 2011, taxation legislation, data protection and employment.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of officers and management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2022

To address the risk of fraud through officer and management bias and override of controls, we:

- performed analytical procedures on specific balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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 Part 5 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Beever and Struthers

One Express
1 George Leigh Street
Manchester M4 5DL

Date: 1/12/2023

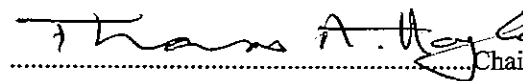
HULME TRUST ESTATES (EDUCATIONAL)
Statement of Financial Activities
for the year ended 31st December 2022

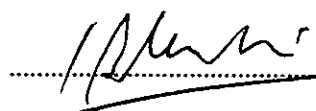
	<u>Page</u>	<u>Distribution Fund</u> £	<u>Total Fund</u> £	<u>31.12.22 Total</u> £	<u>31.12.21 Total</u> £
<u>INCOME & EXPENDITURE</u>					
Incoming Resources					
Rents Received and Receivable	19		50,294	50,294	44,896
Investment Income	15		180,899	180,899	159,058
Interest received			633	633	-
Other Income			1,400	1,400	-
Total Incoming Resources			<u>233,226</u>	<u>233,226</u>	<u>203,954</u>
Resources Expended					
Cost of Generating Funds					
Fund Management			16,606	16,606	12,876
Property Insurance			(2,634)	(2,634)	448
Property Management fees			3,972	3,972	5,030
			<u>17,944</u>	<u>17,944</u>	<u>18,354</u>
Charitable Purposes (2021 – Only Unrestricted Fund)					
Interim Distribution	18	175,000	-	175,000	180,000
Proposed Final Distribution	18	<u>190,000</u>	-	<u>190,000</u>	<u>180,000</u>
		<u>365,000</u>	-	<u>365,000</u>	<u>360,000</u>
Governance Costs					
Management Fees			21,760	21,760	21,600
Accounting fees			4,320	4,320	4,320
Audit Fee			6,744	6,744	4,273
Planning Fee			2,268	2,268	-
Trustee and Meeting Expenses			696	696	-
Bank Charges and Interest			114	114	684
			<u>35,902</u>	<u>35,902</u>	<u>30,877</u>
Other Expenses					
Sinking Fund	16		170	170	170
Total Expenses		<u>365,000</u>	<u>54,016</u>	<u>419,016</u>	<u>409,401</u>
Net Expenditure		<u>(365,000)</u>	<u>179,210</u>	<u>(185,790)</u>	<u>(205,447)</u>
Capital Transactions					
Realised gains – Investments			149,032	149,032	17,916
Realised losses - Investments			(9,483)	(9,483)	(159,907)
Unrealised Gains (losses) - Investments			<u>(1,946,802)</u>	<u>(1,946,802)</u>	<u>2,076,179</u>
Net Capital transactions			<u>(1,807,253)</u>	<u>(1,807,253)</u>	<u>1,934,188</u>
Transfer between Funds		<u>365,000</u>	<u>(365,000)</u>	-	-
Net Movement in Funds			<u>(1,993,043)</u>	<u>(1,993,043)</u>	<u>1,728,741</u>
Balances at 31 December 2021			16,356,659	16,356,659	14,627,918
Balances at 31 December 2022			<u>14,363,616</u>	<u>14,363,616</u>	<u>16,356,659</u>

HULME TRUST ESTATES (EDUCATIONAL)**Balance Sheet
at 31st December 2022**

	<u>Page</u>	<u>Total</u> <u>Fund</u> £	<u>31.12.22</u> <u>Total</u> £	<u>Total</u> <u>Fund</u> £	<u>31.12.21</u> <u>Total</u> £
Fixed Assets					
Investment Properties	19	2,930,101	2,930,101	2,930,101	2,930,101
Quoted Investments	15	11,528,628	11,528,628	13,559,313	13,559,313
Unquoted Investment		-	-	-	-
		<u>14,458,729</u>	<u>14,458,729</u>	<u>16,489,414</u>	<u>16,489,414</u>
Current Assets					
Debtors	16	3,750	3,750	3,705	3,705
Balance at Broker		100,934	100,934	52,806	52,806
Cash at Bank		<u>21,111</u>	<u>21,111</u>	<u>16,779</u>	<u>16,779</u>
		<u>125,795</u>	<u>125,795</u>	<u>73,290</u>	<u>73,290</u>
Current Liabilities					
Creditors	16	30,908	30,908	26,045	26,045
Proposed Final Distribution		<u>190,000</u>	<u>190,000</u>	<u>180,000</u>	<u>180,000</u>
		<u>220,908</u>	<u>220,908</u>	<u>206,045</u>	<u>206,045</u>
Net Current Assets		<u>(95,113)</u>	<u>(95,113)</u>	<u>(132,755)</u>	<u>(132,755)</u>
Total Assets Less Current Liabilities		<u>14,363,616</u>	<u>14,363,616</u>	<u>16,356,659</u>	<u>16,356,659</u>
Fund Balances		<u>14,363,616</u>	<u>14,363,616</u>	<u>16,356,659</u>	<u>16,356,659</u>

Approved by the Board of Trustees.


.....Chairman.


.....Treasurer.

Date : 28 September 2023

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2022**

1. ACCOUNTING POLICIES

Basis of preparation

The accounts 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 the Statement of Recommended Practice: Accounting and Reporting by 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011. The accounts are presented in £ Sterling.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going Concern

Global equity and bond markets were generally weak in 2022 as a result of high inflation and rising interest rates. Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the Total Endowment, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust. The Trustees therefore consider it appropriate to prepare the financial statements on the going concern basis.

Cash Flow Statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Charity qualifies as a small Charity.

Key Judgements

The key judgements are those policies relating to Investment Property and Fixed Asset Investments.

Incoming Resources

Incoming resources comprise mainly investment income, interest and rents and are accounted for on a receivable basis.

Resources expended

1. Cost of generating funds

This records direct expenditure on the management of investments, properties and the collection of rental and other income.

2. Cost of Charitable Activities

Resources expended are included on the basis of the amounts authorised and expended.

3. Governance Costs

Costs of Governance are set out in the Statement of Financial activities.

Taxation

The Trustees consider that requirements for the exemptions from taxation set out in the Income and Corporation Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992 are met, and therefore no provision is made for taxation.

Value Added Tax is not recoverable by the Charity, and as such is included in the relevant costs in the statement of financial activities.

Fund Structure

The Charity has a Total Fund comprising a Permanent Endowment and an Expendable Endowment. The Charity Commission Scheme provides for the Trustees to invest the Fund in perpetuity and it is managed on a total return basis. The Trustees may at their discretion allocate any part of the Expendable Endowment to the purposes of the Charity.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2022**

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. A provision for bad and doubtful debts relating to rental arrears is made on an estimation of those specific debts at the statement of financial position date which are considered to be potentially irrecoverable.

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 market value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of financial activities.

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.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Creditors and Provision

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.

Investments

1. Property

Property Investments are held for investment purposes, and therefore no provision has been made for depreciation. These properties are measured at fair value at the reporting date. An annual assessment of the value of investment assets must be carried out. The Trustees have determined that the value of the Investment Properties is not materially different to the independent valuation made in March 2019. This has been determined by the use of routine and reputable indices published by RICS/RAU and Savills.

2. Quoted Investments

Investments are a form of basic financial instrument and are initially recognised as their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

Fund Transfers

The investment power of total return was granted by the Charity Commission on 6th May 2010. The power permits the Trustees to invest the Permanent Endowment to maximise total return and to apply part of the Expendable Endowment to distributions to beneficiaries each year. Until the power exercised to distribute part of the Expendable Endowment (as disclosed in the fund transfers, note7) the Expendable Endowment remains invested alongside the Permanent Endowment in the Total Fund and is also invested to maximize total returns.

The power allows the Trustees to decide in each year how much of the Expendable Endowment is distributed.

The Trustees, having considered the five year average value of the Total Fund and their desire to smooth the annual distribution to beneficiaries, have decided to make a total distribution of £365,000

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2022**

Fund Transfers (Continued)

	<u>£</u>	<u>Expendable Endowment £</u>	<u>Permanent Endowment £</u>	<u>Total Funds £</u>
Preserved value at 24 December 1980			2,094,612	
Allowance for inflation			<u>7,430,985</u>	
Balance at 31 December 2021		6,831,062	9,525,597	16,356,659
Investment Return	233,226			
Investment Gains (Losses)	139,549			
Revaluation Gains	(1,946,802)			
Management Costs	(17,944)			
Governance Costs	<u>(36,072)</u>			
		(1,628,043)		(1,616,860)
Application to Expenditure Reserve		(365,000)		(365,000)
Transfer to allow for inflation		<u>(1,280,274)</u>	<u>1,280,274</u>	<u>-</u>
Preserved value at 31 December 2022		<u>3,557,745</u>	<u>10,805,871</u>	<u>14,363,616</u>

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

The Charity has the following financial instruments:

	31.12.22 £	31.12.21 £
Financial assets measured at fair value through the Statement of Financial Activities:		
Investments stated at market value	14,458,729	16,489,414
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and cash equivalents	21,111	16,779
Balance at Broker	100,934	52,806
Rent in arrears	3,750	3,705
Financial liabilities at amortised cost:		
Grants committed	-	12,583
Accruals	18,160	8,318
Rents in advance	375	4,125

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2022**

2. RELATED PARTY, TRUSTEES EXPENSES AND OTHER TRANSACTIONS.

The following beneficiaries had appointed Trustees to the Trust who served during the year and are therefore classed as related parties. Transactions and balances with related parties are detailed below.

Related Party	Distribution	Distribution	Creditor	Creditor
	2022	2021	2022	2021
	£	£	£	£
Brasenose College	154,176	152,064	80,256	76,032
Manchester University	77,088	76,032	40,128	38,016
William Hulme Grammar School	64,059	63,182	33,346	31,591
Manchester Grammar School	4,422	4,362	2,302	792

Trustees received no emoluments (2021: Nil). During the year Trustees were reimbursed expenses of £340 (2021: Nil).

Auditor's fee for the year was £5,500 excluding VAT (2021 - £3,560 excluding VAT)

3. INVESTMENTS.

Reconciliation of Quoted & Unquoted Investments

	<u>Market Value</u>	<u>Cost</u>
	£	£
Opening Balance as at 01.01.22	13,559,313	9,845,961
Movement in year		
Additions	362,560	362,560
Disposals at Market Value/Cost	(585,992)	(444,969)
Net unrealised gains (loss) for year	<u>(1,807,253)</u>	<u>-</u>
Closing Balance as at 31.12.22	<u>11,528,628</u>	<u>9,763,552</u>

Summary of Investments

	<u>Cost</u>	<u>Market Value</u>	<u>Income</u>	
	£	£	31.12.22	31.12.21
			£	£
Fixed Interest	723,932	691,981	24,714	26,443
UK Equities and Equity Funds	2,960,420	4,049,677	85,579	73,980
Equity Investment Instruments	808,967	1,026,774	25,090	13,383
Global Equities and Equity Funds	3,939,763	4,274,294	16,955	19,715
Property Funds and other Assets	122,517	127,074	18,764	20,998
Multi Asset Funds	<u>1,207,953</u>	<u>1,358,828</u>	<u>9,797</u>	<u>4,539</u>
	<u>9,763,552</u>	<u>11,528,628</u>	<u>180,899</u>	<u>159,058</u>

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2022

4. DEBTORS

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Rent in arrears	<u>3,750</u>	<u>3,705</u>
Total	<u>3,750</u>	<u>3,705</u>

5. CREDITORS

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Rent in advance	375	4,125
Accrued Broker's Fee	4,000	4,117
Accrued Audit Fee	6,600	4,200
Accrued Clerk Fees	5,400	-
Accrued Accountancy Fee	2,160	-
Sinking Fund	1,190	1,020
Grant to Chetham's School	-	1,400
Distribution Arrears	<u>11,183</u>	<u>11,183</u>
Total	<u>30,908</u>	<u>26,045</u>

6. SINKING FUND

By an order dated 16 September 1982 the sum of £170 p.a. is to be paid into a sinking fund for a period of 75 years, to prevent a loss arising on the sale of the freehold reversion of BRASENOSE HOUSE and RIDGEFIELD HOUSE.

<u>Date of Order</u>	<u>Maturing date</u>	<u>Fund Investment</u>
16 September 1982	2057	253.84 COIF Charities Investment Fund Accumulation units. (Market value £38,938)

7. FUNDS

The Permanent Endowment Fund

This is a restricted fund under the terms of the Trust Deed and must be held in perpetuity. Its purpose is to ensure a total return to finance the ongoing work of the Charity. It is represented by a portfolio of investments and land and buildings.

The Expendable Endowment

The Expendable Fund arises from the changeover to Total Return Investing, and is a restricted fund enabling surpluses arising from the Permanent Endowment through investing activities to be used in accordance with the Charities objectives. It is assessed as the surplus arising on the Permanent Endowment after providing for a preserved level of this fund, based on its value at 24 December 1980 and adjusted by the Retail Price Index to recognise inflation to date.

The investments are managed by professional, independent investment managers who have been given discretionary power to acquire and dispose of quoted investments within the policy set out by the Trustees, and in accordance with the Trust Deeds. Managing agents appointed by the Trustees manage the portfolio of agricultural land and buildings on a day-to-day basis, without discretionary powers on acquisition and disposal.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2022**

Fund Reconciliation

	Balance at 1st January 2021 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gains (Losses) £	Balance at 31 December 2021 £
Expendable Endowment	5,770,942	203,954	(668,621)	(409,401)	1,934,188	6,831,062
Permanent Endowment	8,856,976	-	668,621	-	-	9,525,597

	Balance at 1st January 2022 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gain (Losses) £	Balance at 31 December 2022 £
Expendable Endowment	6,831,062	233,226	(1,280,274)	(419,016)	(1,807,253)	3,557,745
Permanent Endowment	9,525,597	-	1,280,274	-	-	10,805,871

8. VALUATION OF INVESTMENTS

Castlefield Investments LLP, the fund managers, undertook the valuation of investments at 31 December 2022 at market value.

Agricultural properties were revalued in March 2019 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year end to represent a fair market value for the properties.

HULME TRUST ESTATES (EDUCATIONAL)

Distribution of Surplus Income for the year ended 31st December 2022

		<u>Brasenose College</u>	<u>Manchester University</u>	<u>William Hulmes GS</u>	<u>Bury GS</u>	<u>Hulme GS Oldham</u>	<u>Manchester HS - Girls</u>	<u>Manchester GS</u>	<u>Schools Committee</u>
	<u>Total</u>	£	£	£	£	£	£	£	£
12 % of Total to William Hulmes GS	43,800			43,800					
Residue Distributed as follows:									
Brasenose College	48%	154,176	154,176						
Manchester University	24%		77,088						
Governors of Listed Schools	12%								
William Hulmes GS	6/24	9,636		9,636					
Bury GS	6/24	9,636			9,636				
Hulme GS Oldham	6/24	9,636				9,636			
Manchester HS for Girls	5/24	8,030					8,030		
Manchester GS	1/24	1,606						1,606	
Schools Committee	16%	51,392							51,392
Total Distribution		365,000	154,176	77,088	53,436	9,636	8,030	1,606	51,392
Paid on Account		175,000	73,920	36,960	25,620	4,620	3,850	770	24,640
Further Distribution required		190,000	80,256	40,128	27,816	5,016	4,180	836	26,752

HULME TRUST ESTATES (EDUCATIONAL)

Investment Properties for the year ended 31st December 2022

	<u>Cost at</u> <u>26.10.79</u>	<u>Valuation at</u> <u>31.3.85*</u>	<u>Valuation at</u> <u>March 2022</u>	<u>Valuation at</u> <u>March 2021</u>	<u>Income</u> <u>31.12.22</u>	<u>Income</u> <u>31.12.21</u>
	£	£	£	£	£	£
<u>Rack Rents</u>						
Bottom Fen Farm, Aslackby, Lincolnshire }			1,150,000	1,150,000	16,250	17,562
Mill Farm, Gosberton, Lincolnshire }	388,468		500,000	500,000	7,100	7,100
Lincolnshire Estates	<u>388,468</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>23,350</u>	<u>24,662</u>
Brookfold Farmhouse and Buildings, Harwood, Lancashire	88,000 *	1,235,000	1,235,000	1,235,000	15,000	15,000
Land adjacent to 22 Brookfold Lane		30,000	30,000	30,000	1,750	1,750
Orange Mast at Brookfold Farm		<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>10,085</u>	<u>3,375</u>
Harwood Estate	<u>88,000</u>	<u>1,280,000</u>	<u>1,280,000</u>	<u>1,280,000</u>	<u>26,835</u>	<u>20,125</u>
	<u>476,468</u>	<u>2,930,000</u>	<u>2,930,000</u>	<u>2,930,000</u>	<u>50,185</u>	<u>44,787</u>
<u>Ground and Chief Rents</u>						
310/318 Manchester Road, Heaton Chapel	100 *	100	100	100	-	-
<u>Way leaves:</u>						
Sundry BT, United Utilities, E-On Oldham MBC, Anglian Water	1 *	1	1	1	109	109
	<u>101</u>	<u>101</u>	<u>101</u>	<u>101</u>	<u>109</u>	<u>109</u>
	<u>476,569</u>	<u>2,930,101</u>	<u>2,930,101</u>	<u>2,930,101</u>	<u>50,294</u>	<u>44,896</u>

Agricultural properties were revalued in March 2019 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year-end to represent a fair market value for the properties.

Note: Dunlop Heywood & Co undertook a partial revaluation of properties as at 31 March 1985. Those properties that were revalued are as indicated above by an asterisk (*).

Accounts

Registered Charity No. 532297

HULME TRUST ESTATES (EDUCATIONAL)
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 2021

HULME TRUST ESTATES (EDUCATIONAL)

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for the year ended 31st December 2021

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HULME TRUST ESTATES (EDUCATIONAL)
Registered Charity No. 532297

Trust Information
for the year ended 31st December 2021

Trustees:	<u>Appointing body</u>	<u>Term Commencement</u>	<u>Length of Term</u>
T A Hoyle – Chairman	Hulme Trustees	20 March 2019	4 years
I Rankin - Treasurer	Manchester Grammar School	20 September 2018	4 years
P Parker	Brasenose College	3 November 2018	4 years
N Wightman	Brasenose College	22 March 2018	4 years
S Newman	Hulme Trustees	20 March 2020	4 years
M Smith	Hulme Trustees	14 September 2021	4 years
S Gauge	Bury Grammar School	24 March 2022	3 years

Resignations during the year -

I Thompson	March 2021
D Barnes	September 2021

Secretary & Legal Advisor
J Aldersley

Correspondence Address

Butcher & Barlow
3 Royal Mews
Gadbrook Park
Northwich
CW9 7UD

Bankers

Unity Trust Bank Plc

Agricultural Property Managers

The Brown Rural Partnership
29 Church Street
Macclesfield
Cheshire SK11 6LB

Investment Managers

Castlefield Investments LLP
9th Floor, 111 Piccadilly
Manchester, M1 2HY

Auditors

Beever and Struthers
St George's House
215-219 Chester Road
Manchester M15 4JE

Reporting Accountants

Harts Ltd
Chartered Accountants
Westminster House
10 Westminster Road
Macclesfield
Cheshire SK10 1BX

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2021**

The Trustees present their annual report and financial statements of the charity for the year ended 31st December 2021. 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 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); Charities SORP 2019.

Objectives and activities

Charitable objects and Public Benefit Statement

The objects of the Trust are the promotion of education.

The Trust does not actively fundraise, and is required to make distributions, after deducting expenses arising from the Charity's property, administration and management, to the beneficiaries named and in the proportion laid out in the Charity Commission Scheme governing the Charity. These are shown on page 18. The trustees have had regard to the Charity Commission's guidance on public benefit.

All beneficiaries are educational establishments, all of which are registered charities.

Investment Policy and performance

Following approval by the Charity Commission, the Trust's investment strategy is a total return approach to the investments of the Permanent Endowment.

In accordance with the Order, the Trustees confirm that:

- In identifying the value of the portion of the Permanent Endowment that represented unapplied total return, the Trustees first identified the value of the fund at 24 December 1980 (the earliest practical date) and
- When determining the amount of unapplied total return to transfer to income, the Trustees have considered the amount of income required to maintain the current level of charitable distributions, the likely benefits to future beneficiaries and the needs of future beneficiaries, and
- When reaching their decision as to the unapplied total return to transfer to income, the Trustees have taken professional advice from their investment advisers regarding the market outlook, investment trends and yield and the prospects for future capital growth.

The investments advisors (Castlefield) are instructed to invest to maximise the total return on the non-agricultural permanent endowment investments, within the constraints of a medium to low risk investment portfolio. The committee agrees target asset allocations and seeks a return of inflation + 2.5%.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2021**

Financial review

The Trust is reliant on its Permanent Endowment Fund which hold a diversified range of assets, mainly quoted equities but also agricultural properties and other assets. The Permanent Endowment Funds are invested on a total return basis to maximise long term returns. The return on the Fund in 2021, when adjusted for distributions to beneficiaries, was 1.2% (2020 – 1.5%) which the Trustees consider to be a satisfactory return in the context of volatile globally equity markets. Since the end of the year, markets have fallen following the Russian invasion of Ukraine.

Trustees have made an interim distribution of £180,000 (2020 - £165,000), and propose a second distribution of £180,000 (2020 - £175,000) to maintain their principle of distributing approximately 2.5% of the average value of the endowment fund over the last 5 years. At 31st December 2021 this average was £14,636,003 (2020 - £13,952,865)

Reserves Policy

Trustees have established a policy for withdrawal of funds from the unapplied total return fund which aims to maintain the real value of the permanent endowment in the medium term (5 years) as measured against movements in the retail price index, and to maintain the level of distributions at approximately 2.5% each year of the trailing average value of the fund over the past 5 years. This may be increased up to 3% by the Trustees.

The second part of the policy reflects how the Trustees seek to preserve the endowment's value. The "Core Endowment" represents that part of the assets, which the Trustees seek to maintain at least in real terms. It is based on the value of the endowments at 24 December 1980, the earliest practical date at which they can be measured together with an allowance for subsequent inflation.

At 31st December 2021, the total value of Endowment funds was £16,356,659. Expendable endowments were £6,831,062 and the permanent endowments were £9,525,597. Further explanation of these funds can be found in the notes to the financial statements.

Future Plans

Global equity markets were strong in 2021 as most developed countries successfully implemented vaccine programmes against Covid-19 and the total Endowment Fund achieved a return of 14.3% (net of fees) over the year.

Since the end of the year markets have fallen after the Russian invasion of Ukraine and inflation, already high, as risen further. The Trustees have had a detailed review of investment strategy with the investment managers whose view is that the current portfolio should protect the value of the Trust's assets in real terms.

Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the total Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust

Structure, Governance and Management

The Trust is a registered charity, number 532297 and is governed by a scheme approved by the Charity Commissioners dated 26 October 1979. On 6 May 2010, the Charity Commission approved the Trustees' plan to adopt a policy of Total Return with effect from 1 January 2011.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2021**

Trustees

There are eight Trustees, appointed as to four by the Trustees of the Estate of William Hulme, two by the Principal and Fellows of Brasenose College, Oxford, one by the Council of the University of Manchester and one by the beneficiary Charities, in rotation.

Trustees are appointed for their expertise in specific areas related to the Charity's activities, including investment and property management. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are given in note 2 to the accounts. Trustees are required to disclose all relevant interests and to register them with the Clerk to the Trustees, and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The Trustees meet twice a year to review the performance of and agree a strategy for the investments, approve distributions and consider risk management.

Risk Management

The Trustees have considered the major risks to which the charity is exposed and conduct an annual review of risks, established systems and procedures to manage those risks.

A risk register has been created and is reviewed annually.

The Trustees consider variability of investment returns on the permanent endowment to constitute the Charity's major financial risk and recent volatility in world stock markets has demonstrated this risk.

The Trustees manage the permanent endowment on a total return basis, having obtained an Order from the Charity Commission, allowing them to use a total return approach to these investments. The Trustees consider that the use of a total return approach will stabilise the resources available for distribution, thereby enabling a steady growth in income as well as maintaining the asset base.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

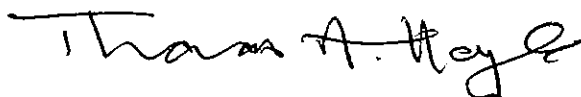
Charity Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the Charity for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulation's made there under. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time, the report is approved

- there is no relevant audit information of which the Charity's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information



T Hoyle - Chairman

Date – 29 September 2022

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2021

Opinion

We have audited the financial statements of Hulme Trust Estates (Educational) "the charity" for the year ended 31 December 2021, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

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 its incoming resources and application of resources, including its income and expenditure 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 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's or parent 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2021

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Charities Act 2011, taxation legislation, data protection and employment.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2021

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on specific balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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 Part 5 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Beever and Struthers

St George's House
215/219 Chester Road
Manchester M15 4JE

Date: 21 October 2022

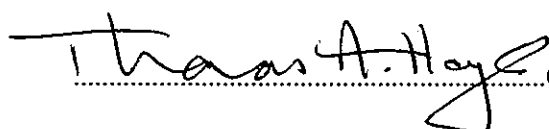
HULME TRUST ESTATES (EDUCATIONAL)
Statement of Financial Activities
for the year ended 31st December 2021

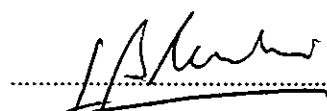
	<u>Page</u>	<u>Unrestricted</u> <u>Fund</u> £	<u>Endowment</u> <u>Funds</u> £	<u>31.12.21</u> <u>Total</u> £	<u>31.12.20</u> <u>Total</u> £
<u>INCOME & EXPENDITURE</u>					
Incoming Resources					
Rents Received and Receivable	19		44,896	44,896	48,117
Investment Income	15		159,058	159,058	170,330
Interest received			-	-	291
Total Incoming Resources			<u>203,954</u>	<u>203,954</u>	<u>218,738</u>
Resources Expended					
Cost of Generating Funds					
Fund Management			12,876	12,876	13,743
Property Insurance			448	448	3,070
Property Management fees			<u>5,030</u>	<u>5,030</u>	<u>5,845</u>
			<u>18,354</u>	<u>18,354</u>	<u>22,658</u>
Charitable Purposes					
(2020 – Only Unrestricted Fund)					
Interim Distribution	18	180,000	-	180,000	165,000
Proposed Final Distribution	18	<u>180,000</u>	-	<u>180,000</u>	<u>175,000</u>
		<u>360,000</u>	-	<u>360,000</u>	<u>340,000</u>
Governance Costs					
Management Fees			21,600	21,600	21,600
Accounting fees			4,320	4,320	4,680
Audit Fee			4,273	4,273	4,272
Trustee and Meeting Expenses			-	-	212
Bank Charges and Interest			<u>684</u>	<u>684</u>	<u>580</u>
			<u>30,877</u>	<u>30,877</u>	<u>31,344</u>
Other Expenses					
Sinking Fund	16		<u>170</u>	<u>170</u>	<u>170</u>
Total Expenses		<u>360,000</u>	<u>49,401</u>	<u>409,401</u>	<u>394,172</u>
Net Expenditure		<u>(360,000)</u>	<u>154,553</u>	<u>(205,447)</u>	<u>(175,434)</u>
Capital Transactions					
Realised gains – Investments			17,916	17,916	967,984
Realised losses - Investments			(159,907)	(159,907)	-
Unrealised Gains (losses) - Investments			<u>2,076,179</u>	<u>2,076,179</u>	<u>(953,631)</u>
Net Capital transactions			1,934,188	1,934,188	14,353
Transfer between Funds		<u>360,000</u>	<u>(360,000)</u>	-	-
Net Movement in Funds			<u>1,728,741</u>	<u>1,728,741</u>	<u>(161,081)</u>
Balances at 31 December 2020			14,627,918	14,627,918	14,788,999
Balances at 31 December 2021			<u>16,356,659</u>	<u>16,356,659</u>	<u>14,627,918</u>

HULME TRUST ESTATES (EDUCATIONAL)**Balance Sheet
at 31st December 2021**

	<u>Page</u>	<u>Endowment</u> <u>Fund</u> £	<u>31.12.21</u> <u>Total</u> £	<u>Endowment</u> <u>Fund</u> £	<u>31.12.20</u> <u>Total</u> £
Fixed Assets					
Investment Properties	19	2,930,101	2,930,101	2,930,101	2,930,101
Quoted Investments	15	13,559,313	13,559,313	11,712,484	11,712,484
Unquoted Investment		-	-	-	-
		<u>16,489,414</u>	<u>16,489,414</u>	<u>14,642,585</u>	<u>14,642,585</u>
Current Assets					
Debtors	16	3,705	3,705	3,283	3,283
Balance at Broker		52,806	52,806	154,879	154,879
Cash at Bank		<u>16,779</u>	<u>16,779</u>	<u>31,422</u>	<u>31,422</u>
		<u>73,290</u>	<u>73,290</u>	<u>189,584</u>	<u>189,584</u>
Current Liabilities					
Creditors	16	26,045	26,045	29,251	29,251
Proposed Final Distribution		<u>180,000</u>	<u>180,000</u>	<u>175,000</u>	<u>175,000</u>
		<u>206,045</u>	<u>206,045</u>	<u>204,251</u>	<u>204,251</u>
Net Current Assets					
		<u>(132,755)</u>	<u>(132,755)</u>	<u>(14,667)</u>	<u>(14,667)</u>
Total Assets Less Current Liabilities					
		<u>16,356,659</u>	<u>16,356,659</u>	<u>14,627,918</u>	<u>14,627,918</u>
Fund Balances					
		<u>16,356,659</u>	<u>16,356,659</u>	<u>14,627,918</u>	<u>14,627,918</u>

Approved by the Board of Trustees.

.....Chairman.

.....Treasurer.

Date : 29 September 2022

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2021**

1. ACCOUNTING POLICIES

Basis of preparation

The accounts 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 the Statement of Recommended Practice: Accounting and Reporting by 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011. The accounts are presented in £ Sterling.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going Concern

Global equity markets were very volatile in 2020 as a result of the economic and financial impact of the Covid-19 pandemic. Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the Permanent Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust. The Trustees therefore consider it appropriate to prepare the financial statements on the going concern basis.

Cash Flow Statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Charity qualifies as a small Charity.

Key Judgements

The key judgements are those policies relating to Investment Property and Fixed Asset Investments.

Incoming Resources

Incoming resources comprise mainly investment income, interest and rents and are accounted for on a receivable basis.

Resources expended

1. Cost of generating funds

This records direct expenditure on the management of investments, properties and the collection of rental and other income.

2. Cost of Charitable Activities

Resources expended are included on the basis of the amounts authorised and expended.

3. Governance Costs

Costs of Governance are set out in the Statement of Financial activities.

Taxation

The Trustees consider that requirements for the exemptions from taxation set out in the Income and Corporation Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992 are met, and therefore no provision is made for taxation.

Value Added Tax is not recoverable by the Charity, and as such is included in the relevant costs in the statement of financial activities.

Fund Structure

The charity has a single permanent endowment. The Charity Commission Scheme provides for the Trustees to invest the capital in perpetuity and is managed on a total return basis. The Trustees may at their discretion allocate any part of the unapplied total return to the purposes of the Charity.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2021

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. A provision for bad and doubtful debts relating to rental arrears is made on an estimation of those specific debts at the statement of financial position date which are considered to be potentially irrecoverable

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 market value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of financial activities.

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.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Creditors and Provision

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.

Investments

1. Property

Property Investments are held for investment purposes, and therefore no provision has been made for depreciation. These properties are measured at fair value at the reporting date. An annual assessment of the value of investment assets must be carried out. The Trustees have determined that the value of the Investment Properties is not materially different to the independent valuation made in March 2019. This has been determined by the use of routine and reputable indices published by RICS/RAU and Savills.

2. Quoted Investments

Investments are a form of basic financial instrument and are initially recognised as their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

Fund Transfers

The investment power of total return was granted by the Charity Commission on 6th May 2010. The power permits the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income in each year. Until the power is exercised to apply a portion of unapplied total return to income (as disclosed in the fund transfers, note7), the unapplied total return remains invested as part of the Permanent Endowment.

The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds, and so available for expenditure.

The Charity has made a positive return in the year, and having considered their obligations under the duty of maintaining a steady income distribution, the trustees have made a transfer of £340,000, from the unapplied total return, to the unrestricted funds, for distribution to the beneficiaries.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2020**

Fund Transfers (Continued)

		<u>Unapplied Funds</u>	<u>Permanent Endowment</u>	<u>Total Funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Preserved value at 24 December 1980			2,094,612	
Allowance for inflation			<u>6,762,364</u>	
Balance at 31 December 2020		5,770,942	8,856,976	14,627,918
Investment Return	203,954			
Investment Gains (Losses)	(141,991)			
Revaluation Gains	2,076,179			
Management Costs	(18,354)			
Governance Costs	<u>(31,047)</u>			
		2,088,741		2,088,741
Application to Expenditure Reserve		(360,000)		(360,000)
Transfer to allow for inflation		<u>(668,621)</u>	<u>668,621</u>	<u>-</u>
Preserved value at 31 December 2021		<u>6,831,062</u>	<u>9,525,597</u>	<u>16,356,659</u>

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

The Charity has the following financial instruments:

	31.12.21	31.12.20
	<u>£</u>	<u>£</u>
Financial assets measured at fair value through the Statement of Financial Activities:		
Investments stated at market value	16,489,414	14,642,585
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and cash equivalents	16,779	31,422
Balance at Broker	52,806	154,879
Financial liabilities at amortised cost:		
Grants committed	12,583	14,582
Accruals	8,318	8,318
Rents in advance	4,125	5,500

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2021**

2. RELATED PARTY, TRUSTEES EXPENSES AND OTHER TRANSACTIONS.

The following beneficiaries had appointed trustees to the Trust who served during the year and are therefore classed as related parties. Transactions and balances with related parties are detailed below.

Related Party	Distribution	Distribution	Creditor	Creditor
	2021	2020	2021	2020
	£	£	£	£
Brasenose College	152,064	143,616	76,032	73,920
Manchester University	76,032	71,808	38,016	36,960
William Hulme Grammar School	63,182	49,776	31,591	25,620
Manchester Grammar School	1,584	1,496	792	770

Trustees received no emoluments (2020: Nil). During the year no trustees were reimbursed expenses (2020: Nil).

Auditor's fee for the year was £3,560 excluding VAT (2020 - £3,560 excluding VAT)

3. INVESTMENTS.

Reconciliation of Quoted & Unquoted Investments

	<u>Market Value</u>	<u>Cost</u>
	£	£
Opening Balance as at 01.01.21	11,712,484	10,076,997
Movement in year		
Additions	570,915	570,915
Disposals at Market Value/Cost	(658,274)	(801,951)
Net unrealised gains (loss) for year	<u>1,934,188</u>	<u>-</u>
Closing Balance as at 31.12.21	<u>13,559,313</u>	<u>9,845,961</u>

Summary of Investments

	<u>Cost</u>	<u>Market Value</u>	<u>Income</u>	
	£	£	31.12.21	31.12.20
			£	£
Fixed Interest	663,602	678,440	26,443	30,158
UK Equities and Equity Funds	2,960,420	4,641,444	73,980	79,540
Equity Investment Instruments	808,967	1,253,567	13,383	13,442
Global Equities and Equity Funds	3,756,235	4,926,885	19,715	18,477
Property Funds and other Assets	402,537	526,851	20,998	20,592
Multi Asset Funds	<u>1,254,200</u>	<u>1,532,126</u>	<u>4,539</u>	<u>8,121</u>
	<u>9,845,961</u>	<u>13,559,313</u>	<u>159,058</u>	<u>170,330</u>

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2021**

4. DEBTORS	<u>31.12.21</u>	<u>31.12.20</u>
	<u>£</u>	<u>£</u>
Prepayments	3,705	3,283
Total	<u>3,705</u>	<u>3,283</u>

5. CREDITORS	<u>31.12.21</u>	<u>31.12.20</u>
	<u>£</u>	<u>£</u>
Rent in advance	4,125	5,500
Accrued Broker's Fee	4,118	4,118
Accrued Audit Fee	4,200	4,200
Sinking Fund	1,020	850
Grant to Chetham's School	1,400	1,400
Distribution Arrears	<u>11,182</u>	<u>13,183</u>
Total	<u>26,045</u>	<u>29,251</u>

6. SINKING FUND

By an order dated 16 September 1982 the sum of £170 p.a. is to be paid into a sinking fund for a period of 75 years, to prevent a loss arising on the sale of the freehold reversion of BRASENOSE HOUSE and RIDGEFIELD HOUSE.

<u>Date of Order</u>	<u>Maturing date</u>	<u>Fund Investment</u>
16 September 1982	2057	253.84 COIF Charities Investment Fund Accumulation units. (Market value £38,938)

7. FUNDS

The Permanent Endowment Fund

This is a restricted fund under the terms of the Trust Deed and must be held in perpetuity. Its purpose is to ensure an income stream to finance the ongoing work of the Charity. It is represented by a portfolio of investments and land and buildings. The investments are managed by professional, independent investment managers who have been given discretionary power to acquire and dispose of quoted investments within the policy set out by the Trustees, and in accordance with the Trust Deeds. Managing agents appointed by the Trustees manage the portfolio of agricultural land and buildings on a day-to-day basis, without discretionary powers on acquisition and disposal.

The Expendable Endowment

The Expendable Fund arises from the changeover to Total Return Investing, and is a restricted fund enabling surpluses arising from the Permanent Endowment through investing activities to be used in accordance with the Charities objectives. It is assessed as the surplus arising on the Permanent Endowment after providing for a preserved level of this fund, based on its value at 24 December 1980 and adjusted by the Retail Price Index to recognise inflation to date.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2021

Fund Reconciliation

	Balance at 1st January 2020 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gains (Losses) £	Balance at 31 December 2020 £
Expendable Endowment	6,036,963	218,738	(104,940)	(394,172)	14,353	5,770,942
Permanent Endowment	8,752,036	-	104,940	-	-	8,856,976

	Balance at 1st January 2021 £	Incoming Resources £	Inflation Transfer	Resources Expended £	Investment Gains (Losses) £	Balance at 31 December 2021 £
Expendable Endowment	5,770,942	203,954	(668,621)	(409,401)	1,934,188	6,831,062
Permanent Endowment	8,856,976	-	668,621	-	-	9,525,597

8. VALUATION OF INVESTMENTS

Castlefield Investments LLP, the fund managers, undertook the valuation of investments at 31 December 2021 at market value.

Agricultural properties were revalued in March 2019 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year end to represent a fair market value for the properties.

9. POST BALANCE SHEET EVENT

Following the Russian invasion of Ukraine in February 2022 inflation rates, which were already rising, have risen further. This has prompted central banks to raise interest rates, which has in turn led to significant weakness in global bond and equity markets. The Permanent Endowment Fund has decreased by approximately 7.7% in value.

Castlefields continue to manage the portfolio and as the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the permanent Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust.

HULME TRUST ESTATES (EDUCATIONAL)

Distribution of Surplus Income for the year ended 31st December 2021

	<u>Total</u> £	<u>Brasenose</u> <u>College</u> £	<u>Manchester</u> <u>University</u> £	<u>William</u> <u>Hulmes GS</u> £	<u>Bury GS</u> £	<u>Hulme GS</u> <u>Oldham</u> £	<u>Manchester</u> <u>HS - Girls</u> £	<u>Manchester</u> <u>GS</u> £	<u>Schools</u> <u>Committee</u> £
12 % of Total to William Hulmes GS	43,200			43,200					
Residue Distributed as follows:									
Brasenose College	48%	152,064	152,064						
Manchester University	24%	76,032	76,032						
Governors of Listed Schools	12%								
William Hulmes GS	6/24	9,504		9,504					
Bury GS	6/24	9,504			9,504				
Hulme GS Oldham	6/24	9,504				9,504			
Manchester HS for Girls	5/24	7,920					7,920		
Manchester GS	1/24	1,584						1,584	
Schools Committee	16%	50,688							50,688
Total Distribution		360,000	152,064	76,032	52,704	9,504	7,920	1,584	50,688
Paid on Account		180,000	76,032	38,016	26,352	4,752	3,960	792	25,344
Further Distribution required		180,000	76,032	38,016	26,352	4,752	3,960	792	25,344

HULME TRUST ESTATES (EDUCATIONAL)

Investment Properties for the year ended 31st December 2021

	<u>Cost at</u> <u>26.10.79</u> <u>Valuation at</u> <u>31.3.85*</u>	<u>Valuation at</u> <u>March 2021</u>	<u>Valuation at</u> <u>March 2020</u>	<u>Income</u> <u>31.12.21</u>	<u>Income</u> <u>31.12.20</u>
	£	£	£	£	£
<u>Rack Rents</u>					
Bottom Fen Farm, Aslackby, Lincolnshire }		1,150,000	1,150,000	17,562	18,000
Mill Farm, Gosberton, Lincolnshire }	388,468	500,000	500,000	7,100	7,955
Lincolnshire Estates	<u>388,468</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>24,662</u>	<u>25,955</u>
Brookfold Farmhouse and Buildings, Harwood, Lancashire	88,000 *	1,235,000	1,235,000	15,000	15,000
Land adjacent to 22 Brookfold Lane		30,000	30,000	1,750	1,645
Orange Mast at Brookfold Farm		<u>15,000</u>	<u>15,000</u>	<u>3,375</u>	<u>5,500</u>
Harwood Estate	<u>88,000</u>	<u>1,280,000</u>	<u>1,280,000</u>	<u>20,125</u>	<u>22,145</u>
	<u>476,468</u>	<u>2,930,000</u>	<u>2,930,000</u>	<u>44,787</u>	<u>48,100</u>
<u>Ground and Chief Rents</u>					
310/318 Manchester Road, Heaton Chapel	100 *	100	100	-	-
<u>Way leaves:</u>					
Sundry BT, United Utilities, E-On Oldham MBC, Anglian Water	1 *	1	1	109	17
	<u>101</u>	<u>101</u>	<u>101</u>	<u>109</u>	<u>17</u>
	<u>476,569</u>	<u>2,930,101</u>	<u>2,930,101</u>	<u>44,896</u>	<u>48,117</u>

Agricultural properties were revalued in March 2019 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year-end to represent a fair market value for the properties.

Note: Dunlop Heywood & Co undertook a partial revaluation of properties as at 31 March 1985. Those properties that were revalued are as indicated above by an asterisk (*).

Accounts

HULME TRUST ESTATES (EDUCATIONAL)
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 2020

HULME TRUST ESTATES (EDUCATIONAL)

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for the year ended 31st December 2020

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HULME TRUST ESTATES (EDUCATIONAL)

Registered Charity No. 532297

Trust Information
for the year ended 31st December 2020

Trustees:	<u>Appointing body</u>	<u>Term Commencement</u>	<u>Length of Term</u>
T A Hoyle Esq. – Chairman	Hulme Trustees	20 March 2019	4 years
I Rankin Esq. - Treasurer	Manchester Grammar School	20 September 2018	4 years
I Thompson Esq.	Manchester University	23 March 2017	4 years
P Parker Esq.	Brasenose College	3 November 2018	4 years
N Wightman Esq	Brasenose College	22 March 2018	4 years
D Barnes Esq.	William Hulme Grammar School	28 September 2017	4 years
S Newman	Hulme Trustees	20 March 2020	4 years

Secretary & Legal Advisor

J Aldersley

Correspondence Address

Butcher & Barlow
3 Royal Mews
Gadbrook Park
Northwich
CW9 7UD

Bankers

Unity Trust Bank Plc

Agricultural Property Managers

The Brown Rural Partnership
29 Church Street
Macclesfield
Cheshire SK11 6LB

Investment Managers

Castlefield Investments LLP
9th Floor, 111 Piccadilly
Manchester, M1 2HY

Auditors

Beever and Struthers
St George's House
215-219 Chester Road
Manchester M15 4JE

Reporting Accountants

Harts Ltd
Chartered Accountants
Westminster House
10 Westminster Road
Macclesfield
Cheshire SK10 1BX

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2020**

The Trustees present their annual report and financial statements of the charity for the year ended 31st December 2020. 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 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); Charities SORP 2019.

Objectives and activities

Charitable objects and Public Benefit Statement

The objects of the Trust are the promotion of education.

The Trust does not actively fundraise, and is required to make distributions, after deducting expenses of the Charity's property, administration and management, to the beneficiaries named and in the proportion laid out in the Charity Commission Scheme governing the Charity. These are shown on page 17.

The trustees have had regard to the Charity Commission's guidance on public benefit.

All beneficiaries are educational establishments, all of which are registered charities.

Investment Policy and performance

Following approval by the Charity Commission, the Trust's investment strategy is a total return approach to the investments of the Permanent Endowment.

In accordance with the Order, the Trustees confirm that:

- In identifying the value of the portion of the Permanent Endowment that represented unapplied total return, the Trustees first identified the value of the fund at 24 December 1980 (the earliest practical date) and
- When determining the amount of unapplied total return to transfer to income, the Trustees have considered the amount of income required to maintain the current level of charitable distributions, the likely benefits to future beneficiaries and the needs of future beneficiaries, and
- When reaching their decision as to the unapplied total return to transfer to income, the Trustees have taken professional advice from their investment advisers regarding the market outlook, investment trends and yield and the prospects for future capital growth.

The investments advisors (Castlefield) are instructed to invest to maximise the total return on the non agricultural permanent endowment investments, within the constraints of a medium to low risk investment portfolio. The committee sets target asset allocations and seeks a return of inflation + 2.5%.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees **for the year ended 31st December 2020**

Financial review

The Trust is reliant on its Permanent Endowment Fund which hold a diversified range of assets, mainly quoted equities but also agricultural properties and other assets. The Permanent Endowment Funds are invested on a total return basis to maximise long term returns. The return on the Fund in 2020, when adjusted for distributions to beneficiaries, was 2.3% (2019 - 16.1%) which the Trustees consider to be a satisfactory return in the context of volatile globally equity markets. Since the end of the year markets have seen recovery from the impact of the Covid pandemic.

Trustees have made an interim distribution of £165,000 (2019 - £160,000), and propose a second distribution of £175,000 (2019 - £160,000) to maintain their principle of distributing approximately 2.5% of the average value of the endowment fund over the last 5 years. At 31st December 2020 this average was £13,952,865 (2019 - £13,454,935)

Reserves Policy

Trustees have established a policy for withdrawal of funds from the unapplied total return fund which aims to maintain the real value of the permanent endowment in the medium term (5 years) as measured against movements in the retail price index, and to maintain the level of distributions at approximately 2.5% each year of the trailing average value of the fund over the past 5 years. This may be increased up to 3% by the Trustees.

The second part of the policy reflects how the Trustees seek to preserve the endowment's value. The "Core Endowment" represents that part of the assets which the Trustees seek to maintain at least in real terms. It is based on the value of the endowments at 24 December 1980, the earliest practical date at which they can be measured together with an allowance for subsequent inflation.

At 31st December 2020 the total value of Endowment funds was £14,627,918. Expendable endowments were £5,770,942 and the permanent endowments were £8,856,976. Further explanation of these funds can be found in the notes to the financial statements.

Future Plans

Global equity markets were very volatile in 2020 as a result of the economic and financial impact of the Covid-19 pandemic, but the total Endowment Fund achieved a return of 2.3% over the year. The Trustees have had a detailed review of investment strategy with the Investment Manager, whose view is that the successful roll-out of vaccinations in 2021 will allow the global economy to recover strongly and return to a degree of normality. Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the total Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust

Structure, Governance and Management

The Trust is a registered charity, number 532297 and is governed by a scheme approved by the Charity Commissioners dated 26 October 1979. On 6 May 2010 the Charity Commission approved the Trustees' plan to adopt a policy of Total Return with effect from 1 January 2011.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees for the year ended 31st December 2020

Trustees

There are seven Trustees, appointed as to four by the Trustees of the Estate of William Hulme, two by the Principal and Fellows of Brasenose College, Oxford, one by the Council of the University of Manchester and one by the beneficiary Charities, in rotation.

Trustees are appointed for their expertise in specific areas related to the Charity's activities, including investment and property management. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are given in note 2 to the accounts. Trustees are required to disclose all relevant interests and to register them with the Clerk to the Trustees, and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The Trustees meet twice a year to review the performance of and agree a strategy for the investments, approve distributions and consider risk management.

Risk Management

The Trustees have considered the major risks to which the charity is exposed and conduct an annual review of risks, established systems and procedures to manage those risks.

A risk register has been created and is reviewed annually.

The Trustees consider variability of investment returns on the permanent endowment to constitute the charity's major financial risk and recent volatility in world stock markets has demonstrated this risk. The Trustees manage the permanent endowment on a total return basis, having obtained an Order from the Charity Commission, allowing them to use a total return approach to these investments. The Trustees consider that the use of a total return approach will stabilise the resources available for distribution, thereby enabling a steady growth in income as well as maintaining the asset base.

HULME TRUST ESTATES (EDUCATIONAL)

Report of the Trustees for the year ended 31st December 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

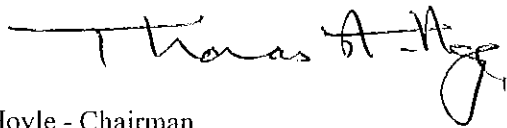
Charity Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the Charity for the year. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulation's made there under. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved

- there is no relevant audit information of which the Charity's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information



T Hoyle - Chairman

Date – 14-9-21

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2020

Opinion

We have audited the financial statements of Hulme Trust Estates (Educational) "the charity" for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

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 its incoming resources and application of resources, including its income and expenditure 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 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's or parent 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2020

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Charities Act 2011, taxation legislation, data protection and employment.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

HULME TRUST ESTATES (EDUCATIONAL)

Independent Auditor's Report to the trustees of Hulme Trust Estates (Educational) for the year ended 31st December 2020

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on specific balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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 Part 5 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Beever and Struthers

St George's House
215/219 Chester Road
Manchester M15 4JE

Date: *29 September 2021*

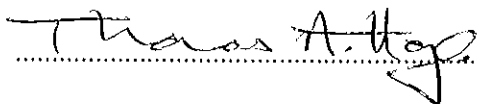
HULME TRUST ESTATES (EDUCATIONAL)
Statement of Financial Activities
for the year ended 31st December 2020

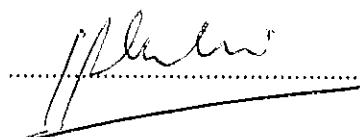
	<u>Page</u>	<u>Unrestricted Fund £</u>	<u>Endowment Funds £</u>	<u>31.12.20 Total £</u>	<u>31.12.19 Total £</u>
<u>INCOME & EXPENDITURE</u>					
Incoming Resources					
Rents Received and Receivable	19		48,117	48,117	48,600
Investment Income	15		170,330	170,330	248,630
Interest received			291	291	913
Total Incoming Resources		-	218,738	218,738	298,143
Resources Expended					
Cost of Generating Funds					
Fund Management			13,743	13,743	16,639
Property Insurance			3,070	3,070	1,055
Property Management fees			5,845	5,845	11,579
		-	22,658	22,658	29,273
Charitable Purposes (2019 – Only Unrestricted Fund)					
Interim Distribution	18	165,000	-	165,000	160,000
Proposed Final Distribution	18	175,000	-	175,000	160,000
		340,000	-	340,000	320,000
Governance Costs					
Management Fees			21,600	21,600	24,720
Accounting fees			4,680	4,680	4,200
Audit Fee			4,272	4,272	4,320
Trustee and Meeting Expenses			212	212	312
Bank Charges and Interest			580	580	142
			31,344	31,344	33,694
Other Expenses					
Sinking Fund	16		170	170	170
Total Expenses		340,000	54,172	394,172	383,137
Net Expenditure		(340,000)	164,566	(175,434)	(84,994)
Capital Transactions					
Realised gain – Land and Buildings			-	-	50,000
Realised gains – Investments			967,984	967,984	114,354
Realised losses - Investments			-	-	(85,826)
Unrealised Gains (losses) - Investments			(953,631)	(953,631)	1,439,981
Net Capital transactions			14,353	14,353	1,518,509
Transfer between Funds		340,000	(340,000)	-	-
Net Movement in Funds			(161,081)	(161,081)	1,433,515
Balances at 31 December 2019			14,788,999	14,788,999	13,355,484
Balances at 31 December 2020			14,627,918	14,627,918	14,788,999

HULME TRUST ESTATES (EDUCATIONAL)**Balance Sheet
at 31st December 2020**

	<u>Page</u>	<u>Endowment</u> <u>Fund</u> £	<u>31.12.20</u> <u>Total</u> £	<u>Endowment</u> <u>Fund</u> £	<u>31.12.19</u> <u>Total</u> £
Fixed Assets					
Investment Properties	19	2,930,101	2,930,101	2,930,101	2,930,101
Quoted Investments	15	11,712,484	11,712,484	11,730,856	11,730,856
Unquoted Investment		-	-	-	-
		<u>14,642,585</u>	<u>14,642,585</u>	<u>14,660,957</u>	<u>14,660,957</u>
Current Assets					
Debtors	16	3,283	3,283	3,445	3,445
Balance at Broker		154,879	154,879	290,808	290,808
Cash at Bank		<u>31,422</u>	<u>31,422</u>	<u>27,840</u>	<u>27,840</u>
		<u>189,584</u>	<u>189,584</u>	<u>322,093</u>	<u>322,093</u>
Current Liabilities					
Creditors	16	29,251	29,251	34,051	34,051
Proposed Final Distribution		<u>175,000</u>	<u>175,000</u>	<u>160,000</u>	<u>160,000</u>
		<u>204,251</u>	<u>204,251</u>	<u>194,051</u>	<u>194,051</u>
Net Current Assets					
		<u>(14,667)</u>	<u>(14,667)</u>	<u>128,042</u>	<u>128,042</u>
Total Assets Less Current Liabilities					
		<u>14,627,918</u>	<u>14,627,918</u>	<u>14,788,999</u>	<u>14,788,999</u>
Fund Balances					
		<u>14,627,918</u>	<u>14,627,918</u>	<u>14,788,999</u>	<u>14,788,999</u>

Approved by the Board of Trustees.

.....Chairman.

.....Treasurer.

Date : 14-9-21

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2020**

1. ACCOUNTING POLICIES

Basis of preparation

The accounts 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 the Statement of Recommended Practice: Accounting and Reporting by 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011. The accounts are presented in £ Sterling.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going Concern

Global equity markets were very volatile in 2020 as a result of the economic and financial impact of the Covid-19 pandemic. Since the Trustees adopt a long-term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the Permanent Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust. The Trustees therefore consider it appropriate to prepare the financial statements on the going concern basis.

Cash Flow Statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Charity qualifies as a small Charity.

Key Judgements

The key judgements are those policies relating to Investment Property and Fixed Asset Investments.

Incoming Resources

Incoming resources comprise mainly investment income, interest and rents and are accounted for on a receivable basis.

Resources expended

1. Cost of generating funds

This records direct expenditure on the management of investments, properties and the collection of rental and other income.

2. Cost of Charitable Activities

Resources expended are included on the basis of the amounts authorised and expended.

3. Governance Costs

Costs of Governance are set out in the Statement of Financial activities.

Taxation

The Trustees consider that requirements for the exemptions from taxation set out in the Income and Corporation Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992 are met, and therefore no provision is made for taxation.

Value Added Tax is not recoverable by the Charity, and as such is included in the relevant costs in the statement of financial activities.

Fund Structure

The charity has a single permanent endowment. The Charity Commission Scheme provides for the Trustees to invest the capital in perpetuity and is managed on a total return basis. The Trustees may at their discretion allocate any part of the unapplied total return to the purposes of the Charity.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements **for the year ended 31st December 2020**

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. A provision for bad and doubtful debts relating to rental arrears is made on an estimation of those specific debts at the statement of financial position date which are considered to be potentially irrecoverable

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 market value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of financial activities.

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.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Creditors and Provision

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.

Investments

1. Property

Property Investments are held for investment purposes, and therefore no provision has been made for depreciation. These properties are measured at fair value at the reporting date. An annual assessment of the value of investment assets must be carried out. The Trustees have determined that the value of the Investment Properties is not materially different to the independent valuation made in March 2019. This has been determined by the use of routine and reputable indices published by RICS/RAU and Savills.

2. Quoted Investments

Investments are a form of basic financial instrument and are initially recognised as their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

Fund Transfers

The investment power of total return was granted by the Charity Commission on 6th May 2010. The power permits the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income in each year. Until the power is exercised to apply a portion of unapplied total return to income (as disclosed in the fund transfers, note7), the unapplied total return remains invested as part of the Permanent Endowment.

The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds, and so available for expenditure.

The Charity has made a positive return in the year, and having considered their obligations under the duty of maintaining a steady income distribution, the trustees have made a transfer of £320,000, from the unapplied total return, to the unrestricted funds, for distribution to the beneficiaries.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2019

Fund Transfers (Continued)

	<u>£</u>	<u>Unapplied Funds</u> <u>£</u>	<u>Permanent Endowment</u> <u>£</u>	<u>Total Funds</u> <u>£</u>
Preserved value at 24 December 1980			2,094,612	
Allowance for inflation			<u>6,657,424</u>	
Balance at 31 December 2019		6,036,963	8,752,036	14,788,999
Investment Return	218,738			
Investment Losses	-			
Revaluation Gains	14,353			
Management Costs	(22,658)			
Governance Costs	<u>(31,514)</u>	178,919		178,919
Application to Expenditure Reserve		(340,000)		(340,000)
Transfer to allow for inflation		<u>(104,940)</u>	<u>104,940</u>	-
Preserved value at 31 December 2020		<u>5,770,942</u>	<u>8,856,976</u>	<u>14,627,918</u>

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

The Charity has the following financial instruments:

	31.12.20 <u>£</u>	31.12.19 <u>£</u>
Financial assets measured at fair value through the Statement of Financial Activities:		
Investments stated at market value	14,642,585	14,660,957
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and cash equivalents	31,422	27,840
Balance at Broker	154,879	290,808
Rental Debtors	-	375
Financial liabilities at amortised cost:		
Grants committed	14,582	12,583
Accruals	8,318	16,198
Rents in advance	5,500	5,270

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2020

2. RELATED PARTY, TRUSTEES EXPENSES AND OTHER TRANSACTIONS.

The following beneficiaries had appointed trustees to the Trust who served during the year and are therefore classed as related parties. Transactions and balances with related parties are detailed below.

Related Party	Distribution 2020 £	Distribution 2019 £	Creditor 2020 £	Creditor 2019 £
Brasenose College	143,616	135,168	73,920	67,584
Manchester University	71,808	67,584	36,960	33,792
William Hulme Grammar School	49,776	46,848	25,620	23,424
Manchester Grammar School	1,496	1,408	770	704

Trustees received no emoluments (2019: Nil). During the year no trustees were reimbursed expenses (2019: Nil).

Auditor's fee for the year was £3,560 excluding VAT (2019 - £3,560 excluding VAT)

3. INVESTMENTS.

Reconciliation of Quoted & Unquoted Investments

	<u>Market Value</u> £	<u>Cost</u> £
Opening Balance as at 01.01.20	11,730,856	9,141,739
Movement in year		
Additions	3,690,595	3,690,595
Disposals at Market Value/Cost	(3,723,320)	(2,755,337)
Net unrealised gains (loss) for year	<u>14,353</u>	<u>-</u>
Closing Balance as at 31.12.20	<u>11,712,484</u>	<u>10,076,997</u>

Summary of Investments

	<u>Cost</u> £	<u>Market Value</u> £	<u>Income</u> 31.12.20 £	31.12.19 £
Fixed Interest	651,335	623,167	30,158	30,158
UK Equities and Equity Funds	3,371,638	4,185,971	79,540	133,660
Equity Investment Instruments	503,126	617,871	13,442	10,601
Global Equities and Equity Funds	3,898,898	4,415,946	18,477	42,374
Property Funds and other Assets	420,040	502,689	20,592	24,129
Multi Asset Funds	<u>1,231,960</u>	<u>1,366,840</u>	<u>8,121</u>	<u>7,708</u>
	<u>10,076,997</u>	<u>11,712,484</u>	<u>170,330</u>	<u>248,630</u>

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2020

4. DEBTORS

	<u>31.12.20</u>	<u>31.12.19</u>
	<u>£</u>	<u>£</u>
Rent debtor	-	375
Prepayments	<u>3,283</u>	<u>3,070</u>
Total	<u>3,283</u>	<u>3,445</u>

5. CREDITORS

	<u>31.12.20</u>	<u>31.12.19</u>
	<u>£</u>	<u>£</u>
Rent in advance	5,500	5,270
Accrued Broker's Fee	4,118	4,118
Accrued Audit Fee	4,200	4,200
Accrued Accountant's Fee	-	1,800
Accrued Clerk's Fee	-	5,400
Sinking Fund	850	680
Grant to Chetham's School	1,400	1,400
Distribution Arrears	<u>13,183</u>	<u>11,183</u>
Total	<u>29,251</u>	<u>34,051</u>

6. SINKING FUND

By an order dated 16 September 1982 the sum of £170 p.a. is to be paid into a sinking fund for a period of 75 years, to prevent a loss arising on the sale of the freehold reversion of BRASENOSE HOUSE and RIDGEFIELD HOUSE.

<u>Date of Order</u>	<u>Maturing date</u>	<u>Fund Investment</u>
16 September 1982	2057	253.84 COIF Charities Investment Fund Accumulation units. (Market value £38,938)

7. FUNDS

The Permanent Endowment Fund

This is a restricted fund under the terms of the Trust Deed and must be held in perpetuity. Its purpose is to ensure an income stream to finance the ongoing work of the Charity. It is represented by a portfolio of investments and land and buildings. The investments are managed by professional, independent investment managers who have been given discretionary power to acquire and dispose of quoted investments within the policy set out by the Trustees, and in accordance with the Trust Deeds. Managing agents appointed by the Trustees manage the portfolio of agricultural land and buildings on a day-to-day basis, without discretionary powers on acquisition and disposal.

The Expendable Endowment

The Expendable Fund arises from the changeover to Total Return Investing, and is a restricted fund enabling surpluses arising from the Permanent Endowment through investing activities to be used in accordance with the Charities objectives. It is assessed as the surplus arising on the Permanent Endowment after providing for a preserved level of this fund, based on its value at 24 December 1980 and adjusted by the Retail Price Index to recognise inflation to date.

HULME TRUST ESTATES (EDUCATIONAL)

Notes to the Financial Statements for the year ended 31st December 2020

Fund Reconciliation

	Balance at 1st January 2019 £	Incoming Resources £	Transfer	Resources Expended £	Investment Gains (Losses) £	Balance at 31 December 2019 £
Expendable Endowment	4,792,341	298,143	(188,893)	(383,137)	1,518,509	6,036,963
Permanent Endowment	8,563,143	-	188,893	-	-	8,752,036

	Balance at 1st January 2020 £	Incoming Resources £	Transfer	Resources Expended £	Investment Gains (Losses) £	Balance at 31 December 2020 £
Expendable Endowment	6,036,963	218,738	(104,940)	(394,172)	14,353	5,770,942
Permanent Endowment	8,752,036	-	104,940	-	-	8,856,976

8. VALUATION OF INVESTMENTS

Castlefield Investments LLP, the fund managers, undertook the valuation of investments at 31 December 2020 at market value.

Agricultural properties were revalued in March 2019 by Brown Rural Partnership on an open market basis, and in accordance with RICS Valuation Standards.

Based on discussions with the Brown Rural Partnership, the Trustees consider the valuation at the year end to represent a fair market value for the properties.

9. POST BALANCE SHEET EVENT

In the first quarter of 2021 global equity markets have been broadly stable and the Permanent Endowment Fund has risen by approximately 3% in value.

Castlefields continue to manage the portfolio and as the Trustees adopt a long term approach to investment strategy and base distributions to beneficiaries on a five-year average of the value of the permanent Endowment Fund, the Trustees do not intend to make any significant change to the investment strategy pursued by the Trust.

HULME TRUST ESTATES (EDUCATIONAL)

Distribution of Surplus Income for the year ended 31st December 2020

		<u>Brasenose</u> <u>College</u>	<u>Manchester</u> <u>University</u>	<u>William</u> <u>Hulmes GS</u>	<u>Bury GS</u>	<u>Hulme GS</u> <u>Oldham</u>	<u>Manchester</u> <u>HS - Girls</u>	<u>Manchester</u> <u>GS</u>	<u>Schools</u> <u>Committee</u>
	<u>Total</u> <u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
12 % of Total to William Hulmes GS	40,800			40,800					
Residue Distributed as follows:									
Brasenose College	48%	143,616	143,616						
Manchester University	24%	71,808	71,808						
Governors of Listed Schools	12%								
William Hulmes GS	6/24	8,976		8,976					
Bury GS	6/24	8,976			8,976				
Hulme GS Oldham	6/24	8,976				8,976			
Manchester HS for Girls	5/24	7,480					7,480		
Manchester GS	1/24	1,496						1,496	
Schools Committee	16%	47,872							47,872
Total Distribution		340,000	143,616	71,808	49,776	8,976	7,480	1,496	47,872
Paid on Account		165,000	69,696	34,848	24,156	4,356	3,630	726	23,232
Further Distribution required		175,000	73,920	36,960	25,620	4,620	3,850	770	24,640

Investment Properties
for the year ended 31st December 2020

Note: Dunlop Heywood & Co undertook a partial revaluation of properties as at 31 March 1985. Those properties that were revalued are as indicated above by an asterisk (*).