

THE MANCHESTER HIGH SCHOOL FOR GIRLS
GENERAL CHARITABLE TRUST
OPERATING AS
MHSG BURSARY FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021

THE MANCHESTER HIGH SCHOOL FOR GIRLS
GENERAL CHARITABLE TRUST
OPERATING AS
MHSG BURSARY FUND

ANNUAL REPORT AND ACCOUNTS 2021
TRUSTEES, OFFICERS AND ADVISERS

CHARITY TRUSTEES

The charity Trustees have all served in office throughout the year except where indicated. Together with the past Trustees who served in the year as indicated, they are:

Mr C Saunders (Chairman)
Mr F R Shackleton (Deceased 27/05/2021)
Mr A Clarke
Mr G N Elliott
Mrs C Walker
Mr D Herman

OFFICERS

Bursar

Mr J P Moran

Clerk to the Trustees:

Mrs S Sutton

Registered Address:

Grangethorpe Road
Rusholme
MANCHESTER
M14 6HS

Registration Number:

506823

THE MANCHESTER HIGH SCHOOL FOR GIRLS
GENERAL CHARITABLE TRUST
OPERATING AS
MHSG BURSARY FUND

TRUSTEES REPORT
FOR THE YEAR ENDED 31ST JULY 2021

The trustees present their annual report and financial statements of the charity for the year ended 31st July 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1st January 2019).

REFERENCE AND ADMINISTRATIVE INFORMATION

Administrative information relating to the Trust is listed on page 1 & 2 of the financial Statements.

The Manchester High School for Girls General Charitable Trust (the Trust) operates as MHSG Bursary Fund.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charitable Trust, which was established by a Trust Deed in 1971 with a further supplement in 1987, is governed under a Charity Commission Scheme (number 506823) as an unincorporated association in the name of The Manchester High School for Girls General Charitable Trust. The Trust now operates as MHSG Bursary Fund.

Connected Charity

Manchester High School for Girls is closely connected to the Trust. The School transferred £421,997 (2020 - £174,126) of funds to the Trust. The Trust paid a bursary grant amounting to £470,039 (2020 - £410,722) which the School awarded as bursaries during the year.

Recruitment and training of Trustees

All Trustees are recruited by invitation, dependent upon their expertise, experience and skills.

The Trustees may appoint any number of additional trustees by a resolution of the Trustees recorded in the Trustees' minutes.

New Trustees are inducted into the workings of the Trust, including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

Organisational management and decision making

The Trustees determine the strategic direction and general policy of the Trust. A Full Trustees meeting normally takes place twice a year, covering operational, tactical and strategic issues. The day to day administration of the Trust is provided by the School.

Risk Management

The Trustees have considered the major risks faced by the Trust and believe that the principal threat to its ability to achieve its objectives lies in its ability to maintain its revenues from its investments, donations and legacies.

In order to manage this risk regular meetings are held with the investment advisor and the School continues to seek to develop its relationship with local organisations and former pupils to increase the level of donations and legacies.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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TRUSTEES REPORT (Cont'd)
FOR THE YEAR ENDED 31ST JULY 2021

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The Trustees shall pay or apply the entirety of the annual income of the Trust Fund to or for 1) Such charitable purposes connected with the School as the Trustees shall from time to time in their absolute discretion determine or 2) Such other charitable purposes or such charitable foundations (whether or not connected with the School) as the Trustees shall in like manner determine.

Charitable aim

The aim of the Trust is to assist Manchester High School for Girls ("the School") and any other charitable foundations in fulfilling their charitable purposes.

Objectives for the year

This year the focus was again to build up and maintain adequate funds in order to sustain the level of bursary support as previously provided to pupils at Manchester High School for Girls. The target each year is to provide a grant which will maintain bursary support.

The Trustees are actively seeking ways to enhance the underlying capital of the Trust so as to maximise the possibility of future awards.

Strategies to achieve the year's objectives

In order to achieve the objects and aims of the Trust we have retained the services of Redmayne Bentley LLP, who report to the Trustees on their performance at the two Trustees Meetings each year. During the course of each year the total resources of the Trust are compared to the projected cost of providing the bursaries over a full seven-year period, in order to ensure that there are adequate resources to provide the grants for the new pupils each year.

Public benefit

In line with the charitable objectives of the Trust a bursary grant was awarded to Manchester High School for Girls (Charity number 1164323) which is a connected charity. Those funds have been ring fenced in the School and allocated on a means tested basis to provide bursaries to high ability girls from low income families.

Principal activities of the year

In order to achieve this year's objectives, the Trustees have continued to support and assist the School in its endeavour to provide bursaries to pupils with high ability from low income families, on a means tested basis. The Trustees have also reviewed the financial resources available to ensure, as much as is possible, that the School can fulfil its financial commitments in relation to bursaries.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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TRUSTEES REPORT (Cont'd)
FOR THE YEAR ENDED 31ST JULY 2021

Grant making policy

The Trustees, after consideration of the financial state of affairs of the fund and requests for support for pupils in the Senior School prepared by the Head Mistress, make an annual grant to Manchester High School for Girls for the provision of bursaries. The application of the grant towards the individual bursaries is determined by the Head Mistress on the basis of educational ability and financial need. Any restrictions imposed by the original donor of the funds are recognised.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance

The grant provided to the School this year to fund school bursaries was a grant amounting to £470,039 (2020 - £410,722). It was used by the School, together with its own resources, to award bursary assistance to pupils across the School.

Fundraising performance

The Trust's fundraising is entirely promoted by the School with the aim of ensuring that funding from donations and sponsorship is maximised. A proportion of funds raised for Bursaries by the School are included within the accounts of The Manchester High School for Girls Charitable Trust.

Investment performance against objectives

The performance objective for the fund is to outperform, over the long-term, on the investment composite benchmark which has been agreed with the Investment Manager. The performance of the fund is monitored quarterly against the benchmark. Any major variations are discussed by the Bursar and Investment Adviser.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The increase in funds this year amounts to £1,193,068 (2020: decrease of £153,966).

Total funds increased to £4,634,211 from £3,441,143.

Reserves policy

The Trustees seek to maintain undesignated and unrestricted funds, which are the free reserves of the Trust and effectively include its entire funds, at a level that is adequate to fund the grants made to pupils throughout their expected attendance at school.

The trustees currently feel that reserves to underpin an average disbursement of £400K for 7 years, i.e. £2.8M, would be sufficient. The total funds shown in the balance sheet are adequate to enable the Trust to continue to provide grant support to the School at the targeted level.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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TRUSTEES REPORT (Cont'd)
FOR THE YEAR ENDED 31ST JULY 2021

Principal funding sources

The Trust's principal funding source is from a transfer of funds from Manchester High School for Girls, donations, legacies and investment income.

The transfer from the School is to augment the Trust's resources in order for them to pay for bursaries for pupils of the School.

The Trust has during this year received funding from the Peggy Adler Trust amounting to £425,000. This was gratefully received and will be applied towards means tested bursaries for pupils from the Oldham area in line with their wishes.

The majority of expenditure of the Trust during the year was the payment of a bursary grant to the School; this expenditure is in excess of the income generated from the principal income sources and directly supports the key objectives of the Trust.

Investment policy and objectives

The Trustees seek to ensure that the funds of the Trust are invested in medium and high-risk equities so as to protect the long term 'real' value of its assets. The investment manager is engaged on a discretionary basis which means that investment decisions are made using their judgement. Their approach will involve purchasing a variety of securities in the market as long as they fall in line with the Trust's medium to high risk profile, financial and ethical aims. The trustees would therefore expect an average 5% Return on Investment over a rolling 5 year period. Above all, the Trustees are committed to an investment policy which seeks to maximise 'overall return' – being the combined return from income and capital growth, subject to the required level of income being generated.

Future Plans

The Trustees consider the funds available each year that can be made available to provide bursary grants. They are advised by the Trust's Investment Manager in relation to the investments held. They assess the level of funds now and those expected in the next few years to see how sustainable they are against expected grants. The current expectation is that this Trust will continue to make modest bursary grants for the foreseeable future. The level of bursary grants will of course continue to be considered each year.

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trust Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trust Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, of the Trust for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the trust will continue in operation.

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TRUSTEES REPORT(Cont'd)
FOR THE YEAR ENDED 31ST JULY 2021

The Trustees are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Trust at any time, and to enable them as Trustees to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. The Trustees are also responsible for safeguarding the Trust's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

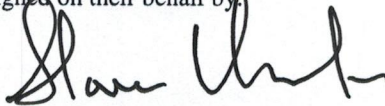
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The financial statements contained on pages 8 to 17 have been approved by the Trustees of The Manchester High School for Girls General Charitable Trust on

and signed on their behalf by

Trustees:

A Clarke



C Saunders (Chairman)



REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE MANCHESTER HIGH SCHOOL FOR GIRLS
GENERAL CHARITABLE TRUST
OPERATING AS
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FOR THE YEAR ENDED 31ST JULY 2021

Opinion

We have audited the financial statements of The Manchester High School for Girls General Charitable Trust operating as MHSG Bursary Trust ('the charity') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 July 2021 and of 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
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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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were the Charities Act Regulations.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
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Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of voluntary income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reading minutes of meetings of those charged with governance and sample testing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

[This report has not yet been signed]

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date

THE MANCHESTER HIGH SCHOOL FOR GIRLS
GENERAL CHARITABLE TRUST
OPERATING AS
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Statement of Financial Activities
for the year ended 31st July 2021

| | Notes | <u>Unrestricted</u> | <u>Restricted</u> | <u>2021</u> | <u>2020</u> |
|--|-------|-------------------------------|---------------------------------|--------------------------|--------------------------|
| | | <u>Capital</u> <u>Fund</u> | <u>Endowment</u> <u>Fund</u> | <u>£</u> <u>Total</u> | <u>£</u> <u>Total</u> |
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | | 617,486 | - | 617,486 | 264,106 |
| Charitable Activities | | | | | |
| Transfer from the school | | 421,997 | - | 421,997 | 174,126 |
| Fundraising Trading | | - | | - | - |
| Other | | 6,545 | | 6,545 | 14,946 |
| Investment income | | 99,055 | - | 99,055 | 83,764 |
| Total | | <u>1,145,083</u> | <u>-</u> | <u>1,145,083</u> | <u>536,942</u> |
| <u>Expenditure on:</u> | | | | | |
| Charitable activities: | | | | | |
| Bursary Grants Awarded | | 470,039 | - | 470,039 | 410,722 |
| Raising funds: | | | | | |
| Brokers fees & Bank charges | | 22,935 | - | 22,935 | 17,491 |
| Other costs | 3 | 3,120 | - | 3,120 | 5,832 |
| Total | | <u>496,094</u> | <u>-</u> | <u>496,094</u> | <u>434,045</u> |
| Net income and net movement in funds before gains and losses on investments | | 648,989 | - | 648,989 | 102,897 |
| Net gains/(losses) on investments: | | 544,079 | | 544,079 | (256,863) |
| Net movements in funds | | <u>1,193,068</u> | <u>-</u> | <u>1,193,068</u> | <u>(153,966)</u> |
| <u>Reconciliations of Funds</u> | | | | | |
| Total funds brought forward | | 3,441,138 | 5 | 3,441,143 | 3,595,109 |
| Total funds carried forward | | <u>4,634,206</u> | <u>5</u> | <u>4,634,211</u> | <u>3,441,143</u> |

The notes on pages 14 to 17 form part of these financial statements.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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Balance Sheet as at 31st July 2021

| | <u>Notes</u> | <u>2021</u> £ | <u>2020</u> £ |
|--|--------------|------------------|------------------|
| <u>Fixed Assets</u> | | | |
| Investments | 2 | 3,795,327 | 2,173,013 |
| <u>Current Assets</u> | | | |
| Accrued income | | 61,618 | 61,618 |
| Manchester High School for Girls | | - | 921 |
| Cash at bank and in hand | | 817,991 | 1,208,711 |
| Total current assets | | 879,609 | 1,271,250 |
| <u>Creditors:</u> | | | |
| Amounts falling due within one year | | | |
| Accruals | | (3,120) | (3,120) |
| Manchester High School for Girls | | (37,605) | - |
| | | (40,725) | (3,120) |
| Net current assets | | 838,884 | 1,268,130 |
| Net Assets | | 4,634,211 | 3,441,143 |
| <u>The funds of the Charity</u> | | | |
| Unrestricted capital fund | | 4,634,206 | 3,441,138 |
| Endowment Fund | | 5 | 5 |
| Total charity funds | | 4,634,211 | 3,441,143 |

Approved on behalf of the Trustees on

Trustees: A Clarke

C Saunders



The notes on pages 14 to 17 form part of these financial statements.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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Cashflow Statement
For the year ended 31st July 2021

| | <u>Notes</u> | <u>2021</u> £ | <u>2020</u> £ |
|---|--------------|------------------|------------------|
| Cash flows used in operating activities | | | |
| <i>Net cash provided by operating activities</i> | (a) | 588,460 | 390,498 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 99,055 | 83,764 |
| Proceeds from sale of investments | | 233,234 | 35,971 |
| Cost of purchasing investments | | (1,311,469) | - |
| <i>Net cash provided by investing activities</i> | | (979,180) | 119,735 |
| Change in cash and cash equivalents in the reporting period | | (390,720) | 510,233 |
| Cash and cash equivalents at the beginning of the reporting period | | 1,208,711 | 698,478 |
| Cash and cash equivalents at the end of the reporting period | | 817,991 | 1,208,711 |

Notes on the Cashflow Statement

a). Reconciliation of net movement in funds to net cash from operating activities

| | | |
|--|-----------|-----------|
| Net movements in funds | 1,193,068 | (153,966) |
| Decrease in debtors | 921 | 477,461 |
| Increase/(decrease) in creditors | 37,605 | (106,096) |
| Dividends, interest and rents from investments | (99,055) | (83,764) |
| (Gains)/losses on investments | (544,079) | 256,863 |
| Net cash used in operating activities | 588,460 | 390,498 |

b). Analysis of cash and cash equivalents

| | | |
|--|---------|-----------|
| Cash in hand | 817,991 | 1,208,711 |
| Total cash and cash equivalents | 817,991 | 1,208,711 |

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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Notes on and forming part of the Financial Statements
for the year ended 31st July 2021

1). a) **Accounting Policies**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with 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) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

b) **Going Concern**

The Trustees believe that the Trust has adequate resources to continue operation for at least twelve months from the date of approval of these financial statements and for the foreseeable future. The accounts are therefore prepared on a going concern basis. The trustees have also assessed the potential impact on future operations with regard to the ongoing Covid-19 pandemic, taking into account Investment Income, Expenditure and potential future financial uncertainty. They have concluded the trust is well positioned, in the current environment, to continue as a going concern. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

c) **Fund Accounting**

All of the Trust's funds, other than a permanent endowment of £5, are available for the Trustees to use at their discretion.

d) **Donations and Legacies**

Donations and legacies are recognised as income to the capital fund when received or earlier if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation or legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Transfers from the School are recognised in the year to which they relate.

Donations for the purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Trustees of the Charitable Trust, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as Endowments- permanent or expendable according to the nature of the restriction

e) **Investment Income**

Dividends are credited to the statement of financial activities when they are receivable.

f) **Interest Received**

Interest is credited to the statement of financial activities on an accruals basis.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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Notes on and forming part of the Financial Statements
for the year ended 31st July 2021 (continued)

g) Allocation of costs

Whenever possible expenditure is allocated to an activity cost category. Where items of expenditure contribute directly to more than one activity cost, they are apportioned on a reasonable, justifiable and consistent basis.

Support costs are also, wherever possible, attributed to a single activity but where apportionment is required this is done on a reasonable, justifiable and consistent basis.

Governance costs comprise the costs of running the Trust, including strategic planning for its future development, external audit, any legal advice for the Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Trustee meetings and of preparing statutory accounts and satisfying public accountability.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

i) Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to chargeable purposes.

j) Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

k) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
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OPERATING AS
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Notes on and forming part of the Financial Statements
for the year ended 31st July 2021

| 2). <u>Fixed Assets Investments</u> | <u>2021</u> £ | <u>2020</u> £ |
|--|-------------------------|-------------------------|
| Market value at 1st August 2020 | 2,173,013 | 2,465,847 |
| Additions | 1,311,469 | - |
| Disposals at cost | (233,234) | (35,971) |
| Unrealised (loss)/gain on revaluation | 544,079 | (256,863) |
| Market value at 31st July 2021 | <u>3,795,327</u> | <u>2,173,013</u> |
| <u>Cost at 31st July 2021</u> | <u>2,839,969</u> | <u>1,788,154</u> |

Investments at fair value comprise Fixed Income Bonds £128,150 (2020: £148,756) Equities £3,314,155 (2020: £1,844,139) Property £126,375 (2020: £84,579) and Alternatives £226,647 (2020: £95,538).

Fixed assets investments are stated at market value. The net movement in funds therefore includes an unrealised gain on revaluation of £544,079 (2020: £256,863 loss). This represents gains which have not and may never be realised. No provision has been made for any costs arising on disposal.

Investments are held and managed by Redmayne Bentley LLP in accordance with the investment asset allocation as instructed by the Trustees. This allocation is reviewed and agreed by the Trustees at their biannual committee meetings.

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

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

| 3). <u>Other Costs</u> | <u>2021</u> £ | <u>2020</u> £ |
|-------------------------------|-------------------------|-------------------------|
| Audit | 3,120 | 3,528 |
| Legal fees | - | 2,304 |
| | <u>3,120</u> | <u>5,832</u> |

No Trustees received any remuneration or expenses during the year.

THE MANCHESTER HIGH SCHOOL FOR GIRLS
GENERAL CHARITABLE TRUST
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Notes on and forming part of the Financial Statements
for the year ended 31st July 2021 (continued)

4). Related Party Transactions

During the year under review the following transactions took place between The Manchester High School for Girls Charitable Trust and Manchester High School for Girls (RCN 1164323), which is a connected charity.

The Trust awarded £470,039 (2019/20 £410,722) by way of a bursary grant during the year to Manchester High School for Girls.

A transfer of £421,997 (2019/20 £174,126), was received from the Manchester High School for Girls.

At the year end the Trust owed Manchester High School for Girls £37,605 (2019/20 Manchester High School for Girls owed the Trust £921).