Middle Temple
TRUST
FUNDS

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

Charity registration number: 314246

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2025

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Reference and Administrative Details

Charity name	The Charities Administered in connection with The Honourable Society of the Middle Temple
Other names under which the charity operates	Middle Temple Trust Funds The Trust Funds
Charity registration number	314246
Principal office	Treasury Offices, Ashley Building, Middle Temple Lane, London. EC4Y 9BT
Trustees	Andrew Burns, KC [Chair] Jessica Simor, KC Evan Price Louise McCullough His Honour Tony Baumgartner [appointed 30 October 2025]
Secretary to the Trustees	Andrew Hopkin, BA(Hons), ACMA, CGMA Director of Finance The Honourable Society of the Middle Temple
Bankers	The Royal Bank of Scotland, 250 Bishopsgate, London. EC2M 4AA Handelsbanken plc, 2nd Floor, 1 Kingsway, London. WC2B 6AN
Solicitors	Lester Aldridge LLP, 1 King Street, London. EC2V 8AU
Auditors	HaysMac LLP, 10 Queen Street Place, London. EC4R 1AG
Investment managers	Cazenove Capital, 1 London Wall Place, London. EC2Y 5AU W1M Investment Management Limited, 16 Babmaes Street, London. SW1Y 6AH

Trustees' Annual Report

These financial statements have been prepared in accordance with the accounting policies set out in Note 1 on pages 14 to 17 and comply with the Trust Deed, applicable law, and the Charities SORP (FRS 102).

Objects and Public Benefit

The trustees have taken the Charity Commission's public benefit guidance into account when reviewing the Trust Funds' aims, future plans, and scholarship policy.

The charity's purpose is to support the education of aspiring barristers in England and Wales by providing scholarships. The scholarship policy aims to maximise public benefit by attracting talented candidates from all backgrounds, with particular support for those facing financial or disability related barriers.

The trustees consider a strong and independent Bar essential to the UK Constitution. Barristers uphold the rule of law, support judicial appointments, hold public bodies to account, and represent individuals and causes irrespective of popularity. The broader public therefore benefits from the scholarship programme.

Scholarships are offered to individuals undertaking the Bar Training Course or a law conversion course, with the aim of progressing to pupillage and practice. Awards are funded by Endowment Funds (income only), Restricted Income Funds, and Unrestricted Income Funds, including the Middle Temple Scholarship Fund established in 2003.

The trustees aim to increase both the number and value of scholarships over time while preserving the long-term value of invested funds. Award decisions are made by the Scholarships & Prizes Committee, and investment oversight is delegated to the Investment Subcommittee. Investment reports are reviewed at each trustees' meeting.

All scholarship applicants are interviewed and must be members of Middle Temple with a confirmed Bar Training Course place. Awards are made strictly on merit. Award values are then determined based on financial need, ensuring access to the profession for those with the greatest requirements.

Further information is available at www.middletemple.org.uk.

Achievements and Performance

Scholarships totalling £1,273k (*2024: £1,446k*) were awarded during the year, mainly as study awards. This includes £769k (*2024: £721k*) of awards deferred to future years due to changes in beneficiaries' circumstances. Deferrals are permitted for up to three years and are reviewed annually to determine whether they will be paid or lapse.

The trustees recognise the significance of deferred awards and their impact on cash management. They continue to monitor this area and explore ways to manage cash resources more effectively.

Donations and legacies totalled £550k (*2024: £87k*). The annual grant of £500k from Middle Temple was reinstated in 2025 and is expected to continue.

The investment portfolio increased to £18.41m (*2024: £16.78m*). Total return net of fees as disclosed in the investment manager reports was as follows:

- W1M: 14.3% (*2024: 11.59%*)
- Cazenove Capital: 13.2% (*2024: 11.67%*)

Cash deposits included within the portfolio totalled £151k (*2024: £271k*).

Financial Review

The Trust Funds' principal income sources were:

- Investment income of £244k (*2024: £411k*)
- Donations and legacies of £550k (*2024: £87k*)
- Rental income of £143k (*2024: £134k*)
- Bank interest of £249k (*2024: £88k*)

Investment Policy and Performance

The portfolio is actively managed to achieve balanced, medium risk returns through diversified investments.

Performance on 31 December 2025 was as follows:

- W1M: Portfolio value £9.30m; return +14.3% (ARC Index +9.3%)
- Cazenove: Portfolio value £9.11m; return +13.2% (ARC Index +9.3%)

The asset allocation of each manager influences overall returns.

Reserves Policy

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

However, the trustees hold total Unrestricted Income Funds total £5.72m (*2024: £5.51m*), represented by the Middle Temple Scholarship Fund. The trustees have considered how best to use these funds to support beneficiaries, both now and in the future. At their meeting in March 2021, the trustees resolved to implement a drawdown policy for the Unrestricted Income Funds of up to £300k annually. This would support an increase in scholarship award funding to an average of 75% of each successful applicants' financial shortfalls.

A further factor is the level of accrued scholarships that are payable in the following year or, exceptionally, in the year after that. Sufficient cash is held in the Trust Funds to enable payment

of all scholarship awards that have been agreed in April of each year for payment at the start of the academic year in September/October. Inevitably, the successful scholar's circumstances change, and a deferral of the award is required to the following year. The level of cash held is therefore higher than anticipated, which results in a higher level of reserves than is required under the policy.

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

Plans for Future Periods

Free reserves remain at minimum levels as scholarship awards are budgeted to match the available annual income from the investment portfolio and the investment properties.

The reserves held in the Unrestricted Income Fund are being drawn down on a gradual basis to support annual scholarship awards to ensure that each successful applicant receives at least 75% of their financial need identified in their application paperwork.

Risk Management

Major risks (governance, operational, financial, and environmental) are reviewed annually, with controls in place to mitigate them. Risks are rated red, yellow, or green after controls.

The highest rated risk relates to fundraising, particularly since the creation of Middle Temple Charity in 2023, which now leads fundraising efforts. Trustees plan to seek additional scholarship funding from that charity as needed.

Moderate (yellow rated) risks include fundraising challenges, investment performance, and the potential loss of key staff with organisational knowledge. These continue to be monitored.

The trustees carried out an informal skills audit in 2025 to inform the recruitment of a fifth trustee to replace Master Bernard Richmond, who retired at the end of 2024 on his appointment as Master Deputy Treasurer of the Inn for 2025. Master Tony Baumgartner was appointed as a trustee on 30 October 2025.

Structure, Governance, and Management

The charity comprises several endowed and restricted funds recorded under a 1975 Charity Commission scheme (charity number 314246). Over time, additional funds have been incorporated or reclassified as appropriate, and these are shown in Note 14 on pages 24 and 25.

Trustees are appointed by the Master Treasurer with approval from existing trustees, with appointments formalised by Deed. At least two trustee meetings are held annually, focusing on compliance, investment performance, budgeting, financial management, and risk oversight. Reports are also reviewed by the Inn's Finance & Resources Committee.

Trustees volunteer their time, with day-to-day operations delegated to the professional staff of the Middle Temple. No trustee remuneration was paid during the year or in the prior year. The Inn's professional staff do not receive any remuneration from the trust funds.

Scholarship selection is delegated to the Scholarships & Prizes Committee. Interview panels, composed of Inn members who volunteer their time freely, meet annually during the Easter recess, with additional financial review conducted by the Finance Review Panel. This Panel, again composed of Inn members who volunteer their time freely, reviews the quantum of scholarship awards made to students by reference to their individual financial circumstances. The Panel may increase or reduce scholarship awards that are to be made to successful scholars.

Investment management is delegated to the Investment Subcommittee, which meets quarterly, reviews performance reports from investment managers, and provides updates to the trustees.

Going Concern Assessment

As part of the annual audit process, the trustees assess the Trust Funds' ability to continue as a going concern. This assessment draws on management accounts, cash flow forecasts, annual budgets and five-year projections, and the risk register. Based on this information and discussions with management, the trustees consider the going concern basis appropriate.

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



Andrew Burns, KC
Chair of Trustees
Date: 12/10/26

Statement of Trustees' Responsibilities

The trustees are responsible for preparing an annual report and financial statements in accordance with applicable law and UK Accounting Standards (UK GAAP). Charity law requires the trustees to prepare financial statements for each financial year and not to approve those statements unless they are satisfied that they represent a 'true and fair view' of the state of the charity's affairs as at the date of the Statement of Financial Position and of its incoming resources and application of those resources, including income and expenditure, for the year then ended.

In preparing those financial statements that give a 'true and fair view', the trustees must:

- Select and apply appropriate accounting policies consistently.
- Follow the principles of the Charities SORP.
- Make reasonable and prudent judgments and estimates.
- Confirm compliance with applicable accounting standards and SORP, explaining any material departures.
- Prepare the financial statements on a 'going concern' basis unless it is inappropriate to do so.

The trustees are also responsible for maintaining accounting records that accurately reflect the charity's financial position and ensure compliance with the Charities Act 2011. They must safeguard the charity's assets and take reasonable steps to prevent and detect fraud and other irregularities.

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

Andrew Burns, KC
Chair of Trustees
Date:

12/10/26

Independent Auditor's Report to the Trustees of the Charities Administered in connection with The Honourable Society of the Middle Temple

Opinion
We have audited the financial statements of The Charities Administered ICW the Honourable Society of the Middle Temple for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31 December 2025 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

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

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity, or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Physical inspection of tangible assets susceptible to fraud or irregularity;
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP **10 Queen Street Place**
Statutory Auditor **London EC4R 1AG**
Date: 14 October 2026

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

Statement of Financial Activities

£000s	Notes	*Unrestricted Income Funds*	*Restricted Income Funds*	*Endowed Funds*	*2025*	*2024*
INCOME						
Donations and legacies	**2**	550	-	-	550	87
Investment income from Funds		244	-	-	244	411
Investment income from Rental Properties		143	-	-	143	134
Investment income from bank interest		249	-	-	249	88
Total Income		**1,186**	**-**	**-**	**1,186**	**720**
EXPENDITURE						
Raising Funds						
Costs of generating voluntary income		-	-	-	-	3
Investment fund management costs		104	-	-	104	75
Investment property management costs		19	-	-	19	24
Charitable Activities						
Scholarship awards		1,249	24	-	1,273	1,446
Other expenditure						
Governance costs	**5**	20	-	-	20	18
Total Expenditure		**1,392**	**24**	**-**	**1,416**	**1,566**
OPERATIONAL DEFICIT BEFORE GAINS & LOSSES		**(206)**	**(24)**	**-**	**(230)**	**(846)**
Net gains/(losses) on investments						
Gains/(Losses) on investment properties	**7**	-	-	(151)	(151)	131
Gains/(Losses) on investment funds	**7**	479	-	1,240	1,719	1,503
		479	-	1,089	1,568	1,634
NET SURPLUS/(DEFICIT)		**273**	**(24)**	**1,089**	**1,338**	**788**
FUNDS BROUGHT FORWARD	**11**	5,514	1,758	16,139	23,411	22,623
FUNDS AT FINANCIAL YEAR END CARRIED FORWARD		**5,787**	**1,734**	**17,228**	**24,749**	**23,411**

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

The notes on pages 14 to 25 form part of these financial statements.

Statement of Financial Position
As at 31 December 2025

£000s	Notes		2025	2024
FIXED ASSETS				
Investment properties	7		3,252	3,403
Investment portfolio	7		18,405	16,785
			21,657	**20,188**
CURRENT ASSETS				
Debtors	8	11		8
Bank balances		4,078		3,955
		4,089		**3,963**
CURRENT LIABILITIES				
Amounts falling due within one year	9	(997)		(739)
NET CURRENT ASSETS			**3,092**	**3,224**
NET ASSETS	10		**24,749**	**23,412**
CAPITAL & RESERVES				
Endowment Funds	11		17,228	16,139
Restricted Income Funds	11		1,734	1,758
Unrestricted Income Funds	11		5,787	5,514
TOTAL CAPITAL & RESERVES			**24,749**	**23,411**

The notes on pages 14 to 25 form part of these financial statements.

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

Andrew Burns, KC
Chair of Trustees
Date:
12/10/26

Statement of Cash Flows
As at 31 December 2025

£000s	Notes	2025	2024
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	**12**	(2,180)	(2,782)
Cash flows from investing activities:			
Dividends, interest and rent from investments		636	633
Proceeds from sale of investments	**7**	2,878	15,077
Purchase of investments	**7**	(2,899)	(15,556)
Realised gains/(losses) on investments	**7**	1,568	1,503
Net cash provided by/(used in) investing activities		**2,183**	**1,657**
Change in cash and cash equivalents in the reporting period		**3**	**(1,125)**
Cash and cash equivalents at the beginning of the reporting period		4,226	5,351
Cash and cash equivalents at the end of the reporting period		**4,229**	**4,226**

The notes on pages 14 to 25 form part of these financial statements.

Notes to the Financial Statements

Note 1: Accounting policies

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

Basis of preparation

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

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

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

Preparation of financial statements on a 'going concern' basis

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

Critical accounting judgments and estimates

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

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

The figure for accrued scholarship awards is based on the schedule of confirmed awards at year end where the recipient has asked for the payment of that award be deferred.

Income recognition

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

Gifts in kind

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

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

Investment income

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

Expenditure

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

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

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

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

Allocation of costs

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

Investments

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

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

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

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

Investments – stocks and shares

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

Investments – properties

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

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

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

Creditors and provisions

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

Debtors

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

Cash at Bank and in hand

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

Funds

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

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

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

Employee benefits

The Trust Funds have no employees.

Note 2: Donations and legacies

Current year - £000s	***Endowment Funds***	***Unrestricted Income Funds***	***Restricted Income Funds***	**2025**
Middle Temple grant	-	500	-	500
Legacies	-	-	-	-
Donations				
- Gift Aid donations, including tax recovered	-	39	-	39
- Non-Gift Aid donations	-	11	-	11
Total Donations	-	50	-	50
Total income from Donations and Legacies	**-**	**550**	**-**	**550**

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

Note 3: analysis of expenditure

£000s	**2025**	**2024**
Direct costs: Other	123	102
Scholarship Awards	1,273	1,446
Support Costs	20	18
Total Expenditure	**1,416**	**1,566**

Note 4: analysis of support costs

£000s	2025	2024
Governance	20	18
Total Support Costs	**20**	**18**

Note 5: Governance costs

£000s	2025	2024
Auditor's remuneration	20	18
Total Governance Costs	**20**	**18**

Note 6: operating lease income

Th Middle Temple Trust Funds own three investment properties, located in Clapham, London. The leases are all residential and during the reporting year generated income of £154k. Each of the leases has a fixed term of three years.

£000s	2025	2024
Not later than One year	110	32
Later than One year but not later than Five years	148	-
Later than Five years	188	-
Total Operating Lease Income	**446**	**32**

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

Note 7: investments

£000s	2025	2024
Investment properties		
Market value at 1 January	3,403	3,272
Unrealised gain/(loss) on revaluation	(151)	131
Market value at 31 December	**3,252**	**3,403**
Investment funds		
Market value at 1 January	16,514	14,532
Acquisitions/additions at cost	2,899	15,556
Proceeds of disposal	(2,878)	(15,077)
Net gains on disposals & revaluations	1,719	1,503
	18,254	16,514
Cash held in investment portfolio	151	271
Market value at 31 December	**18,405**	**16,785**

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

Breakdown of investment assets as of 31 December 2025:

	Cazenove	W1M
Equities %	**71.6%**	**79.2%**
UK Equities	*17.6%*	*7.9%*
North American Equities	*28.2%*	*40.7%*
Europe ex. UK Equities	*9.8%*	*13.4%*
Japanese Equities	*2.1%*	*7.6%*
Asia Pacific ex. Japan Equities	*4.8%*	*9.6%*
Other International Equities	*9.1%*	-
Fixed income %	**10.4%**	**10.3%**
UK Government	*7.0%*	*3.0%*
Corporate	*3.4%*	*0.6%*
Investment Funds	-	*6.7%*
Alternatives %	**16.2%**	**10.0%**
Cash %	**1.7%**	**0.5%**

Note 8: Debtors

£000s	2025	2024
Investment income	11	8
Total Debtors	**11**	**8**

Note 9: Creditors – amounts falling due within one year

£000s	2025	2024
Audit & taxation	20	18
Middle Temple	208	-
Accruals for scholarships payable	769	721
Total Creditors	**997**	**739**

Note 10: analysis of net assets between funds

Current year - £000s	*Endowment Funds*	*Unrestricted Income Funds*	*Restricted Income Funds*	2025
Investment properties	3,252	-	-	3,252
Investment funds	13,976	4,429	-	18,405
Net current assets	-	1,358	1,734	3,092
Total Net Assets between Funds	**17,228**	**5,787**	**1,734**	**24,749**

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

Note 11: analysis of funds – Endowed Funds

Current year - £000s	*Balance as at 1 January*	*Movement in investment properties market value*	*Movement in investment funds market value*	*Balance as at 31 December*
Alfred Harmsworth Memorial Fund	1,187	-	91	1,278
The Astbury Scholarship Fund	1,362	-	105	1,467
Middle Temple Benefactors' Fund	9,458	(151)	726	10,033
Jules Thorn Fund	1,338	-	103	1,441
The Queen Mother Scholarships & Awards Fund	2,316	-	178	2,494
The Joseph Jackson Memorial Fund	478	-	37	515
TOTAL ENDOWED FUNDS	**16,139**	**(151)**	**1,240**	**17,228**

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

Note 11: analysis of funds – Unrestricted Income Funds

Current year - £000s	Alfred Harmsworth Memorial Fund	The Astbury Scholarship Fund	Middle Temple Benefactors' Fund	Jules Thorn Fund	The Queen Mother Scholarships & Awards Fund	The Joseph Jackson Memorial Fund	Middle Temple Scholarship Fund	Total Unrestricted Income Funds
Balance as at 1 January	**(228)**	**(3)**	**(290)**	**(153)**	**(88)**	**35**	**6,241**	**5,514**
Donations	-	-	-	-	-	-	50	50
Governance costs	(1)	(1)	(9)	(1)	(2)	-	(6)	(20)
Grant from Middle Temple	160	80	-	-	260	-	-	500
Investment fund management costs	(6)	(6)	(44)	(6)	(11)	(2)	(29)	(104)
Investment Income	13	15	103	15	25	5	68	244
Other income	13	15	106	15	25	5	70	249
Property Expenditure	-	-	(19)	-	-	-	-	(19)
Property Income	-	-	143	-	-	-	-	143
Scholarship awards	(219)	(87)	(361)	(134)	(189)	(20)	(239)	(1,249)
Movement in investment portfolio market value	-	-	-	-	-	-	479	479
Transfers between funds	275	-	360	285	-	-	(920)	-
Balance as at 31 December	**7**	**13**	**(11)**	**21**	**20**	**23**	**5,714**	**5,787**

Prior year - £000s	Alfred Harmsworth Memorial Fund	The Astbury Scholarship Fund	Middle Temple Benefactors' Fund	Jules Thorn Fund	The Queen Mother Scholarships & Awards Fund	The Joseph Jackson Memorial Fund	Middle Temple Scholarship Fund	Total Unrestricted Income Funds
Balance as at 1 January	**1**	**(1)**	**(26)**	**1**	**1**	**39**	**5,889**	**5,904**
Costs of generating voluntary income	-	-	-	-	-	-	(3)	(3)
Donations	-	-	-	-	-	-	86	86
Governance costs	(1)	(1)	(8)	(1)	(2)	-	(5)	(18)
Grant from Middle Temple	-	-	-	-	-	-	-	-
Investment fund management costs	(4)	(4)	(31)	(4)	(8)	(2)	(22)	(75)
Investment Income	22	25	172	24	43	9	116	411
Other income	4	6	37	5	9	2	25	88
Property Expenditure	-	-	(24)	-	-	-	-	(24)
Property Income	-	-	134	-	-	-	-	134
Scholarship awards	(250)	(28)	(544)	(178)	(131)	(13)	(270)	(1,414)
Movement in investment portfolio market value	-	-	-	-	-	-	425	425
Balance as at 31 December	**(228)**	**(3)**	**(290)**	**(153)**	**(88)**	**35**	**6,241**	**5,514**

Note 11: analysis of funds – Restricted Income Funds

Current year - £000s	***Balance as at 1 January***	***Income***	***Expenditure***	***Balance as at 31 December***
Access to the Bar Fund: Sherrard	5	-	(5)	-
Access to the Bar Fund: McMullen	11	-	(8)	3
VIS Moot Fund	(1)	-	-	(1)
Reader's Scholarship Fund	15	-	-	15
Sir Paul Jenkins' Memorial Fund	1,583	-	-	1,583
Emergency Assistance Fund	145	-	(11)	134
TOTAL RESTRICTED INCOME FUNDS	**1,758**	**-**	**(24)**	**1,734**

Prior year - £000s	***Balance as at 1 January***	***Incoming resources from activities***	***Other expenditure***	***Balance as at 31 December***
Access to the Bar Fund: Sherrard	11	-	(6)	5
Access to the Bar Fund: McMullen	17	-	(6)	11
VIS Moot Fund	(1)	-	-	(1)
Reader's Scholarship Fund	15	-	-	15
Sir Paul Jenkins' Memorial Fund	1,582	1	-	1,583
Emergency Assistance Fund	165	-	(20)	145
TOTAL RESTRICTED INCOME FUNDS	**1,789**	**1**	**(32)**	**1,758**

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

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

The Middle Temple Emergency Assistance Fund was established during the COVID-19 pandemic to support those Middle Temple members in need of financial assistance who would not meet the criteria for support from the Barristers' Benevolent Association ("BBA"). The fund continues to provide financial support to members of the Inn who would not otherwise be eligible for support from the BBA.

Note 12: reconciliation of net income to net cash flow from operating activities

	2025	2024
Operating Activities		
Net deficit before other gains and losses	(230)	(846)
Adjustments to Deficit		
(Decrease)/Increase in Debtors	3	35
Increase/(Decrease) in Creditors	251	165
Total Adjustments to Deficit	**254**	**200**
Total Operating Activities	**24**	**(646)**
Investing Activities		
Realised (gains)/losses on investments	(1,568)	(1,503)
Total Investing Activities	**(1,568)**	**(1,503)**
Financing Activities		
Dividends, interest, and rents from investments	(636)	(633)
Total Financing Activities	**(636)**	**(633)**
Net Change in Cash for Period	**(2,180)**	**(2,782)**
Analysis of Cash and Cash equivalents		
Cash at Bank and in hand	4,078	3,955
Cash at investment managers	151	271
	4,229	**4,226**

Note 13: related party transactions

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

During the year, no trustees received any remuneration or other benefits (*2024: £nil*).

Note 14: scholarship funds

Endowed Funds

As noted in the trustees' annual report, the charity represents a collection of diverse funds grouped together under a scheme approved by the Charity Commission on 3 September 1975. The endowed funds that were originally grouped together are as follows: -

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

Subsequently, new endowed funds were established and registered under the same Charity Commission scheme. These funds are as follows: -

- Lord Justice Sachs Entrance Exhibition Fund
- Lintern Award Fund
- Jules Thorn Fund
- The Joseph Jackson Memorial Fund
- The Middle Temple Scholarship Fund

A review of the endowed funds was carried out in 2014 and the trustees concluded that the Middle Temple Scholarship Fund should be reclassified as an Unrestricted Income Fund.

Restricted Income Funds

A 'Marshalling Bursaries/Access to the Bar Fund' was established by the trustees in 2010 and awards were first made to students in 2011. The fund was renamed as the 'Sherrard Access to the Bar Fund' in 2016, in honour of Master Michael Sherrard who was Middle Temple's first Director of Advocacy. A further fund was established by the trustees, also in 2016, and named the 'McMullen Access to the Bar Fund', following a generous donation from Master Jeremy McMullen. Both Access to the Bar Funds support a scheme whereby students experience life first-hand at the Bar of England & Wales during a one-week placement in barristers' chambers.

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