

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

England & Wales · Charity number 1000531

Details

Status Registered

Legal form Trust

Registered 1990-09-20

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

Contact

Address Fountain Precinct
4th Floor Orchard Lane Wing
Balm Green
Sheffield
S1 2JA

Phone 020 7025 1611

Email info@bfhbs.org

Website www.bfhbs.org

Activities

Objects: TO ADVANCE THE EDUCATION OF BRITISH STUDENTS STUDYING AT HARVARD BUSINESS SCHOOL BY THE PROVISION OF SCHOLARSHIPS, LOANS AND OTHER ASSISTANCE

Activities: Raising scholarship funds for scholarships to Harvard Business School; promote the education of persons studying at HBS.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training
- **Who:** Children/young People

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£249,221	£270,492	-	-
2024-08-31	£365,777	£401,228	-	-
2023-08-31	£1,367,039	£1,544,737	£2,787,124	0
2022-08-31	£119,761	£133,155	-	-
2021-08-31	£320,738	£484,006	-	-

Trustees

Name	Role	Appointed
Christine Fairchild		2024-04-01
Christopher Stuart Benson		2019-06-03
Geoffrey Gareth Jones		2023-05-24
Gulshan Batool		2019-06-03
James Ruane		2023-01-24
Julie Mulcahy		2024-07-03
Lilit Davoyan		2023-01-24
Pawan Dhir		2023-01-24

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

England & Wales - Charity number 1000531

Accounts

REGISTERED CHARITY NUMBER: 1000531

**THE BRITISH FRIENDS OF
HARVARD BUSINESS SCHOOL**

**Report of the Trustees and Unaudited
Financial Statements for the Year Ended 31 August 2025**

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

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FOR THE YEAR ENDED 31 AUGUST 2025**

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THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Statutory Information
FOR THE YEAR ENDED 31 AUGUST 2025**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1000531

Principal Address

St James House
Vicar Lane
Sheffield
S1 2EX

Trustees

Julie Mulcahy	(Appointed 03/07/2024)
Christine Fairchild	(Appointed 01/04/2024)
Geoffrey Gareth Jones	
Pawan Dhir	
James Ruane	
Lilit Davoyan	
Meredith Pierce Hunter	
Lucy Shaw	
Philippa Lamb	
Gulshan Batool	
Christopher Stuart Benson	
Charles Lazarevic	(Resigned 30/09/2025)

Independent Examiner

Moore Kingston Smith LLP
Floor 6
9 Appold Street
London
EC2A 2AP

Bankers

Barclays Bank Plc.
Birmingham
B1 3PF

Investment Fund Managers

Quilter Cheviot
1 Kingsway
London
WC2B 6AN

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their report together with the financial statements of the charity for the financial year ended 31 August 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, 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 (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its governing document, a deed of trust dated 1 August 1990, amended by a Scheme dated 19 June 2001, a supplemental trust Deed dated 3 July 2012 and Deeds of Amendment dated 23 September 2020 and 25 March 2021, and constitutes an unincorporated charity registered in England and Wales.

Recruitment and appointment of new trustees

New trustees are appointed by nominations following circulation of a job description outlining the skills and experience required which are reviewed by a nominations committee for recommendation to the full Board. The HBS Alumni Association of the UK and Harvard Business School each have the right to nominate an individual for appointment as a Trustee of the charity. Trustees serve for a term of three years, which may be renewed for a maximum of a further six years and exceptionally for longer.

Induction and training of trustees

Induction of new trustees is undertaken by existing trustees, through induction and information meetings with existing trustees and includes being given a copy of the charity's governance documents, the latest annual report and accounts, minutes of the last meeting and 'The Essential Trustee' (CC3 published by the Charity Commission). Existing appointed Trustees receive the latest copy of the CC3 annually which they are asked to review. In addition, at their meetings they discuss any latest compliance measures as well as reviewing the measures undertaken to mitigate risk.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives and purpose, for the public benefit, as set out in the governing document are as follows:

- To advance the education of British students studying at HBS by award of scholarships, loans or other assistance.
- To promote the education of persons studying at HBS by the provision of facilities and equipment, faculty and academic programmes, scholarships, special educational programmes and to advance research at the School.

The aim of the charity is to support talented people from across the UK, especially those from non-traditional backgrounds, to access and thrive at Harvard Business School. Through scholarships, outreach and guidance, we make study at HBS attainable – enabling future leaders to create meaningful impact to the UK over time.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2025

Both these aims are being achieved through the award of scholarships to those requiring financial assistance, and by facilitating donations to HBS for appropriate educational purposes. Scholars are encouraged to return to the UK and so benefitting the UK economy.

The Trustees held a fund-raising dinner on 10 October 2024, the first since the Covid-19 pandemic. The 2025 annual dinner was held on 3 September 2025. Details of the annual dinner are circulated through the Harvard Business School Club of London to their UK alumni database. The charity also has a website, through which donors can learn about the charity and how to donate.

Organisational structure

The charity Trustees are responsible for the general control and management of the charity under the guidance of its chair. Trustees meet several times a year to review policy and financial matters.

The Investment Committee comprises the treasurer and a trustee. It oversees the charity's investment manager's performance according to investment guidelines agreed by all trustees.

Applications for scholarships are made directly to the charity. Applicants are interviewed by a panel of at least two trustees, following which all trustees meet to review applications and interviewers recommendations and decide which applicants should be awarded a scholarship.

The charity has no paid employees. Key management personnel consist of the Trustees . Trustees have delegated the day to day running of the charity to a part-time administrator and the oversight of the finances is delegated to the Treasurer. Trustees are given reports at each meeting on financial and administrative matters as well as how these duties are segregated and the controls in place to prevent fraud.

The charity liaises with the HBS Alumni Association of the UK to promote the charity and to encourage donations from alumni. Regular reports are sent to the alumni office at HBS to update them on donor status so that donors are given appropriate attribution in annual and reunion giving lists.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the Trustees made charitable donations of £164,898 (2024: £229,983), reversed £179,923 (2024: £nil) and provided 3 new scholarships (2024: 4) to the value of £65,734 (2024: £106,610).

Impact of charitable activities

The charity considers it plays an important role in enabling UK students to study at HBS who might otherwise have been unable to attend due to financial constraints. In addition, it facilitates donations by UK alumni to HBS for appropriate educational purposes and thereby contributing to world class academic research.

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2025**

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Trustees review and discuss risk management at meetings and keep a risk register as a tool to document high, medium and low impact risks identified as well as areas affected by such risks, together with actions taken and persons responsible for them.

They have identified that the principal risk is that of foreign currency. As the charity's grants are made in US dollars, this risk is mitigated by maintaining the majority of the investment portfolio in US dollar denominated securities.

There is also a risk that the investment portfolio does not perform as expected and that the return and capital growth that forms part of the trustees' strategy to help generate funds to further the charity's objectives is not achieved. The Investment Committee regularly reviews the charity's Investment Policy and risk profile.

Public benefit

The trustees, as required by the Charities (Accounts and Reports) Regulations 2008, have paid due regard to the Charity Commission's guidance on providing public benefit while reviewing the charity's aims and objectives, and while deciding what activities the charity should undertake and how the donations made will help the charity meet its objectives.

FINANCIAL REVIEW

Unrestricted funds

During the year, there was income of £120,749 (2024: £183,875) and expenditure of £89,919 (2024: £308,003) resulting in net surplus before investment and foreign exchange losses, of £30,830 (2024: net loss of £124,128). Together with net investment gains of £201,495 (2024: £305,536) and FX gain of £670 (2024: £4,831), there is an overall surplus of £232,995 (2024: £186,239) which has increased unrestricted funds to £3,153,315 (2024: £2,920,320).

Restricted funds

During the year, there was restricted income of £128,472 (2024: £181,902) and restricted expenditure of £180,573 (2024: £93,225) resulting in net restricted funds of £89,619 (2024: £141,720).

During the year there was income relating to donations in both restricted and unrestricted funds of £169,298 (2024: £301,267).

Reserves policy

The Trustees, in addition to the annual donations made to support its objects, wish to become established in academic circles as an important funder of scholarships for UK students to attend HBS. The trustees feel it is important to build up a cushion out of current income to ensure that the fund can meet commitments to students in future years if donations fall. As at 31 August 2025, total reserves stood at £3.24m (2024: £3.06m). In view of the volatility in equity markets, a larger fund will be required to maintain our scholarships should income from donations decrease.

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2025**

Principal funding sources

Funding comes from donations made by HBS alumni.

During 2021, the Trustees established a Gifts Acceptance and Grant-Making Committee, comprising at least three Trustees. This committee ensures that all significant donations (£501 or greater) to the charity meet the Charity Commission's "Know Your Donor" guidance, regarding source of funds and potential for reputational risk. Any proposed gifts that do not meet these criteria undergo further investigation and ultimately can be refused. Any proposed gift greater than £20,000 or which may have reputational implications must be approved by the whole Board.

Investment policy and objectives

The Trustees' investment policy was revised in October 2019 and set a more ambitious target of US CPI inflation plus 3% p.a. net of fees. The majority of the portfolio is held in US equities and the balance in UK and overseas equities and fixed income or other investments, or cash. This target was not met in the current year.

Since awards are made in US dollars the trustees wish to hold most of the portfolio in that currency. The Trustees periodically review the Investment Policy and objectives.

During the year, the Investment Committee has been proactively involved in dealing with the fund managers through meetings and discussions.

Grant making

Grants are awarded each year in the form of scholarships to advance the education of British students studying at HBS. The award provides tuition fees and living expenses to students. Applicants are chosen primarily on financial need and will normally be required to attend an interview as part of the selection process.

In addition, the charity makes grants to HBS in the form of donations from UK alumni wishing to promote the education of persons studying at HBS.

The Gifts Acceptance and Grant-Making Committee ensures that all grants made to HBS are in compliance with the objects of the charity and public benefit guidance.

Plans for future periods

The aim of the trustees is to continue to attract donations from HBS alumni and provide scholarships and funding to support HBS. The trustees would like to encourage able students from financially disadvantaged backgrounds to apply, who would not normally have considered doing this.

Fundraising

Fundraising is done through word of mouth amongst alumni, HBS development officers, and information circulated to UK alumni via the HBS Alumni Association of the UK's newsletters. There is also a dedicated website. There are no professionally paid fundraisers. The charity has not subscribed to any fundraising standards/schemes.

The principal fundraising activity held by the Trustees is an annual fundraising dinner with a distinguished speaker to which the alumni and affiliated members of the HBS are invited to attend. As this is the main fundraising activity of the Charity, and this is not open to the wider public, the Charity does not have a formal complaints procedure regarding the fundraising activities of the Charity. No complaints were received during the year.

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2025**

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern, including the current economic challenges. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of the potential pressures on voluntary income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the 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 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 the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the order of the board of trustees on

And signed on its behalf by:

Pawan Dhir
Trustee

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Independent Examiner's Report to the Trustees of The British Friends of Harvard Business School

I report to the charity trustees on my examination of the financial statements of British Friends of Harvard Business School for the year ended 31 August 2025.

Responsibilities and basis of report:

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Floor 6
9 Appold Street
London EC2A 2AP

Date:

Adam Fullerton DChA
Independent Examiner
For and on behalf of Moore Kingston Smith LLP

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted Funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Income from:					
Donations and Legacies	3	40,826	128,472	169,298	301,267
Investments	4	59,338	-	59,338	64,510
Other income		20,585	-	20,585	-
Total income		<u>120,749</u>	<u>128,472</u>	<u>249,221</u>	<u>365,777</u>
Expenditure on:					
Raising funds	5	20,770	-	20,770	20,113
Charitable activities	6	69,149	180,573	249,722	381,115
Total expenditure		<u>89,919</u>	<u>180,573</u>	<u>270,492</u>	<u>401,228</u>
		30,830	(52,101)	(21,271)	(35,451)
Net gains on investments		201,495	-	201,495	305,536
Gains on foreign exchange movements		670	-	670	4,831
Net movement in funds		<u>232,995</u>	<u>(52,101)</u>	<u>180,894</u>	<u>274,916</u>
Funds as at 1 September 2024		2,920,320	141,720	3,062,040	2,787,124
Fund balances carried forward as at 31 August 2025	13	<u><u>3,153,315</u></u>	<u><u>89,619</u></u>	<u><u>3,242,934</u></u>	<u><u>3,062,040</u></u>

All activities in the year were attributable to continuing operations.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Investments	9		3,232,760		3,077,536
Current Assets					
Debtors	10	-		18,217	
Cash at bank and in hand		51,102		156,421	
		51,102		174,638	
Creditors: Amounts falling due within one year	11	(40,928)		(190,133)	
Net Current (Liability)/Assets			10,174		(15,495)
Total assets less current liabilities			3,242,934		3,062,040
Net assets			<u>3,242,934</u>		<u>3,062,040</u>
Funds	13				
Unrestricted funds					
General Funds			3,153,315		2,920,320
Restricted funds			89,619		141,720
Total			<u>3,242,934</u>		<u>3,062,040</u>

Approved and authorised for issue by the Board on

Signed on their behalf by:

.....

Trustee

Charity Number: 1000531

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	2025	2024
		£	£
CASH USED IN OPERATIONS	12	(210,927)	(19,584)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		59,338	64,510
Investment additions		(156,389)	(392,076)
Sales proceeds		181,488	431,130
Change in investment cash		21,172	25,019
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>105,609</u>	<u>128,583</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(105,318)</u>	<u>108,999</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		156,420	47,421
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>51,102</u></u>	<u><u>156,420</u></u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting Policies

Charity information

The British Friends of Harvard Business School is an unincorporated charity registered in England and Wales (no. 1000531). Details of the principal office are given on page 2 of the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments. They are drawn up in accordance with the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are presented in sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £1.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the charity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. The charity holds significant liquid fixed asset investments which will meet any immediate shortfall in current assets held. The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

Income, including donations & legacies, is included on the Statement of Financial Activities when the charity is legally entitled to the income, there is sufficient probability of receipt and the amount can be quantified with reasonable accuracy.

Investment income

The charity recognises all investment income on the accruals basis.

Expenditure

Expenditure is accounted for on an accruals basis inclusive of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds includes costs incurred to increase the funds raised by the charity for distribution to its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. Governance costs are apportioned to charitable activities.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

Expenditure (cont.).

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants and scholarships

Grants and scholarships are recognised at the point they are paid or committed to be paid resulting in a legal or constructive obligation.

Taxation

The charity is exempt from tax on income and gains falling within section 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the applicable restriction.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken onto account in arriving at the operating result.

Fixed asset investments

Investments are a basic financial instrument and are included in the balance sheet initially at transaction value and subsequently recognised at their fair value at the end of the financial period which is the bid price quoted on a recognised stock exchange. Realised and unrealised gains and losses are credited or debited to the Statement of Financial Activities in the year in which they arise.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

The Trustees do not consider there to be any key area of judgement or critical estimates that require further disclosure.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

3 INCOME FROM DONATIONS AND LEGACIES	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Donations	28,940	123,948	152,888	272,335
Gift Aid	11,886	4,524	16,410	28,932
	<u>40,826</u>	<u>128,472</u>	<u>169,298</u>	<u>301,267</u>

The income from donations and legacies was £152,888 (2024: £272,335) of which £28,940 was unrestricted (2024: £112,232) and £123,948 was restricted (2024: £160,103).

4 INCOME FROM INVESTMENTS	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Dividends and interest received	59,338	-	59,338	64,510
	<u>59,338</u>	<u>-</u>	<u>59,338</u>	<u>64,510</u>

The income from investments was all unrestricted in the current and prior year.

5 EXPENDITURE ON RAISING FUNDS	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Investment manager fees	20,770	-	20,770	20,113
	<u>20,770</u>	<u>-</u>	<u>20,770</u>	<u>20,113</u>

The expenditure on raising funds was all unrestricted in the current and prior year.

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Scholarships awarded	164,898	-	164,898	229,983
Scholarships reversed	(179,923)	-	(179,923)	-
Donations to Harvard Business School	-	180,573	180,573	93,225
Annual dinner	29,941	-	29,941	-
Support costs	22,269	-	22,269	37,132
Governance costs	31,964	-	31,964	20,775
	<u>69,149</u>	<u>180,573</u>	<u>249,722</u>	<u>381,115</u>

The expenditure on charitable activities was £249,722 (2024: £381,115), of which £69,149 was unrestricted (2024: £287,890) and £180,573 was restricted (2024: £93,225).

Scholarships were paid to 7 individuals (2024: 8). No grants were made to institutions other than the donation to Harvard Business School, as in the prior year.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

6 EXPENDITURE ON CHARITABLE ACTIVITIES (cont.).

	Unrestricted	Restricted	Total	Total
Support Costs	2025	2025	2025	2024
	£	£	£	£
Bank charges	1,540	-	1,540	800
Insurance	437	-	437	954
Web Security	19,102	-	19,102	32,451
Trustee Expenditure	1,190	-	1,190	2,927
	<u>22,269</u>	<u>-</u>	<u>22,269</u>	<u>37,132</u>

	Unrestricted	Restricted	Total	Total
Governance costs	2025	2025	2025	2024
	£	£	£	£
Accountancy costs	23,557	-	23,557	12,825
Independent Examiner's Remuneration	8,407	-	8,407	7,950
	<u>31,964</u>	<u>-</u>	<u>31,964</u>	<u>20,775</u>

7 EMPLOYEES

The charity did not employ any staff in the year (2024: nil).

The Trustees did not receive any remuneration nor other benefits for the year ended 31 August 2025 nor for the year ended 31 August 2024.

Total Trustee expenses incurred during the year was £1,190 in relation to expenses for the scholars dinner (2024: £2,546).

8 KEY MANAGEMENT PERSONNEL

The key management personnel of the charity comprises the Trustees. The total employee benefits of the key management personnel of the charity were £nil (2024: £nil).

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

9 FIXED ASSET INVESTMENTS

	2025 £	2024 £
FAIR VALUE		
At 1st September 2024	3,045,538	2,779,056
Additions at cost	156,389	392,076
Disposals proceeds	(181,488)	(431,130)
Investment gains/ (losses) in the year	279,275	414,288
Exchange difference	(77,780)	(108,752)
	<u>3,221,934</u>	<u>3,045,538</u>
Cash held for investment	10,826	31,998
	<u>3,232,760</u>	<u>3,077,536</u>

Analysis of investments between classes:

	2025 £	2024 £
Fixed Interest Securities - Non-UK	574,245	585,272
Equity Investment UK	92,612	108,414
Equity Investment Non-UK	2,555,077	2,351,853
Cash held within the investment portfolio	10,826	31,997
	<u>3,232,760</u>	<u>3,077,536</u>

Investments representing 5% or more of the portfolio are disclosed below:

	Portfolio %	Market Value (£)
Ishares II Plc. TSY Bond 7-10Yr UCITS ETF USD	10%	324,386

With respect to the next reporting period, the most significant area of uncertainty that affects the carrying value of the assets held by the Charity is the level of investment return and the performance of the investment markets. This has been detailed in the investment policy and objectives within the Trustees' Report.

10 DEBTORS

	2025 £	2024 £
Gift aid recoverable	-	18,217
	<u>-</u>	<u>18,217</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Accruals	8,250	7,920
Other creditors	1,190	-
Scholarship commitments	31,488	182,213
	<u>40,928</u>	<u>190,133</u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

12 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH USED IN OPERATIONS

	2025 £	2024 £
Net movement in funds	180,894	274,916
Adjustments for:		
Unrealised gain on investments	(279,275)	(414,288)
Losses on foreign exchange on investments	77,780	108,752
Interest and dividends receivable (less not received by year end)	(59,338)	(64,510)
	<hr/>	<hr/>
Operating cash flow before movement in working capital	(79,939)	(95,130)
(Increase) / Decrease in debtors	18,217	(15,752)
Increase / (Decrease) in creditors	(149,205)	91,298
	<hr/>	<hr/>
Cash used in operations	<u>(210,927)</u>	<u>(19,584)</u>

13 MOVEMENT IN FUNDS

	Brought forward 01-Sep-24 £	Net movement in funds £	Carried forward 31-Aug-25 £
Unrestricted funds			
General fund	2,920,320	232,995	3,153,315
Restricted funds	141,720	(52,101)	89,619
	<hr/>	<hr/>	<hr/>
	<u>3,062,040</u>	<u>180,894</u>	<u>3,242,934</u>

Net movement in funds included in the above are as follows:

	Total Income £	Total Expenditure £	Gains and Losses £	Movement in Funds £
Unrestricted funds				
General Fund	120,749	(89,919)	202,165	232,995
Restricted funds	128,472	(180,573)	-	(52,101)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>249,221</u>	<u>(270,492)</u>	<u>202,165</u>	<u>180,894</u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2025

13 MOVEMENT IN FUNDS (cont.).

Net movement in funds during the prior year are as follows:

	Brought forward 01-Sep-23 £	Net movement in funds £	Carried forward 31-Aug-24 £
Unrestricted funds			
General fund	2,734,081	186,239	2,920,320
Restricted funds	53,043	88,677	141,720
	<u>2,787,124</u>	<u>274,916</u>	<u>3,062,040</u>

Net movement in funds included in the above are as follows:

	Total Income £	Total Expenditure £	Gains and Losses £	Movement in Funds £
Unrestricted funds				
General Fund	183,875	(308,003)	310,367	186,239
Restricted funds	181,902	(93,225)	-	88,677
	<u>365,777</u>	<u>(401,228)</u>	<u>310,367</u>	<u>274,916</u>

Restricted funds comprise monies where a restriction has been place on their use by a donor to ensure the donation is transferred to a specific or named fund. Restricted funds are distributed in accordance with the terms of the applicable restriction.

14 NET ASSETS

	2025 £	2024 £
Unrestricted funds		
Investments	3,134,038	3,077,536
Current assets	51,102	32,917
Current liabilities	(40,928)	(190,133)
Net assets	<u>3,144,212</u>	<u>2,920,320</u>
Restricted funds		
Current assets	89,619	141,720
Net assets	<u>89,619</u>	<u>141,720</u>

15 RELATED PARTY TRANSACTIONS

There is an amount of £1,190 due to the Trustees at the balance sheet date (2024: £nil).

A total of £2,975 was received from three trustees and has been recognised in income (2024:£2,388, five trustees).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

England & Wales - Charity number 1000531

Accounts

REGISTERED CHARITY NUMBER: 100531

**THE BRITISH FRIENDS OF
HARVARD BUSINESS SCHOOL**

**Report of the Trustees and Unaudited
Financial Statements for the Year Ended 31 August 2024**

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Contents of the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2024

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THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statutory Information FOR THE YEAR ENDED 31 AUGUST 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1000531

Principal Address

St James House
Vicar Lane
Sheffield
S1 2EX

Trustees

Julie Mulcahy (Appointed 03/07/2024)
Christine Fairchild (Appointed 01/04/2024)
Geoffrey Gareth Jones
Pawan Dhir
James Ruane
Lilit Davoyan
Meredith Pierce Hunter
Lucy Shaw
Philippa Lamb
Gulshan Batool
Christopher Stuart Benson
Charles Lazarevic
M Yaovi Anani-Isaac (Resigned 05/09/2023)

Independent Examiner

Moore Kingston Smith LLP
Floor 6
9 Appold Street
London
EC2A 2AP

Bankers

Barclays Bank Plc.
Birmingham
B1 3PF

Investment Fund Managers

Quilter Cheviot
1 Kingsway
London
WC2B 6AN

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees present their report together with the financial statements of the charity for the financial year ended 31 August 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, 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 (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its governing document, a deed of trust dated 1 August 1990, amended by a Scheme dated 19 June 2001, a supplemental trust Deed dated 3 July 2012 and Deeds of Amendment dated 23 September 2020 and 25 March 2021, and constitutes an unincorporated charity registered in England and Wales.

Recruitment and appointment of new trustees

New trustees are appointed by nominations following circulation of a job description outlining the skills and experience required which are reviewed by an ad hoc nominations committee for recommendation to the full Board. The Harvard Business School Club of London and Harvard Business School each have the right to nominate an individual for appointment as a Trustee of the charity. Trustees serve for a term of three years, which may be renewed for a maximum of a further six years and exceptionally for longer.

Induction and training of trustees

Induction of new trustees is undertaken by existing trustees, through induction and information meetings with existing trustees and includes being given a copy of the charity's governance documents, the latest annual report and accounts, minutes of the last meeting and 'The Essential Trustee' (CC3 published by the Charity Commission). Existing appointed Trustees receive the latest copy of the CC3 annually which they are asked to review. In addition, at their meetings they discuss any latest compliance measures as well as reviewing the measures undertaken to mitigate risk.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives and purpose, for the public benefit, as set out in the governing document are as follows:

- To advance the education of British students studying at HBS by award of scholarships, loans or other assistance.
- To promote the education of persons studying at HBS by the provision of facilities and equipment, faculty and academic programmes, scholarships, special educational programmes and to advance research at the School.

The aim of the charity is to finance tuition scholarships for UK students to attend HBS, as well as to facilitate donations by UK based HBS alumni to HBS for appropriate educational purposes.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

Both these aims are being achieved through the award of scholarships to those requiring financial assistance, and by facilitating donations to HBS for appropriate educational purposes. Scholars are encouraged to return to the UK and so benefitting the UK economy.

The Trustees held a fund-raising dinner on 10 October 2024, the first since the Covid-19 pandemic. It is expected that an annual dinner will continue to be held in future years with distinguished speakers. Details of the annual dinner are circulated through the Harvard Business School Club of London to their UK alumni database. The charity also has invested in a new website, through which donors can learn about the charity and how to donate.

Organisational structure

The charity Trustees are responsible for the general control and management of the charity under the guidance of its chair. Trustees meet several times a year to review policy and financial matters.

The Investment Committee comprises the treasurer, deputy treasurer and a trustee. It oversees the charity's investment manager's performance according to investment guidelines agreed by all trustees.

Applications for scholarships are now made directly to the charity. Applicants are interviewed by a panel of at least two trustees, following which all trustees meet to review applications and interviewers recommendations and decide which applicants should be awarded a scholarship.

The charity has no paid employees. Key management personnel consist of the Trustees . Trustees have delegated the day to day running of the charity to a part-time administrator and the oversight of the finances is delegated to the Treasurer. Trustees are given reports at each meeting on financial and administrative matters as well as how these duties are segregated and the controls in place to prevent fraud.

The charity liaises with the Harvard Business School Club of London to promote the charity and to encourage donations from alumni. Regular reports are sent to the alumni office at HBS to update them on donor status so that donors are given appropriate attribution in annual and reunion giving lists.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the Trustees made charitable donations of £229,983 (2023: £1,270,652) and provided 4 new scholarships (2023: 4) to the value of £106,610 (2023: £88,277).

Impact of charitable activities

The charity considers it plays an important role in enabling UK students to study at HBS who might otherwise have been unable to attend due to financial constraints. In addition, it facilitates donations by UK alumni to HBS for appropriate educational purposes and thereby contributing to world class academic research.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Trustees review and discuss risk management at meetings and keep a risk register as a tool to document high, medium and low impact risks identified as well as areas affected by such risks, together with actions taken and persons responsible for them.

They have identified that the principal risk is that of foreign currency. As the charity's grants are made in US dollars, this risk is mitigated by maintaining the majority of the investment portfolio in US dollar denominated securities.

There is also a risk that the investment portfolio does not perform as expected and that the return and capital growth that forms part of the trustees' strategy to help generate funds to further the charity's objectives is not achieved. The Investment Committee regularly reviews the charity's Investment Policy and risk profile.

Public benefit

The trustees, as required by the Charities (Accounts and Reports) Regulations 2008, have paid due regard to the Charity Commission's guidance on providing public benefit while reviewing the charity's aims and objectives, and while deciding what activities the charity should undertake and how the donations made will help the charity meet its objectives.

FINANCIAL REVIEW

Unrestricted funds

During the year, there was income of £183,875 (2023: £90,808) and expenditure of £308,003 (2023: £263,569) resulting in net loss before investment and foreign exchange losses, of £124,128 (2023: Loss of £172,761).

Together with net investment gains of £305,536 (2023: Gain of £219,125) and FX gain of £4,831 (2023: Loss of £236,244), there is an overall surplus of £186,239 (2023: Deficit of £189,880) which has increased unrestricted funds to £2,920,320 (2023: £2,734,081).

Restricted funds

During the year, there was restricted income of £181,902 (2023: £1,276,231), of which £Nil (2023: £1,231,762) relates to a one off legacy and restricted expenditure of £93,225 (2023: £1,281,168) resulting in net restricted funds of £141,720 (2023: £53,043).

During the year there was income relating to donations in both restricted and unrestricted funds of £301,267 (2023: £1,311,936).

Reserves policy

The Trustees, in addition to the annual donations made to support its objects, wish to become established in academic circles as an important funder of scholarships for UK students to attend HBS. The trustees feel it is important to build up a cushion out of current income to ensure that the fund can meet commitments to students in future years if donations fall. As at 31 August 2024, total reserves stood at £3.06m (2023: £2.79m). In view of the volatility in equity markets, a larger fund will be required to maintain our scholarships should income from donations decrease. On that basis, the target level of reserves has been increased to \$5 million. Currently this converts to £3.81 million. The trustees' vision is that future surpluses will enable the charity to reach the target level of reserves which will be reviewed annually.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

Principal funding sources

Funding comes from donations made by HBS alumni.

During 2021, the Trustees established a Gifts Acceptance and Grant-Making Committee, comprising at least three Trustees. This committee ensures that all significant donations (£501 or greater) to the charity meet the Charity Commission's "Know Your Donor" guidance, regarding source of funds and potential for reputational risk. Any proposed gifts that do not meet these criteria undergo further investigation and ultimately can be refused. Any proposed gift greater than £20,000 or which may have reputational implications must be approved by the whole Board.

Investment policy and objectives

The Trustees' investment policy was revised in October 2019 and set a more ambitious target of US CPI inflation plus 3% p.a. net of fees. The majority of the portfolio is held in US equities and the balance in UK and overseas equities and fixed income or other investments, or cash. This target was not met in the current year.

Since awards are made in US dollars the trustees wish to hold most of the portfolio in that currency. The Trustees periodically review the Investment Policy and objectives.

During the year, the Investment Committee has been proactively involved in dealing with the fund managers through meetings and discussions.

Grant making

Grants are awarded each year in the form of scholarships to advance the education of British students studying at HBS. The award provides tuition fees and living expenses to students. Applicants are chosen primarily on financial need and will normally be required to attend an interview as part of the selection process.

In addition, the charity makes grants to HBS in the form of donations from UK alumni wishing to promote the education of persons studying at HBS.

The Gifts Acceptance and Grant-Making Committee ensures that all grants made to HBS are in compliance with the objects of the charity and public benefit guidance.

Plans for future periods

The aim of the trustees is to continue to attract donations from HBS alumni and provide scholarships and funding to support HBS. The trustees would like to encourage able students from financially disadvantaged backgrounds to apply, who would not normally have considered doing this.

Fundraising

Fundraising is done through word of mouth amongst alumni, HBS development officers, and information circulated to UK alumni via the Harvard Business School Club's newsletters. There is also a dedicated website. There are no professionally paid fundraisers. The charity has not subscribed to any fundraising standards/schemes.

The principal fundraising activity held by the Trustees is an annual fundraising dinner with a distinguished speaker to which the alumni and affiliated members of the HBS are invited to attend. As this is the main fundraising activity of the Charity, and this is not open to the wider public, the Charity does not have a formal complaints procedure regarding the fundraising activities of the Charity. No complaints were received during the year.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern, including the current economic challenges. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of the potential pressures on voluntary income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the 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 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 the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the order of the board of trustees on

And signed on its behalf by:

C Lazarevic B.Sc., M.B.A., F.C.A., M.A.E., B.F.P.
Treasurer - Trustee

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL
Independent Examiner's Report to the Trustees of The British Friends of Harvard
Business School

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 August 2024.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or

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

6th Floor
9 Appold Street
London EC2A 2AP

Date:

Adam Fullerton, FCA, ICAEW
Independent Examiner
For and on behalf of Moore Kingston Smith LLP

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

STATEMENT OF FINANCIAL ACTIVITES
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Income from:					
Donations and Legacies	3	119,365	181,902	301,267	1,311,936
Investments	4	64,510	-	64,510	55,103
Total income		<u>183,875</u>	<u>181,902</u>	<u>365,777</u>	<u>1,367,039</u>
Expenditure on:					
Raising funds	5	20,113	-	20,113	19,072
Charitable activities	6	287,890	93,225	381,115	1,525,665
Total expenditure		<u>308,003</u>	<u>93,225</u>	<u>401,228</u>	<u>1,544,737</u>
		(124,128)	88,677	(35,451)	(177,698)
Net gains/(losses) on investments		305,536	-	305,536	219,125
(Losses)/gains on foreign exchange movement		4,831	-	4,831	(236,244)
Net movement in funds		<u>186,239</u>	<u>88,677</u>	<u>274,916</u>	<u>(194,817)</u>
Funds as at 1 September 2023		<u>2,734,081</u>	<u>53,043</u>	<u>2,787,124</u>	<u>2,981,941</u>
Fund balances carried forward as at 31 August 2024	13	<u><u>2,920,320</u></u>	<u><u>141,720</u></u>	<u><u>3,062,040</u></u>	<u><u>2,787,124</u></u>

All activities in the year were attributable to continuing operations.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investments	9		3,077,536		2,836,073
Current Assets					
Debtors	10	18,217		2,465	
Cash at bank and in hand		<u>156,420</u>		<u>47,421</u>	
		174,637		49,886	
Creditors: Amounts falling due within one year	11	<u>(190,133)</u>		<u>(98,835)</u>	
Net Current Liabilities			<u>(15,496)</u>		<u>(48,949)</u>
Total assets less current liabilities			3,062,040		2,787,124
Net assets			<u><u>3,062,040</u></u>		<u><u>2,787,124</u></u>
Funds	13				
Unrestricted funds					
General Funds			2,920,320		2,734,081
Restricted funds			<u>141,720</u>		<u>53,043</u>
Total			<u><u>3,062,040</u></u>		<u><u>2,787,124</u></u>

Approved and authorised for issue by the Board on

Signed on their behalf by:

.....

Trustee

Charity Number: 1000531

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	2024	2023
		£	£
CASH USED IN OPERATIONS	12	(19,584)	(148,657)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		64,510	55,103
Investment additions		(392,076)	(487,878)
Investment disposal proceeds		431,130	505,524
Change in investment cash		25,019	10,771
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>128,583</u>	<u>83,520</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>108,999</u>	<u>(65,137)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		47,421	112,559
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>156,420</u></u>	<u><u>47,421</u></u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting Policies

Charity information

The British Friends of Harvard Business School is an unincorporated charity registered in England and Wales (no. 1000531). Details of the principal office are given on page 2 of the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments. They are drawn up in accordance with the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are presented in sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £1.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the charity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. The charity holds significant liquid fixed asset investments which will meet any immediate shortfall in current assets held. The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

Income, including donations & legacies, is included on the Statement of Financial Activities when the charity is legally entitled to the income, there is sufficient probability of receipt and the amount can be quantified with reasonable accuracy.

Investment income

The charity recognises all investment income on the accruals basis.

Expenditure

Expenditure is accounted for on an accruals basis inclusive of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds includes costs incurred to increase the funds raised by the charity for distribution to its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. Governance costs are apportioned to charitable activities.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024

Expenditure (cont.).

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants and scholarships

Grants and scholarships are recognised at the point they are paid or committed to be paid resulting in a legal or constructive obligation.

Taxation

The charity is exempt from tax on income and gains falling within section 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the applicable restriction.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken onto account in arriving at the operating result.

Fixed asset investments

Investments are a basic financial instrument and are included in the balance sheet initially at transaction value and subsequently recognised at their fair value at the end of the financial period which is the bid price quoted on a recognised stock exchange. Realised and unrealised gains and losses are credited or debited to the Statement of Financial Activities in the year in which they arise.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

The Trustees do not consider there to be any key area of judgement or critical estimates that require further disclosure.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024**

3 INCOME FROM DONATIONS AND LEGACIES	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Donations	112,232	160,103	272,335	67,825
Legacies	-	-	-	1,231,762
Gift Aid	7,133	21,799	28,932	12,349
	<u>119,365</u>	<u>181,902</u>	<u>301,267</u>	<u>1,311,936</u>

The income from donations and legacies was £272,335 (2023: £1,299,587) of which £112,232 was unrestricted (2023: £29,842) and £160,103 was restricted (2023: £1,269,745).

4 INCOME FROM INVESTMENTS	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Dividends and interest received	64,510	-	64,510	55,103
	<u>64,510</u>	<u>-</u>	<u>64,510</u>	<u>55,103</u>

The income from investments was all unrestricted in the current and prior year.

5 EXPENDITURE ON RAISING FUNDS	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Investment manager fees	20,113	-	20,113	19,072
	<u>20,113</u>	<u>-</u>	<u>20,113</u>	<u>19,072</u>

The expenditure on raising funds was all unrestricted in the current and prior year.

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Scholarships awarded	229,983	-	229,983	202,831
Donations to Harvard Business School	-	93,225	93,225	1,270,652
Support costs	37,132	-	37,132	25,309
Governance costs	20,775	-	20,775	26,873
	<u>287,890</u>	<u>93,225</u>	<u>381,115</u>	<u>1,525,665</u>

The expenditure on charitable activities was £381,115 (2023: £1,525,665), of which £287,890 was unrestricted (2023: £244,497) and £93,225 was restricted (2023: £1,281,168).

Scholarships were paid to 8 individuals (2023: 6). No grants were made to institutions other than the donation to Harvard Business School, as in the prior year.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

6 EXPENDITURE ON CHARITABLE ACTIVITIES (cont.).

Support Costs	Unrestricted 2024	Restricted 2024	Total 2024	Total 2023
	£	£	£	£
Bank charges	800	-	800	601
Insurance	954	-	954	951
Web Security	32,451	-	32,451	198
Legal and Professional	-	-	-	22,270
Trustee Expenditure	2,927	-	2,927	1,289
	<u>37,132</u>	<u>-</u>	<u>37,132</u>	<u>25,309</u>

Governance costs	Unrestricted 2024	Restricted 2024	Total 2024	Total 2023
	£	£	£	£
Accountancy costs	12,825	-	12,825	15,083
Independent Examiner's Remuneration	7,950	-	7,950	-
Audit Fees	-	-	-	11,790
	<u>20,775</u>	<u>-</u>	<u>20,775</u>	<u>26,873</u>

7 EMPLOYEES

The charity did not employ any staff in the year (2023: nil).

The Trustees did not receive any remuneration nor other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Total Trustee expenses incurred during the year £2,546 in relation to expenses for the scholars dinner (2023: £1,289).

8 KEY MANAGEMENT PERSONNEL

The key management personnel of the charity comprises the Trustees. The total employee benefits of the key management personnel of the charity were £nil (2023: £nil).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

9 FIXED ASSET INVESTMENTS

	2024 £	2023 £
FAIR VALUE		
At 1st September 2023	2,779,056	2,810,074
Additions at cost	392,076	487,878
Disposals proceeds	(431,130)	(505,524)
Investment gains/ (losses) in the year	414,288	219,125
Exchange difference	(108,752)	(232,497)
	<u>3,045,538</u>	<u>2,779,056</u>
Cash held for investment	31,998	57,017
	<u>3,077,536</u>	<u>2,836,073</u>

Analysis of investments between classes:

	2024 £	2023 £
Fixed Interest Securities - Non-UK	585,272	554,791
Equity Investment UK	108,414	99,126
Equity Investment Non-UK	2,351,853	2,125,138
Cash held within the investment portfolio	31,997	57,017
	<u>3,077,536</u>	<u>2,836,073</u>

Investments representing 5% or more of the portfolio are disclosed below:

	Portfolio %	Market Value (£)
Ishares II Plc. TSY Bond 7-10Yr UCITS ETF USD	11%	338,658

With respect to the next reporting period, the most significant area of uncertainty that affects the carrying value of the assets held by the Charity is the level of investment return and the performance of the investment markets. This has been detailed in the investment policy and objectives within the Trustees' Report.

10 DEBTORS

	2024 £	2023 £
Gift aid recoverable	18,217	2,465
	<u>18,217</u>	<u>2,465.00</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Accruals	7,920	14,009
Scholarship Commitments	182,213	84,826
	<u>190,133</u>	<u>98,835</u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024**

12 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH USED IN OPERATIONS

	2024	2023
	£	£
Net movement in funds	274,916	(194,817)
Adjustments for:		
Unrealised (gain)/ losses on investments	(414,288)	(219,125)
(Gains)/losses on foreign exchange on investments	108,752	232,538
Interest and dividends receivable (less not received by year end)	(64,510)	(55,103)
	<hr/>	<hr/>
Operating cash flow before movement in working capital	(95,130)	(236,507)
(Increase) / Decrease in debtors	(15,752)	(2,465)
Increase / (Decrease) in creditors	91,298	90,315
	<hr/>	<hr/>
Cash used in operations	<u>(19,584)</u>	<u>(148,657)</u>

13 MOVEMENT IN FUNDS

	Brought forward 01-Sep-23	Net movement in funds	Carried forward 31-Aug-24
	£	£	£
Unrestricted funds			
General fund	2,734,081	186,239	2,920,320
Restricted funds	53,043	88,677	141,720
	<hr/>	<hr/>	<hr/>
	2,787,124	274,916	3,062,040
	<hr/>	<hr/>	<hr/>

Net movement in funds included in the above are as follows:

	Total Income	Total Expenditure	Gains and Losses	Movement in Funds
	£	£	£	£
Unrestricted funds				
General Fund	183,875	(308,003)	310,367	186,239
Restricted funds	181,902	(93,225)	-	88,677
	<hr/>	<hr/>	<hr/>	<hr/>
	365,777	(401,228)	310,367	274,916
	<hr/>	<hr/>	<hr/>	<hr/>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024**

13 MOVEMENT IN FUNDS (cont.).

Net movement in funds during the prior year are as follows:

	Brought forward 01-Sep-22 £	Net movement in funds £	Carried forward 31-Aug-23 £
Unrestricted funds			
General fund	2,923,961	(189,880)	2,734,081
Restricted funds	57,980	(4,937)	53,043
	<u>2,981,941</u>	<u>(194,817)</u>	<u>2,787,124</u>

Net movement in funds included in the above are as follows:

	Total Income £	Total Expenditure £	Gains and Losses £	Movement in Funds £
Unrestricted funds				
General Fund	90,808	(263,569)	(17,119)	(189,880)
Restricted funds	1,276,231	(1,281,168)	-	(4,937)
	<u>1,367,039</u>	<u>(1,544,737)</u>	<u>(17,119)</u>	<u>(194,817)</u>

Restricted funds comprise monies where a restriction has been place on their use by a donor to ensure the donation is transferred to a specific or named fund. Restricted funds are distributed in accordance with the terms of the applicable restriction.

14 NET ASSETS

	2024 £	2023 £
Unrestricted funds		
Investments	3,077,536	2,836,073
Current assets	32,917	49,886
Current liabilities	(190,133)	(98,835)
Net assets	<u>2,920,320</u>	<u>2,787,124</u>
Restricted funds		
Current assets	141,720	53,043
Net assets	<u>141,720</u>	<u>53,043</u>

15 RELATED PARTY TRANSACTIONS

There were no amounts due to or from the Trustees at the balance sheet date (2023: nil).

A total of £2,388 was received from five trustees and has been recognised in income (2023: £977, two trustees).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

England & Wales - Charity number 1000531

Accounts

REGISTERED CHARITY NUMBER: 1000531

**THE BRITISH FRIENDS OF
HARVARD BUSINESS SCHOOL**

**Report of the Trustees and Unaudited
Financial Statements for the Year Ended 31 August 2023**

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

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THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statutory Information FOR THE YEAR ENDED 31 AUGUST 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1000531

Principal Address

St James House
Vicar Lane
Sheffield
S1 2EX

Trustees

C Benson (Chair, Investment Committee and Gift Acceptance and Grant Making Committee)
C Lazarevic (Deputy Chair, Treasurer, Member of Investment Committee and overseer of Gifts and Grants Committee)
G Batool (Gift Acceptance and Grant Making Committee)
P Lamb (Head of marketing and events)
G Jones (Appointed 24 May 2023)
J Ruane (Appointed 24 January 2023)
P Dhir (Appointed 24 January 2023 - Deputy treasurer and member of the investment committee)
L Davoyan (Appointed 24 January 2023)
M Hunter (Appointed 24 January 2023)
L Shaw (Appointed 24 January 2023 - Chair of the investment committee)
M Yaovi Anani-Isaac (Resigned post year end - 5 Sept 2023)
Sir H Kumar (Resigned 31 December 2022)
S Burn-Murdoch (Resigned 31 December 2022)
M Balinska-Szczerba (Resigned 11 April 2023)

Administrator

J Laney

Auditors

Moore Kingston Smith LLP
Floor 6
9 Appold Street
London
EC2A 2AP

Bankers

Barclays Bank Plc.
Birmingham
B1 3PF

Investment Fund Managers

Quilter Cheviot
1 Kingsway
London
WC2B 6AN

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their report together with the financial statements of the charity for the financial year ended 31 August 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, 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 (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its governing document, a deed of trust dated 1 August 1990, amended by a Scheme dated 19 June 2001, a supplemental trust Deed dated 3 July 2012 and Deeds of Amendment dated 23 September 2020 and 25 March 2021, and constitutes an unincorporated charity registered in England and Wales.

Recruitment and appointment of new trustees

New trustees are appointed by nominations following circulation of a job description outlining the skills and experience required which are reviewed by an ad hoc nominations committee for recommendation to the full Board. The Harvard Business School Club of London, the US-UK Fulbright Commission and Harvard Business School each have the right to nominate an individual for appointment as a Trustee of the charity. The US-UK Fulbright Commission are no longer taking up this right. Trustees serve for a term of three years, which may be renewed for a maximum of a further six years and exceptionally for longer.

Induction and training of trustees

Induction of new trustees is undertaken by existing trustees, through induction and information meetings with existing trustees and includes being given a copy of the charity's governance documents, the latest annual report and accounts, minutes of the last meeting and 'The Essential Trustee' (CC3 published by the Charity Commission). Existing appointed Trustees receive the latest copy of the CC3 annually which they are asked to review. In addition, at their meetings they discuss any latest compliance measures as well as reviewing the measures undertaken to mitigate risk.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives and purpose, for the public benefit, as set out in the governing document are as follows:

- To advance the education of British students studying at HBS by award of scholarships, loans or other assistance.
- To promote the education of persons studying at HBS by the provision of facilities and equipment, faculty and academic programmes, scholarships, special educational programmes and to advance research at the School.

The aim of the charity is to finance tuition scholarships for UK students to attend HBS, as well as to facilitate donations by UK based HBS alumni to HBS for appropriate educational purposes.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

Both these aims are being achieved through the award of scholarships to those requiring financial assistance, and by facilitating donations to HBS for appropriate educational purposes. Scholars are encouraged to return to the UK and so benefitting the UK economy.

The Trustees usually hold an annual fundraising dinner with a distinguished speaker which is its principal fundraising activity. Due to the Covid-19 pandemic the annual dinner was not held in 2022 or 2023. It is expected that an annual dinner will be held in 2024. Details of the annual dinner are circulated through the Harvard Business School Club of London to their UK alumni database. The charity also has a website, through which donors can learn about the charity and how to donate.

Organisational structure

The charity Trustees are responsible for the general control and management of the charity under the guidance of its chair. Trustees meet several times a year to review policy and financial matters.

The Investment Committee comprises the treasurer, deputy treasurer and a trustee. It oversees the charity's investment manager's performance according to investment guidelines agreed by all trustees.

Applications for scholarships are now made directly to the charity. Applicants are interviewed by a panel of at least two trustees, following which all trustees meet to review applications and interviewers recommendations and decide which applicants should be awarded a scholarship.

The charity has no paid employees. Key management personnel consist of the Trustees . Trustees have delegated the day to day running of the charity to a part-time administrator and the oversight of the finances is delegated to the Treasurer. Trustees are given reports at each meeting on financial and administrative matters as well as how these duties are segregated and the controls in place to prevent fraud.

The charity liaises with the Harvard Business School Club of London to promote the charity and to encourage donations from alumni. Regular reports are sent to the alumni office at HBS to update them on donor status so that donors are given appropriate attribution in annual and reunion giving lists.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the Trustees made charitable donations of £1,270,652 (2022: £57,467) and provided four new scholarship (2022: 1) to the value of £88,277 (2022: £35,715), the rise in expenditure has been driven by large one of legacy received totalling £1,231,762 (2022:£nil).

Impact of charitable activities

The charity considers it plays an important role in enabling UK students to study at HBS who might otherwise have been unable to attend due to financial constraints. In addition, it facilitates donations by UK alumni to HBS for appropriate educational purposes and thereby contributing to world class academic research.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Trustees review and discuss risk management at meetings and keep a risk register as a tool to document high, medium and low impact risks identified as well as areas affected by such risks, together with actions taken and persons responsible for them.

They have identified that the principal risk is that of foreign currency. As the charity's grants are made in US dollars, this risk is mitigated by maintaining the majority of the investment portfolio in US dollar denominated securities.

There is also a risk that the investment portfolio does not perform as expected and that the return and capital growth that forms part of the trustees' strategy to help generate funds to further the charity's objectives is not achieved. The Investment Committee regularly reviews the charity's Investment Policy and risk profile.

Public benefit

The trustees, as required by the Charities (Accounts and Reports) Regulations 2008, have paid due regard to the Charity Commission's guidance on providing public benefit while reviewing the charity's aims and objectives, and while deciding what activities the charity should undertake and how the donations made will help the charity meet its objectives.

FINANCIAL REVIEW

Unrestricted funds

During the year, there was income of £90,808 (2022: £100,653) and expenditure of £263,569 (2022: £75,688) resulting in net loss before investment and foreign exchange losses, of £172,761 (2022: Gain of £24,966). Together with net investment gains of £219,125 (2022: Loss of £483,541) and FX loss of £236,244 (2022: Gain of £378,226), there is an overall deficit of £189,880 (2022: Deficit of £80,349) which has reduced unrestricted funds to £2,734,082 (2022: £2,923,962).

Restricted funds

During the year, there was restricted income of £1,276,231 (2022: £19,108), of which £1,231,762 relates to a one off legacy and restricted expenditure of £1,281,168 (2022: £57,467) resulting in net restricted funds of £53,043 (2022: £57,980).

During the year there was income relating to donations in both restricted and unrestricted funds of £1,311,936 (2022: £75,410) of which includes a legacy of £1,231,762 (2022: £Nil).

Reserves policy

The Trustees, in addition to the annual donations made to support its objects, wish to become established in academic circles as an important funder of scholarships for UK students to attend HBS. The trustees feel it is important to build up a cushion out of current income to ensure that the fund can meet commitments to students in future years if donations fall. As at 31 August 2023, total reserves stood at £2.79m (2022: £2.98m). In view of the volatility in equity markets, a larger fund will be required to maintain our scholarships should income from donations decrease. On that basis, the target level of reserves has been increased to \$5 million. Currently this converts to £3.64 million. The trustees' vision is that future surpluses will enable the charity to reach the target level of reserves which will be reviewed annually.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

Principal funding sources

Funding comes from donations made by HBS alumni.

During 2021, the Trustees established a Gifts Acceptance and Grant-Making Committee, comprising at least three Trustees. This committee ensures that all significant donations (£501 or greater) to the charity meet the Charity Commission's "Know Your Donor" guidance, regarding source of funds and potential for reputational risk. Any proposed gifts that do not meet these criteria undergo further investigation and ultimately can be refused. Any proposed gift greater than £20,000 or which may have reputational implications must be approved by the whole Board.

Investment policy and objectives

The Trustees' investment policy was revised in October 2019 and set a more ambitious target of US CPI inflation plus 3% p.a. net of fees. The majority of the portfolio is held in US equities and the balance in UK and overseas equities and fixed income or other investments, or cash. This target was not met in the current year.

Since awards are made in US dollars the trustees wish to hold most of the portfolio in that currency. The Trustees periodically review the Investment Policy and objectives.

During the year, the Investment Committee has been proactively involved in dealing with the fund managers through meetings and discussions.

Grant making

Grants are awarded each year in the form of scholarships to advance the education of British students studying at HBS. The award provides tuition fees and living expenses to students. Applicants are chosen primarily on financial need and will normally be required to attend an interview as part of the selection process.

In addition, the charity makes grants to HBS in the form of donations from UK alumni wishing to promote the education of persons studying at HBS.

The Gifts Acceptance and Grant-Making Committee ensures that all grants made to HBS are in compliance with the objects of the charity and public benefit guidance.

Plans for future periods

The aim of the trustees is to continue to attract donations from HBS alumni and provide scholarships and funding to support HBS. The trustees would like to encourage able students from financially disadvantaged backgrounds to apply, who would not normally have considered doing this.

Fundraising

Fundraising is done through word of mouth amongst alumni, HBS development officers, and information circulated to UK alumni via the Harvard Business School Club's newsletters. There is also a dedicated website. There are no professionally paid fundraisers. The charity has not subscribed to any fundraising standards/schemes.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

The principal fundraising activity held by the Trustees is an annual fundraising dinner with a distinguished speaker to which the alumni and affiliated members of the HBS are invited to attend. As this is the main fundraising activity of the Charity, and this is not open to the wider public, the Charity does not have a formal complaints procedure regarding the fundraising activities of the Charity. No complaints were received during the year.

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern, including the current economic challenges. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of the potential pressures on voluntary income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the 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 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 the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to:

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

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the order of the board of trustees on

And signed on its behalf by:

C Lazarevic B.Sc., M.B.A., F.C.A., M.A.E., B.F.P.
Treasurer - Trustee

Independent Auditors Report to the Trustees of THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Opinion

We have audited the financial statements of The British Friends of Harvard Business School for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 August 2023, and of its incoming resources and application of resources, 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 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 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, 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 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 there is 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.

Other Matters

The corresponding figures in the financial statements of the British Friends of Harvard Business School were not audited as the Charity did not require a statutory audit under the Charities Act 2011 in the prior year.

Independent Auditors Report to the Trustees of THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors Report to the Trustees of THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP
Chartered Accountants and
Statutory Auditors

Date:

9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as Auditor in terms of Section 1212 of the Companies Act 2006.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statement of Financial Activities FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Income from:					
Donations and Legacies	3	35,705	1,276,231	1,311,936	75,411
Investments	4	55,103	-	55,103	44,350
Total income		<u>90,808</u>	<u>1,276,231</u>	<u>1,367,039</u>	<u>119,761</u>
Expenditure on:					
Raising funds	5	19,072	-	19,072	20,154
Charitable activities	6	244,497	1,281,168	1,525,665	113,001
Total expenditure		<u>263,569</u>	<u>1,281,168</u>	<u>1,544,737</u>	<u>133,155</u>
		(172,761)	(4,937)	(177,698)	(13,394)
Net gains/(losses) on investments		219,125	-	219,125	(483,541)
(Losses)/gains on foreign exchange movement		(236,244)	-	(236,244)	378,226
Net movement in funds		<u>(189,880)</u>	<u>(4,937)</u>	<u>(194,817)</u>	<u>(118,709)</u>
Funds as at 1 September 2022		2,923,961	57,980	2,981,941	3,100,650
Fund balances carried forward as at 31 August 2023	13	<u><u>2,734,081</u></u>	<u><u>53,043</u></u>	<u><u>2,787,124</u></u>	<u><u>2,981,941</u></u>

All activities in the year were attributable to continuing operations.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Balance Sheet FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	9		2,836,073		2,877,862
Current Assets					
Debtors	10	2,465		-	
Cash at bank and in hand		47,421		112,599	
		<u>49,886</u>		<u>112,599</u>	
Creditors: Amounts falling due within one year	11	<u>(98,835)</u>		<u>(8,520)</u>	
Net Current (Liability)/Assets			<u>(48,949)</u>		<u>104,079</u>
Total assets less current liabilities			2,787,124		2,981,941
Net assets			<u><u>2,787,124</u></u>		<u><u>2,981,941</u></u>
Funds	13				
Unrestricted funds					
General Funds			2,734,081		2,923,961
Restricted funds			<u>53,043</u>		<u>57,980</u>
Total			<u><u>2,787,124</u></u>		<u><u>2,981,941</u></u>

Approved and authorised for issue by the Board on

Signed on their behalf by:

.....

Trustee

Charity Number: 1000531

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statement of Cash Flows FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
CASH USED IN OPERATIONS	12	(148,657)	(59,557)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		55,103	44,350
Investment additions		(487,878)	(223,278)
Sales proceeds		505,524	220,203
Change in investment cash		10,771	(25,940)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>83,520</u>	<u>15,335</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(65,137)</u>	<u>(44,222)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		112,559	156,781
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>47,422</u></u>	<u><u>112,559</u></u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting Policies

Charity information

The British Friends of Harvard Business School is an unincorporated charity registered in England and Wales (no. 1000531). Details of the principal office are given on page 2 of the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments. They are drawn up in accordance with the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) .

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are presented in sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £1.

Going concern

These financial statements have been prepared on the basis of accounting principals applicable to a "going concern", which assume that the charity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. The charity holds significant liquid fixed assets which will meet any immediate shortfall in current assets held.

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

Income, including donations & legacies, is included on the Statement of Financial Activities when the charity is legally entitled to the income, there is sufficient probability of receipt and the amount can be quantified with reasonable accuracy.

Investment income

The charity recognises all investment income on the accruals basis.

Expenditure

Expenditure is accounted for on an accruals basis inclusive of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds includes costs incurred to increase the funds raised by the charity for distribution to its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. Governance costs are apportioned to charitable activities.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2023

Expenditure (cont.).

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants and scholarships

Grants and scholarships are recognised at the point they are paid or committed to be paid resulting in a legal or constructive obligation.

Taxation

The charity is exempt from tax on income and gains falling within section 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the applicable restriction.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken onto account in arriving at the operating result.

Fixed asset investments

Investments are a basic financial instrument and are included in the balance sheet initially at transaction value and subsequently recognised at their fair value at the end of the financial period which is the bid price quoted on a recognised stock exchange. Realised and unrealised gains and losses are credited or debited to the Statement of Financial Activities in the year in which they arise.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

The Trustees do not consider there to be any key area of judgement or critical estimates that require further disclosure.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2023

3 INCOME FROM DONATIONS AND LEGACIES	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Donations	29,842	37,983	67,825	61,227
Legacies	-	1,231,762	1,231,762	-
Gift Aid	5,863	6,486	12,349	14,184
	<u>35,705</u>	<u>1,276,231</u>	<u>1,311,936</u>	<u>75,411</u>

The income from donations and legacies was £1,299,587 (2022: £61,227) of which £29,842 was unrestricted (2022: £45,557) and £1,269,745 was restricted (2022: £15,670).

4 INCOME FROM INVESTMENTS	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Dividends and interest received	55,103	-	55,103	44,350
	<u>55,103</u>	<u>-</u>	<u>55,103</u>	<u>44,350</u>

The income from investments was all unrestricted in the current and prior year.

5 EXPENDITURE ON RAISING FUNDS	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Investment manager fees	19,072	-	19,072	20,154
	<u>19,072</u>	<u>-</u>	<u>19,072</u>	<u>20,154</u>

The expenditure on raising funds was all unrestricted in the current and prior year.

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Scholarships awarded	202,831	-	202,831	35,715
Donations to Harvard Business School	-	1,270,652	1,270,652	57,467
Support costs	15,639	9,670	25,309	1,744
Governance costs	26,027	846	26,873	18,075
	<u>244,497</u>	<u>1,281,168</u>	<u>1,525,665</u>	<u>113,001</u>

The expenditure on charitable activities was £1,525,665 (2022: £113,001), of which £244,497 was unrestricted (2022: £55,534) and £1,281,168 was restricted (2022: £57,467).

Scholarships were paid to 6 individual (2022: 2). No grants were made to institutions other than the donation to Harvard Business School, as in the prior year.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2023

6 EXPENDITURE ON CHARITABLE ACTIVITIES (cont.).

Support Costs	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Bank charges	601	-	601	582
Insurance	951	-	951	965
Web Security	198	-	198	198
Legal and Professional	12,600	9,670	22,270	-
Trustee Expenditure	1,289	-	1,289	-
	<u>15,639</u>	<u>9,670</u>	<u>25,309</u>	<u>1,744</u>

Governance costs	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Accountancy costs	14,237	846	15,083	13,155
Independent Examiner's Remuneration	-	-	-	4,920
Audit Fees	11,790	-	11,790	-
	<u>26,027</u>	<u>846</u>	<u>26,873</u>	<u>18,075</u>

7 EMPLOYEES

The charity did not employ any staff in the year (2022: nil).

The Trustees did not receive any remuneration nor other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Total Trustee expenses incurred during the year £1,289 in relation to expenses for the scholars dinner (2022: £307).

8 KEY MANAGEMENT PERSONNEL

The key management personnel of the charity comprises the Trustees. The total employee benefits of the key management personnel of the charity were £nil (2022: £nil).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2023

9 FIXED ASSET INVESTMENTS

	2023 £	2022 £
FAIR VALUE		
At 1st September 2022	2,810,074	2,916,873
Additions at cost	487,878	223,278
Disposals proceeds	(505,524)	(220,203)
Investment gains/ (losses) in the year	219,125	(483,541)
Exchange difference	(232,497)	373,667
	2,779,056	2,810,074

Cash held for investment	57,017	67,788
	2,836,073	2,877,862

Analysis of investments between classes:

	2023 £	2022 £
Fixed Interest Securities - Non-UK	554,791	497,551
Equity Investment UK	99,126	93,105
Equity Investment Non-UK	2,125,138	2,219,418
Cash held within the investment portfolio	57,017	67,788
	2,836,073	2,877,862

Investments representing 5% or more of the portfolio are disclosed below:

	Portfolio %	Market Value (£)
Ishares II Plc. TSY Bond 7-10Yr UCITS ETF USD	12%	342,478
Ishares VII Plc Ishares USD Treasury Bd 3-7	5%	126,059

With respect to the next reporting period, the most significant area of uncertainty that affects the carrying value of the assets held by the Charity is the level of investment return and the performance of the investment markets. This has been detailed in the investment policy and objectives within the Trustees' Report.

10 DEBTORS

	2023 £	2022 £
Gift aid recoverable	2,465	-
	2,465	-

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Accruals	14,009	7,020
Trade creditors	-	1,500
Scholarship Commitments	84,826	-
	98,835	8,520

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2023**

12 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH USED IN OPERATIONS

	2023	2022
	£	£
Net movement in funds	(194,817)	(118,709)
Adjustments for:		
Unrealised (gain)/ losses on investments	(219,125)	483,541
(Gains)/losses on foreign exchange on investments	232,538	(373,707)
Interest and dividends receivable (less not received by year end)	(55,103)	(44,350)
	<hr/>	<hr/>
Operating cash flow before movement in working capital	(236,507)	(53,225)
(Increase) / Decrease in debtors	(2,465)	7,975
Increase / (Decrease) in creditors	90,315	(14,307)
	<hr/>	<hr/>
Cash used in operations	<u>(148,657)</u>	<u>(59,557)</u>

13 MOVEMENT IN FUNDS

	Brought forward 01-Sep-22	Net movement in funds	Carried forward 31-Aug-23
	£	£	£
Unrestricted funds			
General fund	2,923,961	(189,880)	2,734,081
Restricted funds	57,980	(4,937)	53,043
	<hr/>	<hr/>	<hr/>
	<u>2,981,940</u>	<u>(194,817)</u>	<u>2,787,124</u>

Net movement in funds included in the above are as follows:

	Total Income	Total Expenditure	Gains and Losses	Movement in Funds
	£	£	£	£
Unrestricted funds				
General Fund	90,808	(263,569)	(17,119)	(189,880)
Restricted funds	1,276,231	(1,281,168)	-	(4,937)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,367,039</u>	<u>(1,544,737)</u>	<u>(17,119)</u>	<u>(194,817)</u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2023

13 MOVEMENT IN FUNDS (cont.).

Net movement in funds during the prior year are as follows:

	Brought forward 01-Sep-21 £	Net movement in funds £	Carried forward 31-Aug-22 £
Unrestricted funds			
General fund	3,004,311	(80,349)	2,923,962
Restricted funds	96,339	(38,359)	57,980
	3,100,650	(118,709)	2,981,941

Net movement in funds included in the above are as follows:

	Total Income £	Total Expenditure £	Gains and Losses £	Movement in Funds £
Unrestricted funds				
General Fund	100,653	(75,688)	(105,315)	(80,350)
Restricted funds	19,108	(57,467)	-	(38,359)
	119,761	(133,155)	(105,315)	(118,709)

Restricted funds comprise monies where a restriction has been place on their use by a donor to ensure the donation is transferred to a specific or named fund. Restricted funds are distributed in accordance with the terms of the applicable restriction.

14 NET ASSETS

	2023 £	2022 £
Unrestricted funds		
Investments	2,836,073	2,877,862
Current assets	49,886	54,619
Current liabilities	(98,835)	(8,520)
Net assets	2,787,124	2,923,961
Restricted funds		
Current assets	53,043	57,980
Net assets	53,043	57,980

15 RELATED PARTY TRANSACTIONS

There were no amounts due to or from the Trustees at the balance sheet date (2022: nil).

A total of £977 was received from two trustees and has been recognised in income (2022:£250).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

England & Wales - Charity number 1000531

Accounts

REGISTERED CHARITY NUMBER: 1000531

**THE BRITISH FRIENDS OF
HARVARD BUSINESS SCHOOL**

**Report of the Trustees and Unaudited
Financial Statements for the Year Ended 31 August 2022**

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

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THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statutory Information FOR THE YEAR ENDED 31 AUGUST 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1000531

Principal Address

St James House
Vicar Lane
Sheffield
S1 2EX

Trustees

C Benson (Chair, Investment Committee and Gift Acceptance and Grant Making Committee)

Sir H Kumar (Resigned 31 December 2022)

C Lazarevic (Deputy Chair, Treasurer and Investment Committee)

M Balinska-Szczerba

S Burn-Murdoch (Deputy Treasurer, Investment Committee and Gift Acceptance and Grant Making Committee-
resigned 31 December 2022)

J Gomm (retired 26 January 2022)

P Lamb

G Batool (Gift Acceptance and Grant Making Committee)

M Yaovi Anani-Isaac

Administrator

J Laney

Independent Examiners

Moore Kingston Smith LLP

Floor 6

9 Appold Street

London

EC2A 2AP

Bankers

Barclays Bank Plc.

Birmingham

B1 3PF

Investment Fund Managers

Quilter Cheviot

1 Kingsway

London

WC2B 6AN

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their report together with the financial statements of the charity for the financial year ended 31 August 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, 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 (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its governing document, a deed of trust dated 1 August 1990, amended by a Scheme dated 19 June 2001, a supplemental trust Deed dated 3 July 2012 and Deeds of Amendment dated 23 September 2020 and 25 March 2021, and constitutes an unincorporated charity registered in England and Wales.

Recruitment and appointment of new trustees

New trustees are appointed by nominations following circulation of a job description outlining the skills and experience required which are reviewed by an ad hoc nominations committee for recommendation to the full Board. The Harvard Business School Club of London, the US-UK Fulbright Commission and Harvard Business School each have the right to nominate an individual for appointment as a Trustee of the charity. Currently, the Fulbright Commission has nominated a Trustee and HBS has nominated an Observer. The trustees recently decided to process scholarship applications independently of the US-UK Fulbright Commission, with the result that the deed will be amended to remove the Commission's right to nominate a Trustee. Trustees serve for a term of three years, which may be renewed for a maximum of a further six years and exceptionally for longer.

Induction and training of trustees

Induction of new trustees is undertaken by existing trustees, through induction and information meetings with existing trustees and includes being given a copy of the charity's governance documents, the latest annual report and accounts, minutes of the last meeting and 'The Essential Trustee' (CC3 published by the Charity Commission). Existing appointed Trustees receive the latest copy of the CC3 annually which they are asked to review. In addition, at their meetings they discuss any latest compliance measures as well as reviewing the measures undertaken to mitigate risk.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives and purpose, for the public benefit, as set out in the governing document are as follows:

- To advance the education of British students studying at HBS by award of scholarships, loans or other assistance.
- To promote the education of persons studying at HBS by the provision of facilities and equipment, faculty and academic programmes, scholarships, special educational programmes and to advance research at the School.

The aim of the charity is to finance tuition scholarships for UK students to attend HBS to study for an MBA, as well as to facilitate donations by UK based HBS alumni to HBS for appropriate educational purposes.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

Both these aims are being achieved through the award of scholarships to those requiring financial assistance, and by facilitating donations to HBS for appropriate educational purposes. In future scholars will not require a visa that requires them to return to the UK for at least 2 years after graduation, scholars are encouraged to return to the UK and so benefitting the UK economy.

The Trustees usually hold an annual fundraising dinner with a distinguished speaker which is its principal fundraising activity. Due to the Covid-19 pandemic the annual dinner was not held in 2022. It is hoped that an annual dinner will be held later in 2023. Details of the annual dinner are circulated through the Harvard Business School Club of London to their UK alumni database. The charity also has a website, through which donors can learn about the charity and how to donate.

Organisational structure

The charity Trustees are responsible for the general control and management of the charity under the guidance of its chair. Trustees meet several times a year to review policy and financial matters.

The Investment Committee comprises the treasurer, deputy treasurer and a trustee. It oversees the charity's investment manager's performance according to investment guidelines agreed by all trustees.

Applications for scholarships are now made directly to the charity. The Trustees usually meet in April each year to review the applications and determine who will go forward for interview. Two trustees form an interview panel following which the applicants are selected for scholarships.

The charity has no paid employees. Key management personnel consist of the Trustees. Trustees have delegated the day to day running of the charity to a part-time administrator and the oversight of the finances is delegated to the Treasurer. Trustees are given reports at each meeting on financial and administrative matters as well as how these duties are segregated and the controls in place to prevent fraud.

The charity liaises with the Harvard Business School Club of London to promote the charity and to encourage donations from alumni. Regular reports are sent to the alumni office at HBS to update them on donor status so that donors are given appropriate attribution in annual and reunion giving lists.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the Trustees made charitable donations of £57,467 (2021: £382,731) and provided one new scholarship (2021: 3) to the value of £35,715 (2021: £53,680).

Impact of charitable activities

The charity considers it plays an important role in enabling UK students to study at HBS who might otherwise have been unable to attend due to financial constraints. These students, as a condition of their visa, return to the UK and benefit the UK economy. In addition, it facilitates donations by UK alumni to HBS for appropriate educational purposes and thereby contributing to world class academic research.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Trustees review and discuss risk management at meetings and keep a risk register as a tool to document high, medium and low impact risks identified as well as areas affected by such risks, together with actions taken and persons responsible for them.

They have also identified that the principal risk is that of foreign currency. As the charity's grants are made in US dollars, this risk is mitigated by maintaining the majority of the investment portfolio in US dollar denominated securities.

There is also a risk that the investment portfolio does not perform as expected and that the return and capital growth that forms part of the trustees' strategy to help generate funds to further the charity's objectives is not achieved. The Investment Committee regularly reviews the charity's Investment Policy and risk profile.

Public benefit

The trustees, as required by the Charities (Accounts and Reports) Regulations 2008, have paid due regard to the Charity Commission's guidance on providing public benefit while reviewing the charity's aims and objectives, and while deciding what activities the charity should undertake and how the donations made will help the charity meet its objectives.

FINANCIAL REVIEW

Unrestricted funds

During the year, there was income of £100,653 (2021: £125,565) and expenditure of £75,688 (2021: £101,275) resulting in net income before investment and foreign exchange gains and losses, of £24,966 (2021: £24,290). Together with net investment losses of £483,541 (2021 gain of £453,733) and FX gain of £378,226 (2021: loss of £23,638), there is an overall deficit of £80,349 (2021: surplus of £454,425) which has reduced unrestricted funds to £2,923,962 (2021: £3,004,311).

Restricted funds

During the year, there was restricted income of £19,108 (2021: £195,173) and restricted expenditure of £57,467 (2021: £382,731) resulting in net restricted funds of £57,980 (2021: £96,339).

During the year there was income relating to donations in both restricted and unrestricted funds of £75,410 (2021: £286,195).

Reserves policy

The Trustees, in addition to the annual donations made to support its objects, wish to become established in academic circles as an important funder of scholarships for UK students to attend HBS. The trustees feel it is important to build up a cushion out of current income to ensure that the fund can meet commitments to students in future years if donations fall. As at 31 August 2022, total reserves stood at £2.98m (2021: £3.1m). In view of the volatility in equity markets, a larger fund will be required to maintain our scholarships should income from donations decrease. On that basis, the target level of reserves has been increased to \$5 million. Currently this converts to £3.64 million. The trustees' vision is that future surpluses will enable the charity to reach the target level of reserves which is reviewed annually.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

Principal funding sources

Funding comes from donations made by HBS alumni.

During 2021, the Trustees established a Gifts Acceptance and Grant-Making Committee, comprising at least three Trustees. This committee ensures that all significant donations (£501 or greater) to the charity meet the Charity Commission's "Know Your Donor" guidance, regarding source of funds and potential for reputational risk. Any proposed gifts that do not meet these criteria undergo further investigation and ultimately can be refused. Any proposed gift greater than £20,000 or which may have reputational implications must be approved by the whole Board.

Investment policy and objectives

The Trustees' investment policy was revised in October 2019 and set a more ambitious target of US CPI inflation plus 3% p.a. net of fees. The majority of the portfolio is held in US equities and the balance in UK and overseas equities and fixed income or other investments, or cash. This target was not met in the current year.

Since awards are made in US dollars the trustees wish to hold most of the portfolio in that currency. The Trustees periodically review the Investment Policy and objectives.

During the year, the Investment Committee has been proactively involved in dealing with the fund managers through meetings and discussions.

Grant making

Grants are awarded each year in the form of scholarships to advance the education of British students studying at HBS. The award provides tuition fees to students. Applicants are chosen primarily on financial need and will normally be required to attend an interview as part of the selection process.

In addition, the charity makes grants to HBS in the form of donations from UK alumni wishing to promote the education of persons studying at HBS.

The Trustees have established a Gifts Acceptance and Grant-Making Committee, comprising at least three Trustees. This Committee ensures that all grants made to HBS are in compliance with the objects of the charity and public benefit guidance.

Plans for future periods

The aim of the trustees is to continue to attract donations from HBS alumni and provide scholarships and funding to support HBS. The trustees would like to encourage able students from financially disadvantaged backgrounds to apply, who would not normally have considered doing this.

Fundraising

Fundraising is done through word of mouth amongst alumni, HBS development officers, and information circulated to UK alumni via the Harvard Business School Club's newsletters. There is also a dedicated website. There is no professional fundraiser. The charity has not subscribed to any fundraising standards/schemes.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

The principal fundraising activity held by the Trustees is an annual fundraising dinner with a distinguished speaker to which the alumni and affiliated members of the HBS are invited to attend. As this is the main fundraising activity of the Charity, and this is not open to the wider public, the Charity does not have a formal complaints procedure regarding the fundraising activities of the Charity. No complaints were received during the year.

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern, including the current economic challenges. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of the potential pressures on voluntary income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the 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 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 the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to:

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

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the order of the board of trustees on

And signed on its behalf by:

C Lazarevic B.Sc., M.B.A., F.C.A., M.A.E., B.F.P.
Treasurer - Trustee

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Independent Examiner's Report to the Trustees of The British Friends of Harvard Business School

I report to the charity trustees on my examination of the financial statements of British Friends of Harvard Business School for the year ended 31 August 2022

Responsibilities and basis of report:

- As Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').
- I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Floor 6
9 Appold Street
London EC2A 2AP
Date:

Andrew Stickland, FCA, ICAEW
Independent Examiner
For and on behalf of Moore Kingston Smith LLP

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statement of Financial Activities FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Income from:					
Donations and Legacies	3	56,303	19,108	75,411	286,195
Investments	4	44,350	-	44,350	34,543
Total income		<u>100,653</u>	<u>19,108</u>	<u>119,761</u>	<u>320,738</u>
Expenditure on:					
Raising funds	5	20,154	-	20,154	17,518
Charitable activities	6	<u>55,534</u>	<u>57,467</u>	<u>113,001</u>	<u>466,488</u>
Total expenditure		<u>75,688</u>	<u>57,467</u>	<u>133,155</u>	<u>484,006</u>
		24,965	(38,359)	(13,394)	(163,268)
Net gains/(losses) on investments		(483,541)	-	(483,541)	453,773
(Losses)/gains on foreign exchange movements		378,226	-	378,226	(23,638)
Net movement in funds		<u>(80,350)</u>	<u>(38,359)</u>	<u>(118,709)</u>	<u>266,867</u>
Funds as at 1 September 2021		<u>3,004,311</u>	<u>96,339</u>	<u>3,100,650</u>	<u>2,833,783</u>
Fund balances carried forward as at 31 August 2022	13	<u><u>2,923,961</u></u>	<u><u>57,980</u></u>	<u><u>2,981,941</u></u>	<u><u>3,100,650</u></u>

All activities in the year were attributable to continuing operations.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statement of Cash Flows FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	9		2,877,862		2,958,721
Current Assets					
Debtors	10	-		7,975	
Cash at bank and in hand		112,599		156,781	
			112,599	164,756	
Creditors: Amounts falling due within one year	11	(8,520)		(22,827)	
Net Current Assets			<u>104,079</u>		<u>141,929</u>
Total assets less current liabilities			2,981,941		3,100,650
Net assets			<u><u>2,981,941</u></u>		<u><u>3,100,650</u></u>
Funds	13				
Unrestricted funds					
General Funds			2,923,961		3,004,311
Restricted funds			57,980		96,339
Total			<u><u>2,981,941</u></u>		<u><u>3,100,650</u></u>

Approved and authorised for issue by the Board on

Signed on their behalf by:

.....

Trustee

Charity Number: 1000531

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statement of Cash Flows FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
CASH USED IN OPERATIONS	12	(59,557)	(133,526)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		44,350	34,543
Investment additions		(223,278)	(543,371)
Sales proceeds		220,203	397,033
Change in investment cash		(25,940)	(20,579)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>15,335</u>	<u>(132,374)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(44,222)</u>	<u>(265,900)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		156,781	422,681
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>112,559</u></u>	<u><u>156,781</u></u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting Policies

Charity information

The British Friends of Harvard Business School is an unincorporated charity registered in England and Wales (no. 1000531). Details of the principal office are given on page 2 of the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments. They are drawn up in accordance with the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) .

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are presented in sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £1.

Going concern

These financial statements have been prepared on the basis of accounting principals applicable to a "going concern", which assume that the charity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

Income, including donations, is included on the Statement of Financial Activities when the charity is legally entitled to the income, there is sufficient probability of receipt and the amount can be quantified with reasonable accuracy.

Investment income

The charity recognises all investment income on the accruals basis.

Expenditure

Expenditure is accounted for on an accruals basis inclusive of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds includes costs incurred to increase the funds raised by the charity for distribution to its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. Governance costs are apportioned to charitable activities.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2022

Expenditure (cont.).

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants and scholarships

Grants and scholarships are recognised at the point they are paid or committed to be paid resulting in a legal or constructive obligation.

Taxation

The charity is exempt from tax on income and gains falling within section 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the applicable restriction.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken onto account in arriving at the operating result.

Fixed asset investments

Investments are a basic financial instrument and are included in the balance sheet initially at transaction value and subsequently recognised at their fair value at the end of the financial period which is the bid price quoted on a recognised stock exchange. Realised and unrealised gains and losses are credited or debited to the Statement of Financial Activities in the year in which they arise.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

The Trustees do not consider there to be any key area of judgement or critical estimates that require further disclosure.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2022

3 INCOME FROM DONATIONS AND LEGACIES	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Donations	45,557	15,670	61,227	236,745
Gift Aid	10,746	3,438	14,184	49,450
	<u>56,303</u>	<u>19,108</u>	<u>75,411</u>	<u>286,195</u>

The income from donations and legacies was £75,410 (2021: £286,195) of which £56,302 was unrestricted (2021: £91,022) and £15,670 was restricted (2021: £195,173).

4 INCOME FROM INVESTMENTS	Unrestricted 2022 £	Restricted 2022 £	Total 2,022 £	Total 2021 £
Dividends and interest received	44,350	-	44,350	34,543
	<u>44,350</u>	<u>-</u>	<u>44,350</u>	<u>34,543</u>

The income from investments was all unrestricted in the current and prior year.

5 EXPENDITURE ON RAISING FUNDS	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Investment manager fees	20,154	-	20,154	17,518
	<u>20,154</u>	<u>-</u>	<u>20,154</u>	<u>17,518</u>

The expenditure on raising funds was all unrestricted in the current and prior year.

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Scholarships awarded	35,715	-	35,715	53,680
Donations to Harvard Business School	-	57,467	57,467	382,731
Support costs	1,744	-	1,744	7,328
Governance costs	18,075	-	18,075	22,749
	<u>55,534</u>	<u>57,467</u>	<u>113,001</u>	<u>466,488</u>

The expenditure on charitable activities was £113,001 (2021: £466,488), of which £55,534 was unrestricted (2021: £83,757) and £57,467 was restricted (2021: £382,731).

Scholarships were paid to 2 individual (2021: 3). No grants were made to institutions other than the donation to Harvard Business School, as in the prior year.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2021**

6 EXPENDITURE ON CHARITABLE ACTIVITIES (cont.).

Support Costs	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Bank charges	582	-	582	614
Insurance	965	-	965	876
Web Security	198	-	198	198
Legal and Professional	-	-	-	5,640
	<u>1,744</u>	<u>-</u>	<u>1,744</u>	<u>7,328</u>

Governance costs	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Accountancy costs	13,155	-	13,155	17,499
Independent Examiner's Remuneration	4,920	-	4,920	5,250
	<u>18,075</u>	<u>-</u>	<u>18,075</u>	<u>22,749</u>

7 EMPLOYEES

The charity did not employ any staff in the year (2021: nil).

The Trustees did not receive any remuneration nor other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Total Trustee expenses incurred during the year £307 in relation to trustee travel (2021: £nil).

8 KEY MANAGEMENT PERSONNEL

The key management personnel of the charity comprises the Trustees. The total employee benefits of the key management personnel of the charity were £nil (2021: £nil).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2022**

9 FIXED ASSET INVESTMENTS

	2022	2021
	£	£
FAIR VALUE		
At 1st September 2021	2,916,873	2,335,501
Additions at cost	223,278	543,371
Disposals proceeds	(220,203)	(397,033)
Revaluations	(483,541)	453,773
Exchange difference	373,667	(18,739)
	<u>2,810,074</u>	<u>2,916,873</u>
Cash held for investment	67,788	41,848
	<u>2,877,862</u>	<u>2,958,721</u>

Analysis of investments between classes:

	2022	2021
	£	£
Fixed Interest Securities - Non-UK	497,551	436,592
Equity Investment UK	93,105	90,371
Equity Investment Non-UK	2,219,418	2,389,910
Cash held within the investment portfolio	67,788	41,848
	<u>2,877,862</u>	<u>2,958,720</u>

Investments representing 5% or more of the portfolio are disclosed below:

	Portfolio %	Market Value (£)
Ishares II Plc. TSY Bond 7-10Yr UCITS ETF USD	9%	237,931
Ishares VII Plc Ishares USD Treasury Bd 3-7	5%	138,231

With respect to the next reporting period, the most significant area of uncertainty that affects the carrying value of the assets held by the Charity is the level of investment return and the performance of the investment markets. This has been detailed in the investment policy and objectives within the Trustees' Report.

10 DEBTORS

	2022	2021
	£	£
Gift aid recoverable	-	7,975
	<u>-</u>	<u>7,975</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accruals	7,020	6,360
Trade creditors	1,500	-
Scholarship Commitments	-	16,467
	<u>8,520</u>	<u>22,827</u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2022**

12 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH USED IN OPERATIONS

	2022	2021
	£	£
Net movement in funds	(118,709)	266,867
Adjustments for:		
Unrealised (gain)/ losses on investments	483,541	(453,773)
(Gains)/losses on foreign exchange on investments	(373,707)	18,739
Interest and dividends receivable (less not received by year end)	(44,350)	(34,543)
	<hr/>	<hr/>
Operating cash flow before movement in working capital	(53,225)	(202,710)
(Increase) / Decrease in debtors	7,975	52,038
Increase / (Decrease) in creditors	(14,307)	17,146
	<hr/>	<hr/>
Cash used in operations	<u>(59,557)</u>	<u>(133,526)</u>

13 MOVEMENT IN FUNDS

	Brought forward	Net movement	Carried forward
	01-Sep-21	in funds	31-Aug-22
	£	£	£
Unrestricted funds			
General fund	3,004,311	(80,349)	2,923,962
Restricted funds	96,339	(38,359)	57,980
	<hr/>	<hr/>	<hr/>
	<u>3,100,650</u>	<u>(118,709)</u>	<u>2,981,941</u>

Net movement in funds included in the above are as follows:

	Total	Total	Gains and	Movement
	Income	Expenditure	Losses	in Funds
	£	£	£	£
Unrestricted funds				
General Fund	100,653	(75,688)	(105,315)	(80,349)
Restricted funds	19,108	(57,467)	-	(38,359)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>119,761</u>	<u>(133,155)</u>	<u>(105,315)</u>	<u>(118,709)</u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2022

13 MOVEMENT IN FUNDS (cont.).

Net movement in funds during the prior year are as follows:

	Brought forward 01-Sep-20 £	Net movement in funds £	Carried forward 31-Aug-21 £
Unrestricted funds			
General fund	2,549,886	454,425	3,004,311
Restricted funds	283,897	(187,558)	96,339
	2,833,783	459,231	2,833,783

Net movement in funds included in the above are as follows:

	Total Income £	Total Expenditure £	Gains and Losses £	Movement in Funds £
Unrestricted funds				
General Fund	125,565	(101,275)	430,135	454,425
Restricted funds	195,173	(382,731)	-	(187,558)
	569,421	(234,005)	123,815	459,231

Restricted funds comprise monies where a restriction has been placed on their use by a donor to ensure the donation is transferred to a specific or named fund. Restricted funds are distributed in accordance with the terms of the applicable restriction.

14 NET ASSETS

	2022 £	2021 £
Unrestricted funds		
Investments	2,877,862	2,958,721
Current assets	54,619	68,417
Current liabilities	(8,520)	(22,827)
Net assets	2,923,961	3,004,311
Restricted funds		
Current assets	57,980	96,339
Net assets	57,980	96,339

15 RELATED PARTY TRANSACTIONS

There were no amounts due to or from the Trustees at the balance sheet date (2021: nil).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

England & Wales - Charity number 1000531

Accounts

REGISTERED CHARITY NUMBER: 1000531

**THE BRITISH FRIENDS OF
HARVARD BUSINESS SCHOOL**

**Report of the Trustees and Unaudited
Financial Statements for the Year Ended 31 August 2021**

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

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THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statutory Information FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1000531

Principal Address

Floor 6
9 Appold Street
London
EC2A 2AP

Trustees

Sir H Kumar (Chair)
C Lazarevic (Treasurer and Investment Committee)
M Balinska-Szczerba
C Stuart-Benson (Investment Committee and Gift Acceptance and Grant Making Committee)
S Burn-Murdoch (Deputy Treasurer, Investment Committee and Gift Acceptance and Grant Making Committee)
J Gomm (retired 26 January 2022)
A Newcombe-Ellis (retired 28 January 2021)
P Lamb
G Batool (Gift Acceptance and Grant Making Committee)
M Yaovi Anani-Isaac (joined 23 September 2020)

Administrator

J Laney

Independent Examiners

Moore Kingston Smith LLP
Floor 6
9 Appold Street
London
EC2A 2AP

Bankers

Barclays Bank Plc.
Birmingham
B1 3PF

Investment Fund Managers

Quilter Cheviot
1 Kingsway
London
WC2B 6AN

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their report together with the financial statements of the charity for the financial year ended 31 August 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, 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 (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its governing document, a deed of trust dated 1 August 1990, amended by a Scheme dated 19 June 2001, a supplemental trust Deed dated 3 July 2012 and Deeds of Amendment dated 23 September 2020 and 25 March 2021, and constitutes an unincorporated charity registered in England and Wales.

Recruitment and appointment of new trustees

The trustees completed a Deed of Amendment dated 23 September 2020, which established new rules for the recruitment and appointment of trustees. New trustees will be appointed by nominations following circulation of a job description outlining the skills and experience required which will be reviewed by an ad hoc nominations committee for recommendation to the full Board. The Harvard Business School Club of London, the US-UK Fulbright Commission and Harvard Business School shall each have the right to nominate an individual for appointment as a Trustee of the charity. Currently, the Fulbright Commission has nominated a Trustee and HBS has nominated an Observer. Trustees serve for a term of three years, which may be renewed for a maximum of a further six years and exceptionally for longer.

Induction and training of trustees

Induction of new trustees is undertaken by existing trustees, through induction and information meetings with existing trustees and includes being given a copy of the charity's governance documents, the latest annual report and accounts, minutes of the last meeting and 'The Essential Trustee' (CC3 published by the Charity Commission). Existing appointed Trustees receive the latest copy of the CC3 annually which they are asked to review. In addition, at their meetings they discuss any latest compliance measures as well as reviewing the measures undertaken to mitigate risk.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives and purpose, for the public benefit, as set out in the governing document are as follows:

- To advance the education of British students studying at HBS by award of scholarships, loans or other assistance.
- To promote the education of persons studying at HBS by the provision of facilities and equipment, faculty and academic programmes, scholarships, special educational programmes and to advance research at the School.

The aim of the charity is to finance tuition scholarships for UK students to attend HBS to study for an MBA, as well as to facilitate donations by UK based HBS alumni to HBS for appropriate educational purposes.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

Both these aims are being achieved through the award of scholarships to those requiring financial assistance, and by facilitating donations to HBS for appropriate educational purposes. Fulbright/British Friends scholars are required, under the terms of their visa, to return to the UK for at least 2 years after graduation so benefitting the UK economy.

The Trustees usually hold an annual fundraising dinner with a distinguished speaker which is its principal fundraising activity. Due to the Covid-19 pandemic the annual dinner was not held in 2021. It is hoped that an annual dinner will be held later in 2022. Details of the annual dinner are circulated through the Harvard Business School Club of London to their UK alumni database. The charity also has a website, through which donors can learn about the charity and how to donate.

Organisational structure

The charity Trustees are responsible for the general control and management of the charity under the guidance of its chair. The Investment Committee is chaired by the treasurer and comprises the treasurer, deputy treasurer and a trustee. It oversees the charity's investment manager's performance according to investment guidelines agreed by all trustees.

Trustees meet several times a year to review policy and financial matters.

Scholarships are administered through the Fulbright Commission in the UK who receive the applications and screen them. The Trustees usually meet in April each year to review the applications and determine who will go forward for interview. One British Friends of Harvard Business School Trustee is then nominated to join the Fulbright interview panel following which the applicants are selected for scholarships.

The charity has no paid employees. Key management personnel consist of the Trustees. Trustees have delegated the day to day running of the charity to a part-time administrator and the oversight of the finances is delegated to the Treasurer who also chairs the investment committee. Trustees are given reports at each meeting on financial and administrative matters as well as how these duties are segregated and the controls in place to prevent fraud.

The charity liaises with the Fulbright Commission in the UK to review scholarship applications and approve scholarships. The charity liaises with the Harvard Business School Club of London to promote the charity and to encourage donations from alumni. Regular reports are sent to the alumni office at HBS to update them on donor status so that donors are given appropriate attribution in annual and reunion giving lists.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the Trustees made charitable donations of £382,731 (2020: £179,230) and provided 3 scholarships (2020: 1) to the value of £53,680 (2020: £9,798).

Impact of charitable activities

The charity considers it plays an important role in enabling UK students to study at HBS who might otherwise have been unable to attend due to financial constraints. These students, as a condition of their visa, return to the UK and benefit the UK economy. In addition, it facilitates donations by UK alumni to HBS for appropriate educational purposes and thereby contributing to world class academic research.

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2021**

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Trustees review and discuss risk management at meetings and keep a risk register as a tool to document high, medium and low impact risks identified as well as areas affected by such risks, together with actions taken and persons responsible for them.

They have also identified that the principal risk is that of foreign currency. As the charity's grants are made in US dollars, this risk is mitigated by maintaining the majority of the investment portfolio in US dollar denominated securities.

There is also a risk that the investment portfolio does not perform as expected and that the return and capital growth that forms part of the trustees' strategy to help generate funds to further the charity's objectives is not achieved. The Investment Committee regularly reviews the charity's Investment Policy and risk profile.

Public benefit

The trustees, as required by the Charities (Accounts and Reports) Regulations 2008, have paid due regard to the Charity Commission's guidance on providing public benefit while reviewing the charity's aims and objectives, and while deciding what activities the charity should undertake and how the donations made will help the charity meet its objectives.

FINANCIAL REVIEW

Unrestricted funds

During the year, there was income of £125,565 (2020: £165,679) and expenditure of £101,275 (2020: £54,775) resulting in net income before investment and foreign exchange gains and losses, of £24,290 (2020: £110,904). Together with net investment gains of £453,733 (2020: £61,867) and FX loss of £23,638 (2020: gain of £61,948), there is an overall surplus of £454,425 (2020: £234,719) which has increased unrestricted funds to £3,004,311 (2020: £2,549,886).

Restricted funds

During the year, there was restricted income of £195,173 (2020: £403,742) and restricted expenditure of £382,731 (2020: £179,230) resulting in net restricted funds of £96,339 (2020: £283,897).

During the year there was income relating to donations in both restricted and unrestricted funds of £286,195 (2020: £529,745).

Reserves policy

The Trustees, in addition to the annual donations made to support its objects, wish to become established in academic circles as an important funder of scholarships for UK students to attend HBS. The trustees feel it is important to build up a cushion out of current income to ensure that the fund can meet commitments to students in future years if donations fall. As at 31 August 2021, total reserves stood at £3.1m (2020: £2.83m). As it seems likely that interest rates will remain low for the foreseeable future, a larger fund will be required to maintain our scholarships should income from donations decrease. On that basis, the target level of reserves has been increased to \$5 million. Currently this converts to £3.77 million. The trustees' vision is that future surpluses will enable the charity to reach the target level of reserves which is reviewed annually.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

Principal funding sources

Funding comes from donations made by HBS alumni.

During 2021, the Trustees established a Gifts Acceptance and Grant-Making Committee, comprising at least three Trustees. This committee ensures that all significant donations (£501 or greater) to the charity meet the Charity Commission's "Know Your Donor" guidance, regarding source of funds and potential for reputational risk. Any proposed gifts that do not meet these criteria undergo further investigation and ultimately can be refused. Any proposed gift greater than £20,000 or which may have reputational implications must be approved by the whole Board.

Investment policy and objectives

The Trustees' investment policy was revised in October 2019 and set a more ambitious target of US CPI inflation plus 3% p.a. net of fees. The majority of the portfolio is held in US equities and the balance in UK and overseas equities and fixed income or other investments, or cash. This target was met in the current year. The Trustees changed the target because they wanted to reflect the new risk profile and felt that the previous target did not reflect their target risk profile.

Since awards are made in US dollars the trustees wish to hold most of the portfolio in that currency. The Trustees periodically review the Investment Policy and objectives.

During the year, the Investment Committee has been proactively involved in dealing with the fund managers through meetings and discussions.

Grant making

Grants are awarded each year in the form of scholarships to advance the education of British students studying at HBS. The award provides tuition fees to students. Applicants are chosen primarily on financial need and will normally be required to attend an interview as part of the selection process.

In addition, the charity makes grants to HBS in the form of donations from UK alumni wishing to promote the education of persons studying at HBS.

During 2021, the Trustees established a Gifts Acceptance and Grant-Making Committee, comprising at least three Trustees. This Committee ensures that all grants made to HBS are in compliance with the objects of the charity and public benefit guidance.

Plans for future periods

The aim of the trustees is to continue to attract donations from HBS alumni and provide scholarships and funding to support HBS. In the future, trustees would like to encourage able students from financially disadvantaged backgrounds to apply, who would not normally have considered doing this.

Fundraising

Fundraising is done through word of mouth amongst alumni, HBS development officers, and information circulated to UK alumni via the Harvard Business School Club's newsletters. There is also a dedicated website. There is no professional fundraiser. The charity has not subscribed to any fundraising standards/schemes.

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2021**

The principal fundraising activity held by the Trustees is an annual fundraising dinner with a distinguished speaker to which the alumni and affiliated members of the HBS are invited to attend. As this is the main fundraising activity of the Charity, and this is not open to the wider public, the Charity does not have a formal complaints procedure regarding the fundraising activities of the Charity. No complaints were received during the year.

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern, including the potential future impact of Covid-19 and related government restrictions. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of the potential pressures on voluntary income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the 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 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 the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to:

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

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

22/06/2022

Approved by the order of the board of trustees on

And signed on its behalf by:

Charles Lazarevic

Charles Lazarevic (Jun 22, 2022 12:19 GMT+1)

C Lazarevic B.Sc., M.B.A., F.C.A., M.A.E., B.F.P.
Treasurer - Trustee

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Independent Examiner's Report to the Trustees of The British Friends of Harvard Business School

I report to the charity trustees on my examination of the financial statements of British Friends of Harvard Business School for the year ended 31 August 2021

Responsibilities and basis of report:

- As Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').
- I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or

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

Floor 6
9 Appold Street
London EC2A 2AP

Date:

23/06/22

Andrew Stickland, FCA, ICAEW
Independent Examiner
For and on behalf of Moore Kingston Smith LLP

Andrew Stickland
[Andrew Stickland \(Jun 23, 2022 11:24 GMT+1\)](#)

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statement of Financial Activities FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income from:					
Donations and Legacies	3	91,022	195,173	286,195	529,745
Investments	4	34,543	-	34,543	39,676
Total income		<u>125,565</u>	<u>195,173</u>	<u>320,738</u>	<u>569,421</u>
Expenditure on:					
Raising funds	5	17,518	-	17,518	15,084
Charitable activities	6	83,757	382,731	466,488	218,921
Total expenditure		<u>101,275</u>	<u>382,731</u>	<u>484,006</u>	<u>234,005</u>
		24,290	(187,558)	(163,268)	335,416
Net gains/(losses) on investments		453,773	-	453,773	61,867
(Losses)/gains on foreign exchange movements		(23,638)	-	(23,638)	61,948
Net movement in funds		<u>454,425</u>	<u>(187,558)</u>	<u>266,867</u>	<u>459,231</u>
Funds as at 1 September 2020		2,549,886	283,897	2,833,783	2,374,552
Fund balances carried forward as at 31 August 2021	13	<u><u>3,004,311</u></u>	<u><u>96,339</u></u>	<u><u>3,100,650</u></u>	<u><u>2,833,783</u></u>

All activities in the year were attributable to continuing operations.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Statement of Cash Flows FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	9		2,958,721		2,356,770
Current Assets					
Debtors	10	7,975		60,013	
Cash at bank and in hand		<u>156,781</u>		<u>422,681</u>	
		164,756		482,694	
Creditors: Amounts falling due within one year	11	<u>(22,827)</u>		<u>(5,681)</u>	
Net Current Assets			<u>141,929</u>		<u>477,013</u>
Total assets less current liabilities			3,100,650		2,833,783
Net assets			<u><u>3,100,650</u></u>		<u><u>2,833,783</u></u>
Funds	13				
Unrestricted funds					
General Funds			3,004,311		2,549,886
Restricted funds			<u>96,339</u>		<u>283,897</u>
Total			<u><u>3,100,650</u></u>		<u><u>2,833,783</u></u>

22/06/2022

Approved and authorised for issue by the Board on

Signed on their behalf by:

Charles Lazarevic
Charles Lazarevic (Jun 22, 2022 12:19 GMT+1)

Trustee
Charity Number: 1000531

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Statement of Cash Flows
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
CASH USED IN OPERATIONS	12	(133,526)	305,345
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		34,543	39,676
Investment additions		(543,371)	(2,186,311)
Sales proceeds		397,033	2,086,733
Change in investment cash		(20,579)	(5,378)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(132,374)</u>	<u>(65,280)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(265,900)</u>	<u>240,065</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		422,681	183,524
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>156,781</u></u>	<u><u>422,681</u></u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting Policies

Charity information

The British Friends of Harvard Business School is an unincorporated charity registered in England and Wales (no. 1000531). Details of the principal office are given on page 2 of the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments. They are drawn up in accordance with the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) .

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are presented in sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £1.

Going concern

These financial statements have been prepared on the basis of accounting principals applicable to a "going concern", which assume that the charity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

Income, including donations, is included on the Statement of Financial Activities when the charity is legally entitled to the income, there is sufficient probability of receipt and the amount can be quantified with reasonable accuracy.

Investment income

The charity recognises all investment income on the accruals basis.

Expenditure

Expenditure is accounted for on an accruals basis inclusive of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds includes costs incurred to increase the funds raised by the charity for distribution to its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. Governance costs are apportioned to charitable activities.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

Notes to the Financial Statements FOR THE YEAR ENDED 31 AUGUST 2021

Expenditure (cont.).

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants and scholarships

Grants and scholarships are recognised at the point they are paid or committed to be paid resulting in a legal or constructive obligation.

Taxation

The charity is exempt from tax on income and gains falling within section 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the applicable restriction.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken onto account in arriving at the operating result.

Fixed asset investments

Investments are a basic financial instrument and are included in the balance sheet initially at transaction value and subsequently recognised at their fair value at the end of the financial period which is the bid price quoted on a recognised stock exchange. Realised and unrealised gains and losses are credited or debited to the Statement of Financial Activities in the year in which they arise.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

The Trustees do not consider there to be any key area of judgement or critical estimates that require further disclosure.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2021**

3 INCOME FROM DONATIONS AND LEGACIES	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Donations	78,190	158,555	236,745	454,318
Gift Aid	12,832	36,618	49,450	75,427
	<u>91,022</u>	<u>195,173</u>	<u>286,195</u>	<u>529,745</u>

The income from donations and legacies was £286,195 (2020: £529,745) of which £91,022 was unrestricted (2020: £126,003) and £195,173 was restricted (2020: £403,742).

4 INCOME FROM INVESTMENTS	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Dividends and interest received	34,543	-	34,543	39,676
	<u>34,543</u>	<u>-</u>	<u>34,543</u>	<u>39,676</u>

The income from investments was all unrestricted in the current and prior year.

5 EXPENDITURE ON RAISING FUNDS	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Investment manager fees	17,518	-	17,518	15,084
	<u>17,518</u>	<u>-</u>	<u>17,518</u>	<u>15,084</u>

The expenditure on raising funds was all unrestricted in the current and prior year.

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Scholarships awarded	53,680	-	53,680	9,798
Donations to Harvard Business School	-	382,731	382,731	179,230
Support costs	7,328	-	7,328	16,162
Governance costs	22,749	-	22,749	13,731
	<u>83,757</u>	<u>382,731</u>	<u>466,488</u>	<u>218,921</u>

The expenditure on charitable activities was £466,488 (2020: £218,921), of which £83,757 was unrestricted (2020: £39,691) and £382,731 was restricted (2020: £179,230).

Scholarships were paid to 3 individual (2020: 1). No grants were made to institutions other than the donation to Harvard Business School, as in the prior year.

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2021**

6 EXPENDITURE ON CHARITABLE ACTIVITIES (cont.).

Support Costs	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Bank charges	614	-	614	391
Insurance	876	-	876	1,236
Honorarium	-	-	-	5,667
Web Security	198	-	198	378
Legal and Professional	5,640	-	5,640	8,220
Catering	-	-	-	-
Trustee Expenses	-	-	-	270
	<u>7,328</u>	<u>-</u>	<u>7,328</u>	<u>16,162</u>

Governance costs	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Accountancy costs	17,499	-	17,499	8,631
Independent Examiner's Remuneration	5,250	-	5,250	5,100
	<u>22,749</u>	<u>-</u>	<u>22,749</u>	<u>13,731</u>

7 EMPLOYEES

The charity did not employ any staff in the year (2020: nil).

The Trustees did not receive any remuneration nor other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

There were no Trustee expenses incurred during the year (2020: £270).

8 KEY MANAGEMENT PERSONNEL

The key management personnel of the charity comprises the Trustees. The total employee benefits of the key management personnel of the charity were £nil (2020: £nil).

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2021**

9 FIXED ASSET INVESTMENTS

	2021	2020
	£	£
FAIR VALUE		
At 1st September 2020	2,335,501	2,182,567
Additions at cost	543,371	2,186,311
Disposals proceeds	(397,033)	(2,086,733)
Revaluations	453,773	61,867
Exchange difference	(18,739)	(8,511)
	2,916,873	2,335,501
Cash held for investment	41,848	21,269
	2,958,721	2,356,770

Analysis of investments between classes:

	2021	2020
	£	£
Fixed Interest Securities - Non-UK	436,592	379,127
Equity Investment UK	90,371	70,802
Equity Investment Non-UK	2,389,910	1,885,571
Cash held within the investment portfolio	41,848	21,269
	2,958,720	2,356,770

Investments representing 5% or more of the portfolio are disclosed below:

	Portfolio %	Market Value
		(£)
Ishares II Plc. TSY Bond 7-10Yr UCITS ETF USD	6%	186,309

With respect to the next reporting period, the most significant area of uncertainty that affects the carrying value of the assets held by the Charity is the level of investment return and the performance of the investment markets. This has been detailed in the investment policy and objectives within the Trustees' Report.

10 DEBTORS

	2021	2020
	£	£
Gift aid recoverable	7,975	60,013
	7,975	60,013

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accruals	6,360	5,100
Trade creditors	-	581
Scholarship Commitments	16,467	-
	22,827	5,681

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2021**

12 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH USED IN OPERATIONS

	2021	2020
	£	£
Net movement in funds	266,867	459,231
Adjustments for:		
Unrealised (gain)/ losses on investments	(453,773)	(61,867)
(Gains)/losses on foreign exchange on investments	18,739	8,511
Interest and dividends receivable (less not received by year end)	(34,543)	(39,676)
	<hr/>	<hr/>
Operating cash flow before movement in working capital	(202,710)	366,199
(Increase) / Decrease in debtors	52,038	(58,613)
Increase / (Decrease) in creditors	17,146	(2,241)
	<hr/>	<hr/>
Cash used in operations	<u>(133,526)</u>	<u>305,345</u>

13 MOVEMENT IN FUNDS

	Brought forward 01-Sep-20	Net movement in funds	Carried forward 31-Aug-21
	£	£	£
Unrestricted funds			
General fund	2,549,886	454,425	3,004,311
Restricted funds	283,897	(187,558)	96,339
	<hr/>	<hr/>	<hr/>
	<u>2,833,783</u>	<u>266,867</u>	<u>3,100,650</u>

Net movement in funds included in the above are as follows:

	Total Income	Total Expenditure	Gains and Losses	Movement in Funds
	£	£	£	£
Unrestricted funds				
General Fund	125,565	(101,275)	430,135	454,425
Restricted funds	195,173	(382,731)	-	(187,558)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>320,738</u>	<u>(484,006)</u>	<u>430,135</u>	<u>266,867</u>

THE BRITISH FRIENDS OF HARVARD BUSINESS SCHOOL

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2021**

13 MOVEMENT IN FUNDS (cont.).

Net movement in funds during the prior year are as follows:

	Brought forward 01-Sep-19 £	Net movement in funds £	Carried forward 31-Aug-20 £
Unrestricted funds			
General fund	2,315,167	234,719	2,549,886
Restricted funds	59,385	224,512	283,897
	<u>2,374,552</u>	<u>459,231</u>	<u>2,833,783</u>

Net movement in funds included in the above are as follows:

	Total Income £	Total Expenditure £	Gains and Losses £	Movement in Funds £
Unrestricted funds				
General Fund	165,679	(54,775)	123,815	234,719
Restricted funds	403,742	(179,230)	-	224,512
	<u>569,421</u>	<u>(234,005)</u>	<u>123,815</u>	<u>459,231</u>

Restricted funds comprise monies where a restriction has been place on their use by a donor to ensure the donation is transferred to a specific or named fund. Restricted funds are distributed in accordance with the terms of the applicable restriction.

14 NET ASSETS

	2021 £	2020 £
Unrestricted funds		
Investments	2,958,721	2,356,770
Current assets	68,417	198,797
Current liabilities	(22,827)	(5,681)
Net assets	<u>3,004,311</u>	<u>2,549,886</u>
Restricted funds		
Current assets	96,339	59,385
Net assets	<u>96,339</u>	<u>59,385</u>

15 RELATED PARTY TRANSACTIONS

There were no amounts due to or from the Trustees at the balance sheet date (2020: nil).




Y/E 2021 accounts BFHBS for signing

Final Audit Report

2022-06-23

Created:	2022-06-22
By:	Jacky Laney (JLaney@mks.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAsoktBsHYxtSbpEJ3mchOtH87YhqzNppv

"Y/E 2021 accounts BFHBS for signing" History

-  Document created by Jacky Laney (JLaney@mks.co.uk)
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