

HMC PROJECTS IN CENTRAL AND EASTERN EUROPE

England & Wales · Charity number 1074491

Details

Other names HMC FOREIGN STUDENTS FUND

Status Registered

Legal form Charitable company

Company number [03636789](#)

Registered 1999-03-03

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

Contact

Address Blackcoombe Farm
Henwood
Liskeard
PL14 5BW

Phone 01579364018

Email administrator@hmcprojects.org.uk

Website <http://www.hmcprojects.org.uk>

Activities

Objects: TO ADVANCE THE EDUCATION OF FOREIGN STUDENTS ATTENDING SCHOOLS IN THE UK AND THE TRAINING OF TEACHERS, ESPECIALLY, BUT NOT NECESSARILY, STUDENTS AND TEACHERS ATTENDING SCHOOLS IN THE HMC.

Activities: The main business of HMC Projects in Central and Eastern Europe is to enable students from the former communist bloc to spend one or two years in a British Independent school in Years 12 and 13.

Classification

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

Geography

- Armenia
- Bosnia And Herzegovina
- Bulgaria
- Croatia
- Czech Republic
- Estonia
- Georgia
- Latvia
- Macedonia
- Moldova
- Montenegro
- Romania
- Serbia
- Slovakia
- Ukraine

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£66,897	£72,877	-	-
2024-08-31	£80,664	£71,088	-	-
2023-08-31	£94,821	£70,620	-	-
2022-08-31	£95,548	£46,143	-	-
2021-08-31	£90,599	£61,218	-	-

Trustees

Name	Role	Appointed
ANGUS WILLIAM MCPHAIL		2015-11-17
Andrew James Harington Fisher		2026-01-20
Damian Adam Paul King		2024-03-19
David John Knapman		2013-05-08
David Richard Ogilivie Hawkins		2026-01-20
Dr Ross Barrand		2024-03-19
Jane Sara Gandee		2018-03-13
John Francis Vick		2018-11-13
Maurice Henry Walters		2026-01-20
Philippa Julie Mary Scudds		2026-01-20
RACHEL CLARE FOX OWENS		2013-04-22

HMC PROJECTS IN CENTRAL AND EASTERN EUROPE

England & Wales - Charity number 1074491

Accounts

REGISTERED COMPANY NUMBER: 03636789 (England and Wales)
REGISTERED CHARITY NUMBER: 1074491

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025
FOR
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Notes to the Financial Statements	11 to 15
Detailed Statement of Financial Activities	16 to 17

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2025

TRUSTEES	Mrs R C F Owens (chairperson) D J Knapman P M de Voil A W McPhail Mrs J Hopkinson Ms J S Gandee J F Vick D A P King R Barrand
COMPANY SECRETARY	Dr E J Wolstenholme B A M Vessey (appointed 1.7.25)
EXECUTIVE	Dr E J Wolstenholme (operational director and administrator) (resigned 30.6.25) B Vessey (operational director) (appointed 1.7.25) C Burrows (deputy director and treasurer) (appointed 1.7.25) Mrs G Currie (student co-ordinator) (post phased out 31.8.25)
REGISTERED OFFICE	12 The Point Rockingham Road Market Harborough Leicestershire LE16 7QU
REGISTERED COMPANY NUMBER	03636789 (England and Wales)
REGISTERED CHARITY NUMBER	1074491
INDEPENDENT EXAMINER	Bright Brown Limited Chartered Accountants Exchange House St Cross Lane Newport Isle of Wight PO30 5BZ
BANKERS	National Westminster Bank plc, Cambridge Santander plc Nationwide plc PayPal

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2025. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective is to advance the education of foreign students in the United Kingdom, especially but not necessarily exclusively, students from Eastern Europe attending member schools of the Heads' Conference (HMC), the Girls' Schools Association (GSA) and the Boarding Schools' Association (BSA).

Public benefit

The trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The scholarship year 2024 to 2025 saw the involvement of 47 schools in the scholarship programme with the placement of a total of 68 scholars comprising 45 full scholars and 23 reduced fee (partial) scholars. This demonstrated that there was still an interest in the scholarship programmes on the part of schools, even in the face of financial challenges, at that point, seemed likely to lie ahead.

In most cases, the scholarship interviews were conducted in country by members of our executive team and experienced volunteers, many of whom are former heads or deputy heads. This is the preferred method when numbers of candidates justify this, and when security considerations allow. The adoption of a HMC Projects application portal allowed direct applications from countries without a local coordinator and these interviews were conducted remotely, as where those of the Ukrainian candidates for reasons of security, both for the interviewers and the candidates themselves.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025

The table below gives the comparative number of scholarships awarded in 2023, 2024 by country and includes those starting in September 2025.

	2023-24		2024-25		2025-26	
	FS	RF	FS	RF	FS	RF
Alania	-	-	-	-	1	-
Armenia	3	4	3	1	2	2
Bosnia Herzegovina	3	2	2	-	-	1
Bulgaria	2	4	2	3	2	1
Czech Republic	2	2	3	1	1	1
Georgia	5	6	4	7	7	6
Croatia	1	-	-	-	-	-
Latvia	-	-	-	-	-	-
Moldova	4	1	5	2	3	5
Montenegro	5	1	2	3	4	2
North Macedonia	2	1	3	-	3	1
Romania	3	1	1	-	-	-
Serbia	5	1	4	1	5	1
Slovakia	4	3	3	4	2	6
Ukraine	7	2	13	1	11	2
Total	46	28	45	23	41	28

The selection of Ukrainian scholars through our interviews was, once again, supplemented by taking a few additional scholars through the scholarship organisation Ukraine Global Scholars (UGS) which places Ukrainian scholars primarily in schools in the US. UGS operates its own extended selection process and provides mentoring for its shortlisted candidates. Their criteria for selection aligns closely with those of HMC Projects and we are satisfied that the quality of their selected candidates is assured.

The total number of schools offering scholarships through our main programme, either full or reduced fee or both, for the academic year 2024-25 stood at 44 and that for entry in 2025 has shown a significant reduction at 31. Undoubtedly this is, at least in part, due to the financial challenges faced by independent schools resulting from the policy environment established by the incoming government.

	FS	RF	
2021-22	38	15	
2022-23	38	18	Main programme
2022-23	33	n/a	Ukrainian appeal
2023-24	40	16	
2024-25	35	15	
2025-26	27	12	

where FS and RF stand for full and reduced fee scholarships respectively.

Reduced fee scholarships are awarded to those very able applicants, who could not be awarded a full scholarship simply due to lack of availability of places and also those for whom annual parental net income exceeds our threshold of £30,000. Reduced fee scholars typically pay between 15% and 25% of full fees. The placement fee, paid by schools in respect of each reduced fee scholar, has remained the same as last year at £1,250 and this is an essential component of the income of the charity.

With the discontinuation of the Orientation course in Cambridge in 2019 and then the decision that to limit risk the supervised half-term breaks were not reinstated post-COVID, the trustees have been looking for some form of occasion which would enable scholars attending different schools to meet up. This has been achieved through the establishment of annual Scholars' Days: one in the North and one in the South. These have proved to be popular and successful and are generously hosted by two schools, normally taking scholars. The first of these was run in 2022/23 at Barnard Castle School (Barnard Castle) and St Swithun's School (Winchester). In 2024/25 the two scholars' days were kindly hosted by Durham Cathedral School (Durham) and Roedean School (Brighton). These are relatively low risk events.

In Bulgaria, the Czech Republic, Moldova, Slovakia, Serbia and Georgia we continue to operate alongside the US scholarship organisation ASSIST for the purposes of interviewing. The scholarship experience offered by ASSIST is distinctly different from that of HMC Projects, not least because with ASSIST scholars study in the US for just one year and then must return home to complete their education to matriculate. There are advantages in this collaboration which has been in place for many years.

With the generous and experienced services of David Hawkins (The University Guys) and his team of mentors, offered pro bono, scholars continue to benefit from supplementary advice on university choices; for these the UK is simply not an option, purely for reasons of cost and the paucity of, and competition for, scholarships or bursaries. Schools are experts in providing advice on UK universities and many can provide some guidance on US universities, however the reality is that most of our scholars will go on to study in European universities, many on courses delivered in English. For most, returning to their home country to study at university is neither a simple nor a popular route into higher education. In March, a webinar was run jointly by the Director of HMC Projects and David Hawkins, principally for the benefit of those in Year 12, to explain the challenges of and opportunities for scholars searching for suitable universities. With the introduction of a scholar Instagram site, we are now augmenting this by signposting scholars to European (and other) universities offering courses delivered in English.

Financial developments

The administration fee charged to scholars who took up their scholarship at their UK school in September 2023 was published at £1,250 for all full scholars. However, this fee was reduced to £1,000 and waived entirely for scholars from Ukraine. For scholars placed in 2024 the fee was published at £1,000 in our publicity and information documents, however this was reduced to £750 for all full scholars. For those applying for scholarships to start in 2025, the fee was set at £750 to try and offset part of the increase in the Child Student visa fee and immigration health surcharge imposed by the Home Office. To fund this reduction, both this year and next, HMC Projects will for a period draw down on its reserves.

The continued generosity of a small number of alumni has resulted in the receipt of further donations, usually on a monthly basis through our PayPal account, and HMC Projects is very grateful for these. The total received into the PayPal account from alumni during 2024-25 was £1,650 from which £47 was deducted in PayPal fees. Very few of these donations attract Gift Aid as the donors work outside the UK and are not UK taxpayers. All donations are used to provide additional support for our scholars on a discretionary basis to allow them to benefit from opportunities at their schools where family financial constraints may not allow this. In this way donated funds will ensure that all our scholars can maximise their opportunities. Some schools generously absorb additional costs incurred by scholars, not explicitly included in the scholarship arrangement, but others are unable to do so and therefore this additional financial support through the alumni fund can help to level up.

In addition to the gifts from alumni, a generous donation of £2,500 was received from M Clarkson Webb in September 2024 to support the Ukrainian scholars and to help offset the shortfall in income as a result of waiving the administration fee for some students. This sum also qualifies for tax relief through Gift Aid.

The total cost of insurance for public and professional liability rose by just under 3% from the previous year and the fee paid in 2024-25 was £1,564: an increase of £43 over that paid in 2023-24. The cover has remained the same as have the declared risks.

ACHIEVEMENT AND PERFORMANCE

With the appointment of a new Director in July 2025, HMC Projects have both re-structured the Executive team to consist of a just a Director and Deputy Director; and transitioned to a remuneration model based on employment as opposed to payment of an honorarium to self-employed consultants. The latter change better reflects the modus operandi of HMC Projects, but does come with additional costs in terms of running a payroll, income tax and NIC payments and pension payments.

FINANCIAL REVIEW

Financial position

The reserves of the Trust have decreased and at the close of this financial year (2024-25) the reserves amounted to £274,936 compared to £280,916 at the end of the previous financial year.

Incoming resources were £66,897 (2024 - £80,664). Prepaid fees and other prepaid income amounted to £25,994 (2024 - £23,257). Resources expended were £72,877 (2024 - £71,088). Net deficit for the year was £5,980 (2024 - £9,576 surplus).

Reserves policy

At the year end the charity holds £274,936 (2024 - £280,916) in reserves as unrestricted, and of this free reserves not invested in fixed assets amount to £274,936 (2024 - £280,916).

The policy of holding a sum of at least 50% of the annual turnover in reserve has been maintained, indeed exceeded. This contingency sum does not include the funds received as donations. Following the closure of the Cambridge & Counties account, the distribution of all reserves is such that the deposit in the NatWest exceeds the sum guaranteed under the terms of the FSA to which all these banks are bound. This has been judged to be a low risk in the short run but is a matter to be addressed in 2025-26. This distribution of reserves in various savings accounts and bonds has provided a better return in bank interest than in earlier years with increases in interest rates post-pandemic, though this has now begun to reverse. As stated earlier, HMC Projects is in the process of a phased reduction in reserves, having reduced the administration fee for full scholars to offset, to some degree, the rise in the cost of visas. Nevertheless, with economic uncertainty and a UK government less sympathetic to independent education, it is only prudent to maintain an adequate level of reserves in the event of a significant reduction in the number of places offered by schools.

FUTURE PLANS

The HMC Projects administration fee for all new full scholars will be set at £750 for 2025-26 and has been published as such in our promotional and guidance documents.

Groundwork undertaken during 2024-25 means that for 2025-26 we are pleased to have re-establish a country coordinator in Romania and for the first time will operate in Albania. The new online application system does however mean that we can accept applications from applicants in appropriate countries (e.g. Croatia) where we do not currently have a coordinator.

The online application software has been a success both with coordinators and interviewers. The system not only facilitates gathering associated documents but also enables personalised communications with applicants. This commercial software package has an annually recurring cost.

Finally, after discussion with the trustees, it was agreed that from 2024-25 the upper limit on annual net family income above which a student is ineligible to apply even for a reduced fee scholarship has been reduced from £80,000 to £50,000 in order to ensure that only families on modest to middle incomes are eligible to apply for a scholarship. Alongside this change, HMC Projects now asks parents to supply supporting evidence to back the statement provided via the Financial Declaration.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity was established to take over the activities of the HMC Foreign Students Fund, a charitable trust, and the assets and liabilities of that trust were transferred to the charity on 30 April 1999 by way of a donation.

Key management remuneration

The charity reimbursed expenses totalling £4,625 (2024 - £6,067) in respect of grants and awards, orientation expenses, executive expenses, interviewing expenses, publicity and software to 4 (2024 - 4) key management personnel.

In addition, consultancy fees were paid to key management personnel during the year, as follows:

Dr E J Wolstenholme £12,500 (2024 - £15,000)

S Leyshon Enil (2024 - £3,000)

C Burrows £6,666 (2024 - £8,000)

G Currie £2,000 (2024 - £3,000)

From 1 July 2025 the Executive (Director and Deputy Director) were remunerated as employees. The total sum for that period in salary, NI and NEST contributions amounted to £5,299.

Approved by order of the board of trustees on 7 November 2025 and signed on its behalf by:

Mrs R C F Owens - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Independent examiner's report to the trustees of HMC Projects in Central and Eastern Europe ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2025.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 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 Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

G Kelly

Bright Brown Limited
Chartered Accountants
Isle of Wight

Date:

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 Unrestricted fund £	2024 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		5,781	3,987
Charitable activities			
Scholar selection and placement		52,831	70,255
Investment income	2	8,285	6,422
Total		<u>66,897</u>	<u>80,664</u>
EXPENDITURE ON			
Charitable activities			
Scholar selection and placement		72,877	71,088
NET INCOME/(EXPENDITURE)		(5,980)	9,576
RECONCILIATION OF FUNDS			
Total funds brought forward		280,916	271,340
TOTAL FUNDS CARRIED FORWARD		<u><u>274,936</u></u>	<u><u>280,916</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2025

	Notes	2025 Unrestricted fund £	2024 Total funds £
CURRENT ASSETS			
Debtors	8	6,365	5,441
Cash at bank		301,138	300,910
		<u>307,503</u>	<u>306,351</u>
CREDITORS			
Amounts falling due within one year	9	(32,567)	(25,435)
		<u>274,936</u>	<u>280,916</u>
NET CURRENT ASSETS			
		<u>274,936</u>	<u>280,916</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>274,936</u>	<u>280,916</u>
NET ASSETS			
		<u><u>274,936</u></u>	<u><u>280,916</u></u>
FUNDS			
Unrestricted funds	10	<u>274,936</u>	<u>280,916</u>
TOTAL FUNDS			
		<u><u>274,936</u></u>	<u><u>280,916</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2025 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

BALANCE SHEET - continued
31 AUGUST 2025

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 7 November 2025 and were signed on its behalf by:

R C F Owens - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income received in relation to student placements is deferred where it relates to a term or period taking place after the year end.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	8,285	6,422
	<u> </u>	<u> </u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024
	£	£
Independent examiners' fee	1,956	1,860
Depreciation - owned assets	-	266
Surplus on disposal of fixed assets	(65)	-
	<u> </u>	<u> </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2025 nor for the year ended 31 August 2024.

Trustees' expenses

The charity incurred expenses of £453 (2024 - £428) in respect of trustees' liability insurance.

In addition, the charity reimbursed expenses totalling £3,086 in respect of interviewing expenses (2024 - £4,081 in respect of scholar days and interviewing expenses) to 4 (2024- 6) trustees.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2025	2024
Scholar selection and placement	-	-
	<u> </u>	<u> </u>

No employees received emoluments in excess of £60,000.

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	3,987
Charitable activities	
Scholar selection and placement	70,255
Investment income	6,422
Total	<u>80,664</u>

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
EXPENDITURE ON	
Charitable activities	
Scholar selection and placement	71,088
	<u> </u>
NET INCOME	9,576
RECONCILIATION OF FUNDS	
Total funds brought forward	271,340
	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>280,916</u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2024	1,728	1,856	3,584
Disposals	-	(1,058)	(1,058)
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2025	1,728	798	2,526
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1 September 2024	1,728	1,856	3,584
Eliminated on disposal	-	(1,058)	(1,058)
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2025	1,728	798	2,526
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
At 31 August 2025	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	-	-	-
	<u> </u>	<u> </u>	<u> </u>

8.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2025	2024
			£	£
	Prepayments		<u>6,365</u>	<u>5,441</u>
9.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2025	2024
			£	£
	Social security and other taxes		955	-
	Other creditors		1,661	318
	Accrued income		25,995	23,257
	Accrued expenses		3,956	1,860
			<u>32,567</u>	<u>25,435</u>
10.	MOVEMENT IN FUNDS			
			Net	At
		At 1.9.24	movement	31.8.25
		£	in funds	£
	Unrestricted funds		£	
	General fund	280,916	(5,980)	274,936
		<u>280,916</u>	<u>(5,980)</u>	<u>274,936</u>
	TOTAL FUNDS	<u>280,916</u>	<u>(5,980)</u>	<u>274,936</u>
	Net movement in funds, included in the above are as follows:			
		Incoming	Resources	Movement
		resources	expended	in funds
		£	£	£
	Unrestricted funds			
	General fund	66,897	(72,877)	(5,980)
		<u>66,897</u>	<u>(72,877)</u>	<u>(5,980)</u>
	TOTAL FUNDS	<u>66,897</u>	<u>(72,877)</u>	<u>(5,980)</u>

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.23 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	271,340	9,576	280,916
	<u>271,340</u>	<u>9,576</u>	<u>280,916</u>
TOTAL FUNDS	<u>271,340</u>	<u>9,576</u>	<u>280,916</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	80,664	(71,088)	9,576
	<u>80,664</u>	<u>(71,088)</u>	<u>9,576</u>
TOTAL FUNDS	<u>80,664</u>	<u>(71,088)</u>	<u>9,576</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2025.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

	2025 £	2024 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	4,151	3,987
Gift aid tax	1,630	-
	<u>5,781</u>	<u>3,987</u>
Investment income		
Deposit account interest	8,285	6,422
Charitable activities		
Students (Bosnia)	1,500	3,000
Students (Bulgaria)	1,500	2,000
Students (Croatia)	-	1,000
Students (Czech Republic)	2,253	2,000
Students (Georgia)	3,000	5,000
Students (Moldova)	3,769	4,005
Students (Montenegro)	1,500	5,000
Students (Romania)	750	3,000
Students (Serbia)	3,000	5,000
Students (Slovakia)	2,250	4,000
Students (Armenia)	2,250	3,000
Students (North Macedonia)	2,250	2,000
Schools (students)	28,750	31,250
Scholarship application fees	59	-
	<u>52,831</u>	<u>70,255</u>
Total incoming resources	66,897	80,664
EXPENDITURE		
Charitable activities		
Wages	5,271	-
Pensions	29	-
Insurance	1,558	1,506
Executive expenses	3,654	1,056
Grants and awards	1,054	1,378
Scholar days	617	745
Interviewing expenses	11,231	10,390
Agents fees	15,750	16,500
Carried forward	39,164	31,575

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

	2025	2024
	£	£
Charitable activities		
Brought forward	39,164	31,575
Administration fees	23,166	29,000
Bank charges	245	258
Publicity	484	607
Software	6,329	6,202
Computer equipment	-	266
Loss on sale of tangible fixed assets	(65)	-
	<hr/>	<hr/>
	69,323	67,908
 Support costs		
 Governance costs		
Independent examiners' remuneration	1,956	1,860
Accountancy fees	98	-
Legal fees	1,500	1,320
	<hr/>	<hr/>
	3,554	3,180
	<hr/>	<hr/>
Total resources expended	72,877	71,088
	<hr/>	<hr/>
Net (expenditure)/income	(5,980)	9,576
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN EUROPE

England & Wales - Charity number 1074491

Accounts

REGISTERED COMPANY NUMBER: 03636789 (England and Wales)
REGISTERED CHARITY NUMBER: 1074491

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024
FOR
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Notes to the Financial Statements	11 to 15
Detailed Statement of Financial Activities	16 to 17

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2024

TRUSTEES	Mrs R C F Owens (chairperson) D J Knapman D N Morrison (resigned 9.11.23) P M de Voil A W McPhail Mrs J Hopkinson W M Phelan (resigned 9.11.23) Ms J S Gandee J F Vick A C Jackson (resigned 17.5.24) D A P King (appointed 19.3.24) R Barrand (appointed 19.3.24)
COMPANY SECRETARY AND ADMINISTRATOR	Dr E J Wolstenholme
EXECUTIVE	Dr E J Wolstenholme (operational director) Rev S Leyshon (deputy director and student co-ordinator) (resigned 30.11.23) Mrs G Currie (student co-ordinator) (appointed 1.12.23) C Burrows (administrator)
REGISTERED OFFICE	12 The Point Rockingham Road Market Harborough Leicestershire LE16 7QU
REGISTERED COMPANY NUMBER	03636789 (England and Wales)
REGISTERED CHARITY NUMBER	1074491
INDEPENDENT EXAMINER	Bright Brown Limited Chartered Accountants Exchange House St Cross Lane Newport Isle of Wight PO30 5BZ
BANKERS	National Westminster Bank plc, Cambridge Santander plc Nationwide plc Cambridge & Counties Bank PayPal

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective is to advance the education of foreign students in the United Kingdom, especially but not necessarily exclusively, students from Eastern Europe attending member schools of the Heads' Conference (HMC), the Girls' Schools Association (GSA) and the Boarding Schools' Association (BSA).

Public benefit

The trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The scholarship year 2023 to 2024 saw the involvement of 47 schools in the scholarship programme with the placement of a total of 74 scholars comprising 46 full scholars and 28 reduced fee (partial) scholars. This demonstrates that there is still a firm interest in the scholarship programmes on the part of schools, even in the face of financial challenges which lie ahead.

Interviewing in the countries by our executive team and our team of experienced volunteers, many of whom are former heads or deputy heads, took place for the first time in several years. It is felt that this is a more satisfactory way to conduct the interviews when numbers of candidates justify this, and when security considerations allow. For this reason, remote interviewing was conducted for the Croatian and Latvian candidates due to low numbers and the Ukrainian candidates for reasons of security, both for the interviewers and the candidates themselves.

The table below gives the comparative number of scholarships awarded in 2022, 2023 by country and also includes those starting in September 2024.

	2022-23		2023-24		2024-25	
	FS	RF	FS	RF	FS	RF
Armenia	2	5	3	4	3	1
Bosnia Herzegovina	5	1	3	2	2	-
Bulgaria	3	3	2	4	2	3
Czech Republic	3	4	2	2	3	1
Georgia	5	6	5	6	4	7
Croatia	1	-	1	-	-	-
Latvia	1	-	-	-	-	-
Moldova	4	5	4	1	5	2
Montenegro	4	1	5	1	2	3
North Macedonia	6	2	2	1	3	-
Romania	4	2	3	1	1	-
Serbia	5	2	5	1	4	1
Slovakia	5	3	4	3	3	4
Ukraine	5	3	7	2	13	1
Total	53	37	46	28	45	23

The number of applicants in almost all the countries shows that interest in the scholarship programme remains high with the exception of Latvia and Croatia where numbers are low, continuing a trend there in recent years. In fact, numbers in the two Baltic countries have declined to zero in Estonia and almost so in Latvia. As such, HMCP operations in these countries have been suspended.

The selection of Ukrainian scholars through our interviews was, once again, supplemented by taking a few additional scholars through the scholarship organisation Ukraine Global Scholars (UGS) which places Ukrainian scholars primarily in schools in the US. UGS operates its own extended selection process and provides mentoring for its shortlisted candidates. Their criteria for selection aligns closely with those of HMC Projects and we are satisfied that the quality of their selected candidates is assured. We have a small number of schools which specifically wish to take a Ukrainian scholar.

The total number of schools offering scholarships through our main programme, either full or reduced fee or both, for the academic year 2023-24 stood at 47 and that for entry in 2024 has shown a slight reduction at 44. It had been hoped that many of the new schools taking Ukrainian students through our appeal in 2022, promoted by HMC, would continue to take scholars but the subsequent take-up has been quite small. This is probably more due to the financial challenges many were preparing to face with the prospect of a change of government which is now a reality.

	FS	RF	
2021-22	38	15	
2022-23	38	18	Main programme
2022-23	33	n/a	Ukrainian appeal
2023-24	40	16	
2024-25	35	15	

where FS and RF stand for full and reduced fee scholarships respectively.

Reduced fee scholarships are awarded to those very able applicants, who could not be awarded a full scholarship simply due to lack of availability of places and also those for whom annual parental net income exceeds our threshold of £30,000. Reduced fee scholars typically pay between 20% and 25% of full fees. The placement fee, paid by schools in respect of each reduced fee scholar, has remained the same as last year at £1,250 and this is an essential component of the income of the charity.

With the discontinuation of the Orientation course in Cambridge in 2019 and then the decision that to limit risk the supervised half-term breaks were not reinstated post-COVID, the trustees have been looking for some form of occasion which would enable scholars attending different schools to meet up physically and have the opportunity to network. This has been achieved through the establishment of annual Scholars' Days: one in the North and one in the South. These have proved to be very popular and successful and are generously hosted by two schools, normally taking scholars. The first of these was run in 2022/23 at Barnard Castle School (Barnard Castle) and St Swithun's School (Winchester). In 2023/24 the two scholars' days were kindly hosted by Harrogate Ladies' College (Harrogate) and St George's College (Weybridge). These are relatively low risk events.

In Bulgaria, the Czech Republic, Moldova, Slovakia, Serbia and Georgia we continue to operate alongside the US scholarship organisation ASSIST for the purposes of interviewing. The scholarship experience offered by ASSIST is distinctly different from that of HMC Projects, not least because with ASSIST scholars study in the US for just one year and then must return home to complete their education to matriculate. There are advantages in this collaboration which has been in place for many years.

With the generous and experienced services of David Hawkins (The University Guys) and his team of mentors, offered pro bono, scholars continue to benefit from supplementary advice on university choices; for these the UK is simply not an option, purely for reasons of cost and the paucity of, and competition for, scholarships or bursaries. Schools are experts in providing advice on UK universities and many can provide some guidance on US universities, however the reality is that most of our scholars will go on to study in European universities, many on courses delivered in English. For most, returning to their home country to study at university is neither a simple nor a popular route into higher education. The only exception to this is the generous provision for Ukrainian students who, under the UK government arrangement, are currently entitled to home fee status and access to student finance; this is linked to the Homes for Ukraine programme. In March, a webinar is run jointly by the Director of HMC Projects and David Hawkins, principally for the benefit of those in Yr 12, to explain the challenges of and opportunities for scholars searching for suitable universities.

Financial developments

The administration fee charged to scholars who took up their scholarship at their UK school in September 2023 was published at £1,250 for all full scholars. However, this fee was reduced to £1,000 and waived entirely for scholars from Ukraine. For scholars placed in 2024 the fee was published at £1,000 in our publicity and information documents, however this was reduced to £750 for all full scholars. For those applying for scholarships to start in 2025, the fee will be published at £750 to try and offset part of the increase in the Child Student visa fee and immigration health surcharge imposed by the Home Office. To fund this reduction, both this year and next, HMC Projects will draw down on its reserves. Such a drawdown is possible for a number of years but the trustees are aware that it is important to establish a longer term, sustainable level of fees to enable the organisation to break even in the future.

The continued generosity of a small number of alumni has resulted in the receipt of further donations, usually on a monthly basis through our PayPal account, and HMC Projects is very grateful for these. The total received into the PayPal account from alumni during 2023-24 was £1,486 from which £45 was deducted in PayPal fees. Very few of these donations attract Gift Aid as the donors work outside the UK and are not UK taxpayers. All donations are used to provide additional support for our scholars on a discretionary basis to allow them to benefit from opportunities at their schools where family financial constraints may not allow this. In this way donated funds will ensure that all our scholars can maximise their opportunities. Some schools generously absorb additional costs incurred by scholars, not explicitly included in the scholarship arrangement, but others are unable to do so and therefore this additional financial support through the alumni fund can help to level up.

In addition to the gifts from alumni, a generous donation of £2,500 was received from M Clarkson Webb in October 2023 to support the Ukrainian scholars and to help offset the shortfall in income as a result of waiving the administration fee in their case. This sum also qualifies for tax relief through Gift Aid.

The total cost of insurance for public and professional liability rose by around 7% from the previous year and the fee paid in 2023-24 was £1,521: an increase of £101 over that paid in 2022-23. The cover has remained the same as have the declared risks.

FINANCIAL REVIEW

Financial position

The reserves of the Trust have increased and at the close of this financial year (2023-24) the reserves amounted to £280,916 compared to £271,340 at the end of the previous financial year.

Incoming resources were £80,664 (2023 - £94,821). Prepaid fees and other prepaid income amounted to £23,257 (2023 - £46,505). Resources expended were £71,088 (2023 - £70,620). Net surplus for the year was £9,576 (2023 - £24,201).

FINANCIAL REVIEW

Reserves policy

At the year end the charity holds £280,916 (2023 - £271,340) in reserves as unrestricted, and of this free reserves not invested in fixed assets amount to £280,916 (2023 - £271,074).

The policy of holding a sum of at least 50% of the annual turnover in reserve has been maintained, indeed exceeded. This contingency sum does not include the funds received as donations. The distribution of all reserves across accounts with four different banks has generally ensured that deposits should not exceed the sum guaranteed under the terms of the FSA to which all these banks are bound. This distribution of reserves in various savings accounts and bonds has provided a better return in bank interest than in recent years with the recent rises in interest rates post-pandemic. The current surplus not only enables HMC Projects to absorb any relatively minor operational deficit arising from the effects of inflation but also to reduce the administration fee for full scholars to offset, to some degree, the rise in the cost of visas. With such economic uncertainty and a new government, apparently less sympathetic to independent education, it is only prudent to maintain an adequate surplus in the event of a significant reduction in the number of places offered by schools and the subsequent overall deficit which HMC Projects would incur.

FUTURE PLANS

The HMC Projects administration fee for all new full scholars will be set at £750 for 2025-26 and has been published at as such in our promotional and guidance documents.

Our operation in Croatia will cease for 2025 with the very low numbers of applicants in this country. In addition, our coordinator in Romania has withdrawn the services of his company Tine de Noi. In the absence of any suggestion of a future coordinator in this country, HMC Projects is currently looking for a replacement individual or organisation. With the discontinuation of a presence in the two Baltic countries, Estonia and Latvia, this reduces the number of countries where we are active to 11. The search for a suitable coordinator in Albania remains ongoing. The new online application system does however mean that we can accept applications from applicants in appropriate countries where we do not currently have a coordinator.

The online application software has been a success both with coordinators and interviewers. Feedback from both groups has suggested refinements to be made. The system not only facilitates gathering associated documents but also enables personalised communications with applicants. This commercial software package has an annually recurring cost.

The recent changes in personnel on the Executive and the premature resignation of the new Deputy Director have left HMC Projects with the prospect of recruiting not only a new Deputy Director but, with the current Director having expressed his intention to step down in July 2025, the search is on for a new Director as well. Work is ongoing to draw up appropriately binding contracts, treating all members of the Executive as employees of HMC Projects, and to ensure that all appropriate policies and terms and conditions of employment are in place. This process has necessitated professional support and advice which has incurred a cost.

Finally, after discussion with the trustees, it has been agreed that the upper limit on annual net family income above which a student is ineligible to apply even for a reduced fee scholarship has been reduced from £80,000 to £50,000 in order to ensure that only families on modest to middle incomes are eligible to apply for a scholarship. This is most likely to impact on families from those countries with higher levels of GDP per capita.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity was established to take over the activities of the HMC Foreign Students Fund, a charitable trust, and the assets and liabilities of that trust were transferred to the charity on 30 April 1999 by way of a donation.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The charity reimbursed expenses totalling £6,067 (2023 - £3,988) in respect of grants and awards, orientation expenses, executive expenses, interviewing expenses, insurance, publicity and software to 4 (2023 - 4) key management personnel.

In addition, consultancy fees were paid to key management personnel during the year, as follows:

Dr E J Wolstenholme £15,000 (2023 - £15,000)

S Leyshon £3,000 (2023 - £3,000)

G Currie £3,000 (2023 - £nil)

C Burrows £8,000 (2023 - £8,000)

Approved by order of the board of trustees on and signed on its behalf by:

.....
Mrs R C F Owens - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Independent examiner's report to the trustees of HMC Projects in Central and Eastern Europe ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 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 Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

G Kelly

Bright Brown Limited
Chartered Accountants
Isle of Wight

Date:

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 Unrestricted fund £	2023 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		3,987	1,524
Charitable activities			
Scholar selection and placement		70,255	91,756
Investment income	2	6,422	1,541
Total		<u>80,664</u>	<u>94,821</u>
EXPENDITURE ON			
Charitable activities			
Scholar selection and placement		<u>71,088</u>	<u>70,620</u>
NET INCOME		9,576	24,201
RECONCILIATION OF FUNDS			
Total funds brought forward		271,340	247,139
TOTAL FUNDS CARRIED FORWARD		<u><u>280,916</u></u>	<u><u>271,340</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2024

	Notes	2024 Unrestricted fund £	2023 Total funds £
FIXED ASSETS			
Tangible assets	7	-	266
CURRENT ASSETS			
Debtors	8	5,441	5,452
Cash at bank		300,910	314,047
		<u>306,351</u>	<u>319,499</u>
CREDITORS			
Amounts falling due within one year	9	(25,435)	(48,425)
		<u>280,916</u>	<u>271,074</u>
NET CURRENT ASSETS			
		<u>280,916</u>	<u>271,074</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>280,916</u>	<u>271,340</u>
NET ASSETS		<u>280,916</u>	<u>271,340</u>
FUNDS	10		
Unrestricted funds		<u>280,916</u>	<u>271,340</u>
TOTAL FUNDS		<u>280,916</u>	<u>271,340</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

BALANCE SHEET - continued
31 AUGUST 2024

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
R C F Owens - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income received in relation to student placements is deferred where it relates to a term or period taking place after the year end.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024

2. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	6,422	1,541
	<u> </u>	<u> </u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Independent examiners' fee	1,860	1,770
Depreciation - owned assets	266	533
	<u> </u>	<u> </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Trustees' expenses

The charity incurred expenses of £428 (2023 - £387) in respect of trustees' liability insurance.

In addition, the charity reimbursed expenses totalling £4,081 in respect of orientation expenses and interviewing expenses (2023 - £6,861 in respect of interview costs) to 6 (2023 - 5) trustees.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2022	2021
	-	-
	<u> </u>	<u> </u>

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	1,524
Charitable activities	
Scholar selection and placement	91,756
Investment income	1,541
Total	<u>94,821</u>
EXPENDITURE ON	

6.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued		Unrestricted fund £
	Charitable activities		
	Scholar selection and placement		70,620
			<hr/>
	NET INCOME		24,201
	RECONCILIATION OF FUNDS		
	Total funds brought forward		247,139
			<hr/>
	TOTAL FUNDS CARRIED FORWARD		<u>271,340</u>
			<hr/> <hr/>
7.	TANGIBLE FIXED ASSETS		
		Fixtures and fittings £	Computer equipment £
			Totals £
	COST		
	At 1 September 2023 and 31 August 2024	1,728	1,856
		<hr/>	<hr/>
	DEPRECIATION		
	At 1 September 2023	1,728	1,590
	Charge for year	-	266
		<hr/>	<hr/>
	At 31 August 2024	1,728	1,856
		<hr/>	<hr/>
	NET BOOK VALUE		
	At 31 August 2024	-	-
		<hr/> <hr/>	<hr/> <hr/>
	At 31 August 2023	-	266
		<hr/> <hr/>	<hr/> <hr/>

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Prepayments	5,441	5,452

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other creditors	318	-
Accrued income	23,257	46,505
Accrued expenses	1,860	1,920
	<u>25,435</u>	<u>48,425</u>

10. MOVEMENT IN FUNDS

	At 1.9.23	Net movement in funds	At 31.8.24
	£	£	£
Unrestricted funds			
General fund	271,340	9,576	280,916
	<u>271,340</u>	<u>9,576</u>	<u>280,916</u>
TOTAL FUNDS	<u>271,340</u>	<u>9,576</u>	<u>280,916</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	80,664	(71,088)	9,576
	<u>80,664</u>	<u>(71,088)</u>	<u>9,576</u>
TOTAL FUNDS	<u>80,664</u>	<u>(71,088)</u>	<u>9,576</u>

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	247,139	24,201	271,340
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>247,139</u>	<u>24,201</u>	<u>271,340</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	94,821	(70,620)	24,201
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>94,821</u>	<u>(70,620)</u>	<u>24,201</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2024.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	3,987	1,524
Investment income		
Deposit account interest	6,422	1,541
Charitable activities		
Students (Bosnia)	3,000	5,000
Students (Bulgaria)	2,000	3,000
Students (Croatia)	1,000	1,000
Students (Czech Republic)	2,000	3,000
Students (Georgia)	5,000	5,006
Students (Moldova)	4,005	4,000
Students (Montenegro)	5,000	4,000
Students (Romania)	3,000	4,000
Students (Serbia)	5,000	5,000
Students (Slovakia)	4,000	5,000
Students (Armenia)	3,000	2,000
Students (North Macedonia)	2,000	6,000
Students (Latvia)	-	1,000
Schools (students)	31,250	43,750
	<u>70,255</u>	<u>91,756</u>
Total incoming resources	80,664	94,821
EXPENDITURE		
Charitable activities		
Insurance	1,506	1,400
Executive expenses	1,056	1,533
Grants and awards	1,378	1,075
Orientation expenses	745	1,502
Interviewing expenses	10,390	10,030
Working Group expenses	-	10
Agents fees	16,500	18,750
Administration fees	29,000	30,000
Bank charges	258	337
Publicity	607	-
Software	6,202	3,681
Carried forward	67,642	68,318

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	2024	2023
	£	£
Charitable activities		
Brought forward	67,642	68,318
Computer equipment	266	532
	<u>67,908</u>	<u>68,850</u>
Support costs		
Governance costs		
Independent examiners' remuneration	1,860	1,770
Legal fees	1,320	-
	<u>3,180</u>	<u>1,770</u>
Total resources expended	<u>71,088</u>	<u>70,620</u>
Net income	<u>9,576</u>	<u>24,201</u>

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN EUROPE

England & Wales - Charity number 1074491

Accounts

REGISTERED COMPANY NUMBER: 03636789 (England and Wales)
REGISTERED CHARITY NUMBER: 1074491

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023
FOR
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 14
Detailed Statement of Financial Activities	15 to 16

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

TRUSTEES	Mrs R C F Owens (chairperson) D J Knapman D N Morrison P M de Voil A W McPhail Mrs J Hopkinson W M Phelan Ms J S Gandee J F Vick A C Jackson C J Townsend (resigned 11.11.22)
COMPANY SECRETARY AND ADMINISTRATOR	Dr E J Wolstenholme
EXECUTIVE	Dr E J Wolstenholme (operational director) Miss J Hodgetts (deputy director) (appointed 1.9.22) (resigned 10.11.22) Rev S Leyshon (deputy director and student co-ordinator) (appointed 19.5.23) C Burrows (administrator) (appointed 1.9.22) Mrs J Grigg (student coordinator) (retired 30.9.23)
REGISTERED OFFICE	12 The Point Rockingham Road Market Harborough Leicestershire LE16 7QU
REGISTERED COMPANY NUMBER	03636789 (England and Wales)
REGISTERED CHARITY NUMBER	1074491
INDEPENDENT EXAMINER	Bright Brown Limited Chartered Accountants Exchange House St Cross Lane Newport Isle of Wight PO30 5BZ
BANKERS	National Westminster Bank plc, Cambridge Santander plc Nationwide plc Cambridge & Counties Bank PayPal

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective is to advance the education of foreign students in the United Kingdom, especially but not necessarily exclusively, students from Eastern Europe attending member schools of the Heads' Conference (HMC), the Girls' Schools Association (GSA) and the Boarding Schools' Association (BSA).

Public benefit

The trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Interest in the scholarship programme remains popular both on the part of the schools generously offering places and also the applicants competing for them. For the scholarship year 2022 to 2023 a total of 41 schools offered scholarship places through our main programme.

Interviewing in January and February of 2022 was conducted remotely, as was the case in 2021, as a result of the impact of the pandemic and travel restrictions in place. A total of 90 scholarships were awarded of which 53 were full scholarships and 37 were reduced fee (partial) scholarships. The table below gives the comparative number of scholarships awarded in 2021, 2022 by country and also includes those for 2023.

	2021-22		2022-23		2023-24	
	FS	RF	FS	RF	FS	RF
Armenia	3	2	2	5	3	4
Bosnia Herzegovina	3	-	5	1	3	2
Bulgaria	1	-	3	3	2	4
Czech Republic	3	1	3	4	2	2
Estonia	1	-	-	-	-	-
Georgia	6	4	5	6	5	6
Croatia	6	-	1	-	1	-
Latvia	-	-	1	-	-	-
Moldova	5	4	4	5	4	1
Montenegro	4	4	4	1	5	1
North Macedonia	3	1	6	2	2	1
Romania	6	2	4	2	3	1
Serbia	4	2	5	2	5	1
Slovakia	5	4	5	3	4	3
Ukraine	3	4	5	3	7	2
Total	53	28	53	37	46	28

The number of applicants in almost all the countries shows that interest in the scholarship programme remains high with the exception of the Baltic countries where numbers are low continuing a trend there in recent years. In such cases the trustees are considering whether it is still worthwhile including these countries in the scholarship programme.

In addition to the scholarships awarded above, as a result of the invasion of Ukraine by the Russian army, an appeal went out to all HMC schools for offers of places for all our Ukrainian interviewees who had performed satisfactorily and also some additional scholars through the scholarship organisation Ukraine Global Scholars (UGS) which places Ukrainian scholars primarily in schools in the US. In total, 35 additional students were placed in a total of 33 schools of which 10 were already participants in our scholarship programme for 2022-23. The appeal was such a success that HMC Projects had insufficient Ukrainian students to place in all the places offered through this appeal. This initiative was carried out entirely pro bono and there was no financial benefit to HMC Projects.

The total number of schools offering scholarships through our main programme, either full or reduced fee or both, for the academic year 2022-23 stood at 41 and that for entry in 2023 stands at 47. This increase in the number of participating schools is encouraging. However, the trend is for fewer schools to offer multiple places with the result that there are fewer places on offer in 2023 compared to those in 2022. However, as stated above, a further 33 schools offered places through our Ukraine appeal, 10 of which took scholars through our main programme as well.

	FS	RF	
2021-22	38	15	
2022-23	38	18	Main programme Ukrainian
2022-23	33	n/a	appeal
2023-24	40	16	

where FS and RF stand for full and reduced fee scholarships respectively.

Reduced fee scholarships are awarded to those very able applicants, who could not be awarded a full scholarship simply due to lack of availability of places and also those for whom annual parental net income exceeds our threshold of £30,000. Reduced fee scholars typically pay between 20% and 25% of full fees. The placement fee, paid by schools in respect of each reduced fee scholar, has remained the same as last year at £1,250 and this is an essential component of the income of the charity. There were slightly more reduced fee places offered than there were scholars to take them up. For many, the financial burden of even these generously reduced fees is too great.

The 3 reduced fee scholars from Ukraine placed through our main programme had their scholarships effectively converted to full scholarships in that the reduced fees were generously waived by their UK schools as a result of their families' changed financial circumstances following the outbreak of the war. This had financial implications for HMC Projects as the placement fee charged to schools was waived in the case of these three Ukrainian reduced fee scholars. In addition, no administrative fee was levied in the case of the 5 Ukrainian full scholars and, clearly, no fee was payable from any of the additional 35 Ukrainian students placed.

Despite a previously stated intention to reinstate the supervised half-term breaks, the trustees reconsidered the risks, not least in terms of safeguarding and the detailed requirements of our insurers to provide any cover, and made the decision not to revive these.

Financial developments

The administration fee charged to scholars who took up their scholarship at their UK school in September 2022 was published at £1,250 for all full scholars. However, this fee was reduced to £1,000 and waived entirely for scholars from Ukraine. As stated above, no fee was levied for the Ukrainians who were placed through our special appeal. For scholars placed in 2024 the fee will remain at £1,000 and will be published as such in our publicity and information documents. This will cause HMC Projects to run at a slight loss which will be absorbed by drawing down on our surplus. Such a drawdown is possible for a number of years but the trustees are aware that it is important to establish a longer term, sustainable level of fees to enable the organisation to break even in the future.

ACHIEVEMENT AND PERFORMANCE

The continued generosity of a small number of alumni has resulted in the receipt of further donations, usually on a monthly basis through our PayPal account, and HMC Projects is very grateful for these. The total received into the PayPal account from alumni during 2022-23 was £1,525 from which £47 was deducted in PayPal fees. Very few of these donations attract Gift Aid as the donors work outside the UK and are not UK taxpayers. All donations are used to provide additional support for our scholars on a discretionary basis to allow them to benefit from opportunities at their schools where family financial constraints may not allow this. In this way donated funds will ensure that all our scholars can maximise their opportunities. Some schools generously absorb additional costs incurred by scholars, not explicitly included in the scholarship arrangement, but others are not able to do so and therefore this additional financial support through the alumni fund can help to level up.

In addition to the gifts from alumni, a generous donation of £2,500 was received from M Clarkson Webb in October 2023 to support the Ukrainian scholars and to help offset the shortfall in income as a result of waiving the administration fee in their case. This sum also qualifies for tax relief through Gift Aid.

The total cost of insurance for public and professional liability rose by around 11% from the previous year and the fee paid in 2022-23 was £1,420: an increase of £140 over that paid in 2021-22. The cover has remained the same as have the declared risks.

FINANCIAL REVIEW

Financial position

The reserves of the Trust have increased and at the close of this financial year (2022-23) the reserves amounted to £271,340 compared to £247,139 at the end of the previous financial year.

Incoming resources were £94,821 (2022 - £95,548). Prepaid fees and other prepaid income amounted to £46,505 (2022 - £58,263). Resources expended were £70,620 (2022 - £46,143). Net surplus for the year was £24,201 (2022 - £49,405).

Reserves policy

At the year end the charity holds £271,340 (2022 - £247,139) in reserves as unrestricted, and of this free reserves not invested in fixed assets amount to £271,074 (2022 - £246,340).

The policy of holding a sum of at least 50% of the annual turnover in reserve has been maintained, indeed exceeded. This contingency sum does not include the funds received as donations. The distribution of all reserves across accounts with four different banks has generally ensured that deposits should not exceed the sum guaranteed under the terms of the FSA to which all these banks are bound. This distribution of reserves in various savings accounts and bonds has provided a better return in bank interest than in recent years with the recent rises in interest rates post-pandemic. The current surplus enables HMC Projects to absorb any relatively minor operational deficit arising from the effects of inflation currently running at around 6.5% but which had previously peaked at around 11%. With such economic uncertainty it is only prudent to maintain an adequate surplus. The reserves policy is currently under review.

FUTURE PLANS

The HMC Projects administration fee for all new full scholars will set at £1,000 for 2023-24 and will be published at as such in our promotional and guidance documents.

Based on the number of applicants from each of the 15 countries in 2022/23, critical consideration is being given as to whether our operation is viable in all of the countries where HMC Projects operates. It is clear now that numbers in the two Baltic countries where HMC Projects operates are too low for our operation to continue there. The trustees have agreed that our operation should cease in these two countries. The Director is currently investigating to possibility of including Albania as a new country in which we might operate.

A new secure online application system for scholarship applications will be in place for 2023/4 to relieve our national coordinators of some of the administrative work in processing applications and gathering in associated documents e.g. recommendations from teachers, health and financial information. This commercial software package will have an annually recurring cost but it is well supported and offers HMC Projects various advantages in streamlining its operation.

All our scholars now have to pay international student fees if studying at a UK university. Schools vary on the effective advice they can provide on higher education opportunities outside the UK and HMC Projects in collaboration with higher education consultant David Hawkins, continues to run a webinar for all scholars in Year 12 in March to raise awareness of opportunities outside the UK. Scholars are actively discouraged from relying entirely on their UCAS application. In recent years there has been greater interest in applications to universities in the USA. David Hawkins and his team of mentors continue to give expert advice and guidance to many of our scholars pro bono.

The success and popularity of our one-day regional scholars' events, one in the North and one in the South, means that this will be continued into 2023-24, generously hosted in each case by one of our schools taking scholars. These are relatively low-risk events.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity was established to take over the activities of the HMC Foreign Students Fund, a charitable trust, and the assets and liabilities of that trust were transferred to the charity on 30 April 1999 by way of a donation.

Key management remuneration

The charity reimbursed expenses totalling £3,988 (2022 - £2,557) in respect of orientation expenses, admin expenses and interview costs to 4 (2021 - 3) key management personnel.

In addition, consultancy fees were paid to key management personnel during the year, as follows:

Dr E J Wolstenholme £15,000 (2022 - £15,000)

J Grigg £4,000 (2022 - £4,000)

C Burrows £8,000 (2022 - £nil)

S Leyshon £3,000 (2022 - £nil)

Approved by order of the board of trustees on 9 November 2023 and signed on its behalf by:

Mrs R C F Owens - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Independent examiner's report to the trustees of HMC Projects in Central and Eastern Europe ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 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 Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

G Kelly

Bright Brown Limited
Chartered Accountants
Isle of Wight

Date:

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

		2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		1,524	6,615
Charitable activities			
Scholar selection and placement		91,756	88,629
Investment income	2	1,541	304
Total		<u>94,821</u>	<u>95,548</u>
EXPENDITURE ON			
Charitable activities			
Scholar selection and placement		<u>70,620</u>	<u>46,143</u>
NET INCOME		24,201	49,405
RECONCILIATION OF FUNDS			
Total funds brought forward		247,139	197,734
TOTAL FUNDS CARRIED FORWARD		<u><u>271,340</u></u>	<u><u>247,139</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2023

	Notes	2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS			
Tangible assets	7	266	799
CURRENT ASSETS			
Debtors	8	5,452	259
Cash at bank		314,047	307,494
		<u>319,499</u>	<u>307,753</u>
CREDITORS			
Amounts falling due within one year	9	(48,425)	(61,413)
		<u>271,074</u>	<u>246,340</u>
NET CURRENT ASSETS			
		<u>271,074</u>	<u>246,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		271,340	247,139
		<u>271,340</u>	<u>247,139</u>
NET ASSETS		271,340	247,139
		<u>271,340</u>	<u>247,139</u>
FUNDS	10		
Unrestricted funds		271,340	247,139
		<u>271,340</u>	<u>247,139</u>
TOTAL FUNDS		271,340	247,139
		<u>271,340</u>	<u>247,139</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

BALANCE SHEET - continued
31 AUGUST 2023

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 9 November 2023 and were signed on its behalf by:

R C F Owens - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income received in relation to student placements is deferred where it relates to a term or period taking place after the year end.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

2. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	1,541	304
	<u> </u>	<u> </u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Independent examiners' fee	1,770	1,650
Depreciation - owned assets	533	532
	<u> </u>	<u> </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Trustees' expenses

The charity incurred expenses of £387 (2022 - £341) in respect of trustees' liability insurance.

In addition, the charity reimbursed expenses totalling £6,861 in respect of interview costs (2022 - £290 in respect of Working Group expenses) to 5 (2022 - 3) trustees.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

2022	2021
-	-
<u> </u>	<u> </u>

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	6,615
Charitable activities	
Scholar selection and placement	88,629
Investment income	304
Total	<u>95,548</u>
EXPENDITURE ON	

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
Charitable activities	
Scholar selection and placement	46,143
	<u> </u>
NET INCOME	49,405
RECONCILIATION OF FUNDS	
Total funds brought forward	197,734
	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>247,139</u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2022 and 31 August 2023	1,728	1,856	3,584
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1 September 2022	1,728	1,057	2,785
Charge for year	-	533	533
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	1,728	1,590	3,318
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
At 31 August 2023	-	266	266
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	-	799	799
	<u> </u>	<u> </u>	<u> </u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Prepayments	5,452	259
	<u>5,452</u>	<u>259</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accrued income	46,505	58,263
Accrued expenses	1,920	3,150
	<u>48,425</u>	<u>61,413</u>

10. MOVEMENT IN FUNDS

	At 1.9.22	Net movement in funds	At 31.8.23
	£	£	£
Unrestricted funds			
General fund	247,139	24,201	271,340
	<u>247,139</u>	<u>24,201</u>	<u>271,340</u>
TOTAL FUNDS	<u>247,139</u>	<u>24,201</u>	<u>271,340</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	94,821	(70,620)	24,201
	<u>94,821</u>	<u>(70,620)</u>	<u>24,201</u>
TOTAL FUNDS	<u>94,821</u>	<u>(70,620)</u>	<u>24,201</u>

Comparatives for movement in funds

	At 1.9.21	Net movement in funds	At 31.8.22
	£	£	£
Unrestricted funds			
General fund	197,734	49,405	247,139
	<u>197,734</u>	<u>49,405</u>	<u>247,139</u>
TOTAL FUNDS	<u>197,734</u>	<u>49,405</u>	<u>247,139</u>

10. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	95,548	(46,143)	49,405
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>95,548</u>	<u>(46,143)</u>	<u>49,405</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2023.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	1,524	5,490
Gift aid tax	-	1,125
	<u>1,524</u>	<u>6,615</u>
Investment income		
Deposit account interest	1,541	304
Charitable activities		
Students (Bosnia)	5,000	3,000
Students (Bulgaria)	3,000	1,000
Students (Croatia)	1,000	6,000
Students (Czech Republic)	3,000	3,000
Students (Estonia)	-	1,000
Students (Georgia)	5,006	6,000
Students (Moldova)	4,000	5,000
Students (Montenegro)	4,000	4,000
Students (Romania)	4,000	7,000
Students (Serbia)	5,000	3,000
Students (Slovakia)	5,000	5,000
Students (Ukraine)	-	3,000
Students (Armenia)	2,000	3,000
Students (North Macedonia)	6,000	3,000
Students (Latvia)	1,000	-
Schools (students)	43,750	35,000
Working Group expenses reimbursed	-	629
	<u>91,756</u>	<u>88,629</u>
Total incoming resources	94,821	95,548
EXPENDITURE		
Charitable activities		
Insurance	1,400	1,264
Executive expenses	1,533	1,232
Grants and awards	1,075	1,782
Orientation expenses	1,502	-
Interviewing expenses	10,030	390
Carried forward	15,540	4,668

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Charitable activities		
Brought forward	15,540	4,668
Working Group expenses	10	629
Agents fees	18,750	17,750
Mid-term holiday costs	-	1,579
Administration fees	30,000	19,000
Bank charges	337	335
Software	3,681	-
Computer equipment	532	532
	<hr/>	<hr/>
	68,850	44,493
 Support costs		
 Governance costs		
Independent examiners' remuneration	1,770	1,650
	<hr/>	<hr/>
Total resources expended	70,620	46,143
	<hr/>	<hr/>
Net income	24,201	49,405
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN EUROPE

England & Wales - Charity number 1074491

Accounts

REGISTERED COMPANY NUMBER: 03636789 (England and Wales)
REGISTERED CHARITY NUMBER: 1074491

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 14
Detailed Statement of Financial Activities	15 to 16

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEES	Mrs R C F Owens (chairperson) D J Knapman D N Morrison P M de Voil A W McPhail Mrs J Hopkinson W M Phelan Ms J S Gandee J F Vick A C Jackson C J Townsend
COMPANY SECRETARY AND ADMINISTRATOR	Dr E J Wolstenholme
EXECUTIVE	Dr E J Wolstenholme (operational director) Miss J Hodgetts (deputy director) (appointed 1.10.22) C Burrows (administrator) (appointed 1.10.22) Mrs W McLachlan (student coordinator) (resigned 30.9.21) Mrs J Grigg (student coordinator) (appointed 1.10.21)
REGISTERED OFFICE	12 The Point Rockingham Road Market Harborough Leicestershire LE16 7QU
REGISTERED COMPANY NUMBER	03636789 (England and Wales)
REGISTERED CHARITY NUMBER	1074491
INDEPENDENT EXAMINER	Bright Brown Limited Chartered Accountants Exchange House St Cross Lane Newport Isle of Wight PO30 5BZ
BANKERS	National Westminster Bank plc, Cambridge Santander plc Nationwide plc Cambridge & Counties Bank PayPal

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective is to advance the education of foreign students in the United Kingdom, especially but not necessarily exclusively, students from Central and Eastern Europe attending member schools of the Headmasters' and Headmistresses' Conference, the Girls' Schools Association and the Boarding Schools' Association.

Public benefit

The trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Interest in the scholarship programme remains popular both on the part of the schools generously offering places and also the applicants competing for them. For the scholarship year 2021 to 2022 a total of 46 schools offered scholarship places.

Due to the pandemic, the interviews took place remotely from the UK in 15 countries in January and early February of 2021, and a total of 81 scholarships were awarded of which 53 were full scholarships and 28 were reduced fee (partial) scholarships. The table below gives the comparative number of scholarships awarded in 2020, 2021 by country and also includes those for 2022.

	2020-21		2021-22		2022-23	
	FS	RF	FS	RF	FS	RF
Armenia	4	4	3	2	2	5
Bosnia Herzegovina	4	-	3	-	5	1
Bulgaria	4	1	1	-	3	3
Czech Republic	1	4	3	1	3	4
Estonia	1	-	1	-	-	-
Georgia	4	6	6	4	5	6
Croatia	2	-	6	-	1	-
Latvia	-	1	-	-	1	-
Moldova	5	1	5	4	4	5
Montenegro	5	2	4	4	4	1
North Macedonia	4	1	3	1	6	2
Romania	4	1	6	2	4	2
Serbia	3	3	4	2	5	2
Slovakia	2	3	5	4	5	3
Ukraine	6	2	3	4	5	3
Total	49	29	53	28	53	37

Publicity initiatives in the 15 countries have been a challenge with the impact of the pandemic and our coordinators have been heavily reliant on online initiatives to deliver these relying increasingly on social media to inform potential applicants of the scholarship opportunities through HMC Projects. The number of applicants in almost all the countries shows that interest in the scholarship programme remains high with the exception of the Baltic countries where numbers are low confirming a trend there in recent years.

The total number of schools offering scholarships, either full or reduced fee or both, for the academic year 2021-22 stood at 43 and that for entry in 2022 stands at 41, the latter being quite remarkable given the continued impact of the pandemic and the effect that this and other financial pressures will have had on schools.

	FS	RF
2020-21	36	18
2021-22	38	15
2022-23	38	18

where FS and RF stand for full and reduced fee scholarships respectively.

Reduced fee scholarships are awarded to those very able applicants, both who could not be awarded a full scholarship simply due to lack of availability of places and those for whom annual parental net income exceeds our threshold of £30,000. Reduced fee scholars typically pay between 20% and 25% of full fees. The placement fee, paid by schools in respect of each reduced fee scholar, has remained the same as last year at £1,250 and this is an essential component of the income of the charity. There were slightly more reduced fee places offered than there were scholars to take them up. For many, the financial burden of even these generously reduced fees is too great.

Financial developments

The administration fee charged to scholars who took up their scholarship at their UK school in September 2021 was set at £1,250 to all full scholars since the benefits of being an EU passport holder no longer applied following the UK's withdrawal from the EU. In fact, as a result of savings made by interviewing remotely rather than travelling out to countries to interview, the administration fee was reduced to £1,000 for all full scholars. Furthermore, the practice of awarding a bursary of £300 to all full scholars was discontinued to enable HMC Projects to target those full scholars facing particular financial hardship.

In addition to reducing the administration fee to £1000 for full scholars, the fee was waived entirely for the Ukrainian scholars in response to the dramatically changed circumstances the families experienced due to the war inflicted on their country by Russia; many families have had to relocate as a result for their own safety. Indeed, HMC Projects ran a separate national appeal through HMC to find member schools willing to take a Ukrainian student sourced from our list of strong but unsuccessful interviewees and also through Ukrainian Global Scholars (UGS), an organisation based in the US which places exceptional Ukrainian students in American schools. The appeal was very successful and a further 33 Ukrainians were placed in UK schools as a result. This initiative was carried out entirely pro bono and there has been no financial benefit to HMC Projects.

The continued generosity of a small number of alumni has resulted in the receipt of further donations, usually on a monthly basis through our PayPal account, and HMC Projects is very grateful for these. The total received into the PayPal account from alumni during 2021-22 was £1,365 from which £40 was deducted in PayPal fees. Very few of these donations attract Gift Aid as the donors work outside the UK and are not UK taxpayers. All donations are used to provide additional support for our scholars on a discretionary basis to allow them to benefit from opportunities at their schools where family financial constraints may not allow this. In this way donated funds will ensure that all our scholars can maximise their opportunities. Some schools generously absorb additional costs incurred by scholars, not explicitly included in the scholarship arrangement, but others are not able to do so and therefore this additional financial support through the alumni fund can help to level up.

ACHIEVEMENT AND PERFORMANCE

In addition to the gifts from alumni, a very generous donation of £4,000 was received from M Clarkson Webb to support the Ukrainian scholars and to help offset the shortfall in income as a result of waiving the administration fee in their case. This sum also qualified for tax relief through Gift Aid.

The total cost of insurance for public and professional liability rose by around 10% from the previous year and the fee paid in 2021-22 was £1,280: an increase of £110 over that paid in 2019-20. The cover has remained the same and so have the declared risks.

FINANCIAL REVIEW

Financial position

The reserves of the Trust have increased and at the close of this financial year (2021-22) the reserves amounted to £247,139 compared to £197,734 at the end of the previous financial year.

Incoming resources were £95,548 (2021 - £90,599). Prepaid fees and other prepaid income amounted to £58,262 (2021 - £70,284). Resources expended were £46,143 (2021 - £61,2183) of which bursaries and grants to students amounted to £nil (2021 - £14,700). Prepaid expenditure on student half terms amounted to £nil (2021 - £1,579). Net surplus for the year was £49,405 (2021 - £29,381).

Reserves policy

At the year end the charity holds £247,139 (2021 - £197,734) in reserves as unrestricted, and of this free reserves not invested in fixed assets amount to £246,340 (2021 - £197,201).

The policy of holding a sum of at least 50% of the annual turnover in reserve has been maintained, indeed exceeded. This contingency sum does not include the funds received as donations. The distribution of these reserves across accounts with four different banks has generally ensured that reserves should not exceed the sum guaranteed under the terms of the FSA to which all these banks are bound. This distribution of reserves in various savings accounts and bonds has provided a very modest return in bank interest: interest rates having been at a record low for a number of years. With the current increase in the rate of inflation and the likely response from the Bank of England in increasing the base rate, the return on assets held in interest yielding accounts is expected to increase significantly in the course of 2022-23. The excess in the reserves reflects the need for considerable caution over the impact of the current economic turbulence on inflationary costs with the resumption of interviewing and the subsidised half-term supervised break in February.

FUTURE PLANS

The HMC Projects administration fee for all new full scholars will remain at £1,250 for 2022-23.

The Ukraine initiative has had the benefit of raising the profile of HMC Projects with HMC schools and it is hoped that some may be willing to become more involved in the scholarship programme and to consider offering places for September 2023. With hostilities in Ukraine persisting it may be possible to make an approach to all schools who expressed an interest in providing one or more places for Ukrainian students with a view to them considering taking one or more new Ukrainian scholars for September 2023.

Based on the number of applicants from each of the 15 countries in 2021/22, critical consideration is being given as to whether our operation is viable in all of the countries where HMC Projects operates. It is felt that the impact of the pandemic may have skewed numbers and no conclusion should be drawn until after the interviews held at the start of 2023.

The cost of higher education continues to present a challenge for school leavers and those who left in 2022 were the last cohort who will have benefited from pre-settled status if they hold an EU passport. This status entitles them, in most cases, to home fees and access to student finance. All our scholars will now have to pay international student fees if studying at a UK university. Schools vary on the effective advice they can provide on higher education opportunities outside the UK and HMC Projects in collaboration with higher education consultant David Hawkins, continues to run a webinar for all scholars in Year 12 in March to raise awareness of opportunities outside the UK. Scholars are actively discouraged from relying entirely on their UCAS application. In recent years there has been greater interest in applications to universities in the USA. David Hawkins and his team of mentors continue to give advice and guidance to many of our scholars at no charge.

With the effective vaccination programme in the UK, COVID no longer poses a major threat to health and it is hoped that lockdown and quarantine measures will now be a thing of the past. As a result, HMC Projects intends to resume its provision of supervised half-term breaks in the Lent term. In addition, HMC Projects intends to run a pilot regional meeting of scholars so that they have an opportunity to meet and to discuss their experiences as scholars and consider their options for higher education.

From September 2022, two new members of the executive will take up their role as deputy director and administrator. The consequent additional remuneration will raise the financial overhead for the charity but this increase in manpower is essential in order to spread the administrative workload currently borne entirely by the director. In a recent risk analysis, conducted by the trustees, the highest risk was that caused by any degree of incapacity of the director and subsequent inability to carry out his duties.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity was established to take over the activities of the HMC Foreign Students Fund, a charitable trust, and the assets and liabilities of that trust were transferred to the charity on 30 April 1999 by way of a donation.

Key management remuneration

The charity reimbursed expenses totalling £2,557 (2021 - £1,458) in respect of student awards, Working Group expenses, admin expenses and asset purchases to 3 (2021 - 2) key management personnel.

In addition, consultancy fees were paid to key management personnel during the year, as follows:

Dr E J Wolstenholme £15,000 (2021 - £15,000)

Mrs W F McLachlan £nil (2021 - £4,000)

J Grigg £4,000 (2021 - £nil)

Approved by order of the board of trustees on 11 November 2022 and signed on its behalf by:

Mrs R C F Owens - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Independent examiner's report to the trustees of HMC Projects in Central and Eastern Europe ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

G Kelly
ACA, FCCA
Bright Brown Limited
Chartered Accountants
Isle of Wight

Date:

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

		2022 Unrestricted fund £	2021 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		6,615	5,387
Charitable activities			
Scholar selection and placement		88,629	84,950
Investment income	2	304	262
Total		<u>95,548</u>	<u>90,599</u>
EXPENDITURE ON			
Charitable activities			
Scholar selection and placement		46,143	61,218
NET INCOME		49,405	29,381
RECONCILIATION OF FUNDS			
Total funds brought forward		197,734	168,353
TOTAL FUNDS CARRIED FORWARD		<u><u>247,139</u></u>	<u><u>197,734</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2022

	Notes	2022 Unrestricted fund £	2021 Total funds £
FIXED ASSETS			
Tangible assets	7	799	533
CURRENT ASSETS			
Debtors	8	259	3,590
Cash at bank		307,494	276,464
		<u>307,753</u>	<u>280,054</u>
CREDITORS			
Amounts falling due within one year	9	(61,413)	(82,853)
		<u>246,340</u>	<u>197,201</u>
NET CURRENT ASSETS			
		<u>247,139</u>	<u>197,734</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>247,139</u>	<u>197,734</u>
NET ASSETS			
		<u>247,139</u>	<u>197,734</u>
FUNDS			
Unrestricted funds	10	<u>247,139</u>	<u>197,734</u>
TOTAL FUNDS			
		<u>247,139</u>	<u>197,734</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

BALANCE SHEET - continued
31 AUGUST 2022

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 11 November 2022 and were signed on its behalf by:

R C F Owens - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income received in relation to student placements is deferred where it relates to a term or period taking place after the year end.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - Straight line over 5 years

Computer equipment - Straight line over 3 years

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>304</u>	<u>262</u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Independent examiners' fee	1,650	1,620
Depreciation - owned assets	<u>532</u>	<u>353</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

The charity incurred expenses of £341 (2021 - £319) in respect of trustees' liability insurance.

In addition, the charity reimbursed expenses totalling £290 (2021 - £29) in respect of Working Group expenses to 3 (2021 - 1) trustees.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

2022	2021
<u>-</u>	<u>-</u>

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	5,387
Charitable activities	
Scholar selection and placement	84,950
Investment income	<u>262</u>
Total	<u>90,599</u>
EXPENDITURE ON	

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
Charitable activities	
Scholar selection and placement	61,218
NET INCOME	29,381
RECONCILIATION OF FUNDS	
Total funds brought forward	168,353
TOTAL FUNDS CARRIED FORWARD	<u>197,734</u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2021	1,728	1,058	2,786
Additions	-	798	798
	<u>1,728</u>	<u>1,856</u>	<u>3,584</u>
At 31 August 2022	1,728	1,856	3,584
DEPRECIATION			
At 1 September 2021	1,728	525	2,253
Charge for year	-	532	532
	<u>1,728</u>	<u>1,057</u>	<u>2,785</u>
At 31 August 2022	1,728	1,057	2,785
NET BOOK VALUE			
At 31 August 2022	<u>-</u>	<u>799</u>	<u>799</u>
At 31 August 2021	<u>-</u>	<u>533</u>	<u>533</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Prepayments	<u>259</u>	<u>3,590</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Accrued income	58,263	70,283
Accrued expenses	3,150	12,570
	<u>61,413</u>	<u>82,853</u>

10. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	197,734	49,405	247,139
	<u>197,734</u>	<u>49,405</u>	<u>247,139</u>
TOTAL FUNDS	<u>197,734</u>	<u>49,405</u>	<u>247,139</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	95,548	(46,143)	49,405
	<u>95,548</u>	<u>(46,143)</u>	<u>49,405</u>
TOTAL FUNDS	<u>95,548</u>	<u>(46,143)</u>	<u>49,405</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	168,353	29,381	197,734
	<u>168,353</u>	<u>29,381</u>	<u>197,734</u>
TOTAL FUNDS	<u>168,353</u>	<u>29,381</u>	<u>197,734</u>

10. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	90,599	(61,218)	29,381
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>90,599</u>	<u>(61,218)</u>	<u>29,381</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	5,490	4,511
Gift aid tax	1,125	876
	<u>6,615</u>	<u>5,387</u>
Investment income		
Deposit account interest	304	262
Charitable activities		
Students (Bosnia)	3,000	2,800
Students (Bulgaria)	1,000	6,000
Students (Croatia)	6,000	3,000
Students (Czech Republic)	3,000	1,500
Students (Estonia)	1,000	1,500
Students (Georgia)	6,000	2,800
Students (Moldova)	5,000	5,900
Students (Montenegro)	4,000	3,500
Students (Romania)	7,000	6,000
Students (Serbia)	3,000	2,100
Students (Slovakia)	5,000	3,000
Students (Ukraine)	3,000	4,200
Students (Armenia)	3,000	2,800
Students (North Macedonia)	3,000	3,600
Schools (students)	35,000	36,250
Working Group expenses reimbursed	629	-
	<u>88,629</u>	<u>84,950</u>
Total incoming resources	95,548	90,599
EXPENDITURE		
Charitable activities		
Insurance	1,264	1,200
Executive expenses	1,232	902
Bursaries	-	14,700
Grants and awards	1,782	4,661
Interviewing expenses	390	29
Working Group expenses	629	-
Carried forward	5,297	21,492

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Charitable activities		
Brought forward	5,297	21,492
Agents fees	17,750	18,500
Mid-term holiday costs	1,579	-
Administration fees	19,000	19,000
Bank charges	335	253
Computer equipment	532	353
	<hr/>	<hr/>
	44,493	59,598
Support costs		
Governance costs		
Independent examiners' remuneration	1,650	1,620
	<hr/>	<hr/>
Total resources expended	46,143	61,218
	<hr/>	<hr/>
Net income	49,405	29,381
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements

HMC PROJECTS IN CENTRAL AND EASTERN EUROPE

England & Wales - Charity number 1074491

Accounts

REGISTERED COMPANY NUMBER: 03636789 (England and Wales)
REGISTERED CHARITY NUMBER: 1074491

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE

Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 9
Independent Examiner's Report	10 to 11
Statement of Financial Activities	12
Balance Sheet	13 to 14
Notes to the Financial Statements	15 to 20

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES

Mrs R C F Owens (chairperson)
D J Knapman
D N Morrison
P M de Voil
A W McPhail
Mrs J Hopkinson
W M Phelan
Ms J S Gandee
J F Vick
A C Jackson
C J Townsend

COMPANY SECRETARY AND ADMINISTRATOR

Dr E J Wolstenholme

EXECUTIVE

Dr E J Wolstenholme (operational director)
Mrs W McLachlan (student co-ordinator)

REGISTERED OFFICE

12 The Point
Rockingham Road
Market Harborough
Leicestershire
LE16 7QU

REGISTERED COMPANY NUMBER

03636789 (England and Wales)

REGISTERED CHARITY NUMBER

1074491

INDEPENDENT EXAMINER

Bright Brown Limited
Chartered Accountants
Exchange House
St Cross Lane
Newport
Isle of Wight
PO30 5BZ

BANKERS

National Westminster Bank plc, Cambridge
Santander plc
Nationwide plc
Cambridge & Counties Bank
PayPal

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective is to advance the education of foreign students in the United Kingdom, especially but not necessarily exclusively, students from Central and Eastern Europe attending member schools of the Headmasters' and Headmistresses' Conference, the Girls' Schools Association and the Boarding Schools' Association.

Public benefit

The trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Interest in the scholarship programme remains popular both on the part of the schools generously offering places and also the applicants competing for them. For the scholarship year 2020 to 2021 a total of 42 schools offered scholarship places.

The interviews took place in 15 countries in January and early February of 2020, and a total of 78 scholarships were awarded of which 49 were full scholarships and 29 were reduced fee (partial) scholarships. The table below gives the comparative number of scholarships awarded in 2019, 2020 by country and also includes those for 2021.

	2019-20		2020-21		2021-22	
	FS	RF	FS	RF	FS	RF
Armenia	2	3	4	4	3	2
Bosnia						
Herzegovina	3	-	4	-	3	-
Bulgaria	5	4	4	1	1	-
Czech Republic	1	2	1	4	3	1
Estonia	2	-	1	-	1	-
Georgia	5	6	4	6	6	4
Croatia	5	4	2	-	6	-
Latvia	-	-	-	1	-	-
Moldova	5	5	5	1	5	4
Montenegro	6	7	5	2	4	4
North Macedonia	-	-	4	1	3	1
Romania	8	2	4	1	6	2
Serbia	5	3	3	3	4	2
Slovakia	5	4	2	3	5	4
Ukraine	3	1	6	2	3	4
Total	55	41	49	29	53	28

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

Publicity remains a priority and the use of social media has proved effective with a number of our coordinators in the countries where we operate. The geographical spread of applicants in Ukraine continues to improve as is also the case in Romania, to give just two examples. However, the catchment remains stubbornly based in capital cities in some countries which is a consequence of the top performing schools, nationally, being located there. Signs that remote interviewing can be carried out successfully, as was the case in early 2021, suggests that for some of our larger countries this may be the way forward for applicants living far from their capital city and for whom travel is a major obstacle and disincentive to apply.

A publicity trip to Armenia arranged for April 2020 had to be abandoned as the pandemic took hold and international flights were grounded.

The total number of schools offering scholarships, either full or reduced fee or both, for the academic year 2020-21 stood at 42 and that for entry in 2021 stands at 43, the latter being quite remarkable given the impact of the pandemic and the effect that this and other financial pressures will have had on schools.

	FS	RF
2019-20	40	22
2020-21	36	18
2021-22	38	15

where FS and RF stand for full and reduced fee scholarships respectively.

This table does show that there was a slightly more marked drop in schools offering full scholarships reflecting, possibly, the harsher economic climate facing schools in the UK and also the fact that an increasing number of formerly participating schools are now focusing more on scholarships to disadvantaged children in the UK through organisations like Springboard. It is therefore all the more remarkable that for 2021 the number of schools offering full scholarships through our scholarship programme has increased slightly despite the impact of the pandemic and the strain that this will have put on schools.

Reduced fee scholarships are awarded to those very able applicants, both who could not be awarded a full scholarship simply due to lack of availability of places and those for whom annual parental net income exceeds our threshold of £30,000. Reduced fee scholars typically pay between 20% and 25% of full fees. The placement fee, paid by schools in respect of each reduced fee scholar, has remained the same as last year at £1,250 and this is an essential component of the income of the charity. There were slightly more reduced fee places offered than there were scholars to take them up. For many, the financial burden of even these generously reduced fees is too great.

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE (REGISTERED NUMBER: 03636789)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

HMC Projects targets the former Communist countries of the Eastern block partly because the economies of these countries are depressed. The table below shows the purchasing power parity (PPP) of the countries where we operate compared to the US and UK and the world ranking based on these data supplied by the World Bank (<https://data.worldbank.org/>). The data indicate the difference in the economies and the comparative purchasing power of the average income of individuals in these countries. Of particular significance are the figures for the countries outside the EU where the programme is particularly popular. Numbers of applicants in some of the more successful EU countries like the Czech Republic, Bulgaria and the Baltic countries have been in decline for some years now and their continued inclusion in the programme has been a topic for discussion amongst the trustees.

Country	PPP (world positio n)	GDP (PPP) per capita in Int. \$
United states	8	63.5
United Kingdom	27	44.9
Czech Republic	33	41.7
Estonia	40	38.4
Latvia	47	32.0
Romania	48	31.9
Slovak Republic	45	31.4
Croatia	54	28.5
Bulgaria	60	24.4
Montenegro	67	20.6
Serbia	71	19.2
North Macedonia	79	16.9
Bosnia and Herzegovina	82	15.6
Georgia	83	14.9
Armenia	96	13.3
Ukraine	91	13.1
Moldova	94	13.0

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

ACHIEVEMENT AND PERFORMANCE

Financial developments

The administration fee charged to scholars who took up their scholarship at their UK school in September 2020 was £1,500 and £700 for those holding an EU passport and those with a non-EU passport respectively. For those starting at their schools in September 2021 the fee will set to £1,250 for all since, as of 1st January 2021, every scholar regardless of their passport will need a visa for entry into the UK and therefore to pay the visa fee and immigration health surcharge for the two years. This fee may be reviewed if operating costs can be reduced, for instance with remote interviewing.

The majority of scholars from Moldova hold dual citizenship and travel on a Romanian (EU) passport and therefore did not require a visa.

The bursary of £300 was paid to all full scholars as in previous years. However, this payment will cease for scholars starting in 2021. Financial support will be available on a discretionary basis for those full scholars who experience genuine financial difficulty and make an application for such consideration. It will be left to parents to provide essential spending money for their children. Removing the automatic bursary payment will allow HMC Projects to keep the administration fee down for full scholars.

The continued generosity of a small number of alumni has resulted in the receipt of further donations, usually on a monthly basis through our PayPal account, and HMC Projects is very grateful for these. The total received into the PayPal account from alumni during 2020-21 was £1,500 from which £41 was deducted in PayPal fees. In addition, a group of Ukrainian alumni have been generously donating funds through the Elworthy Alumni Fund, and also independently of this, which has totalled £2,011 over the financial year. It is hoped that this may set a trend for alumni groups in other countries. Very few of these donations attract Gift Aid as the donors work outside the UK and are not UK taxpayers. All donations are used to provide additional support for our scholars on a discretionary basis to allow them to benefit from opportunities at their schools where family financial constraints may not allow this. In this way donated funds will ensure that all our scholars can maximise their opportunities. Some schools generously absorb additional costs incurred by scholars, not explicitly included in the scholarship arrangement, but others are not able to do so and therefore this additional financial support through the alumni fund can help to level up.

The generous donation of £2,500 received from the Elworthy Trust offsets the administration fees of the scholars selected from the Kirovograd region of Ukraine and other associated administration costs; this qualifies for Gift Aid.

The total cost of insurance for public and professional liability has reduced from the previous year due to a change in underwriters and the fee paid in 2020-21 was £1,170: a reduction of £204 over that paid in 2019-20.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Financial position

The reserves of the Trust have increased and at the close of this financial year (2020-21) the reserves amounted to £197,734 compared to £168,353 at the end of the previous financial year.

Incoming resources were £90,599 (2020 - £127,370). Prepaid fees and other prepaid income amounted to £70,284 (2020 - £47,976). Resources expended were £61,218 (2020 - £83,993) of which bursaries and grants to students amounted to £14,700 (2020 - £16,200). Prepaid expenditure on student half terms amounted to £1,579 (2020 - £nil). Net surplus for the year was £29,381 (2020 - £43,377).

Reserves policy

At the year end the charity holds £197,734 (2020 - £168,353) in reserves as unrestricted, and of this free reserves not invested in fixed assets amount to £197,201 (2020 - £168,266).

The policy of holding a sum of at least 50% of the annual turnover in reserve has been maintained, indeed exceeded. This contingency sum does not include the funds received as donations. The distribution of these reserves across accounts with four different banks has generally ensured that reserves should not exceed the sum guaranteed under the terms of the FSA to which all these banks are bound. This distribution of reserves in various savings accounts and bonds provides a very modest return in bank interest: interest rates having been at a record low for a number of years. The excess in the reserves reflects the need for considerable caution over the impact of the pandemic on costs and the possible need to provide additional support for scholars, for example with quarantine arrangements, where schools were unable to cover this and family finances would be pushed to the brink in an attempt to meet these additional costs.

FUTURE PLANS

The impact of Brexit on our scholars from EU countries, requiring all to have a Tier 4 visa and to pay the IHS, means that any differential in the administration fee payable to HMC Projects by full scholars might now have to be based on the relative economic strength of national economies. Using such criteria including GDP per capita and considering the Gini coefficient has its flaws as does using the parental income declaration with the potential for omission. With this in mind, for the 2021 entry the fee will be a flat £1,250 across all countries in the programme.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

The other impact of Brexit on those scholars holding an EU passport is the withdrawal of home fee status and access to student funding for study at university in the UK. Support for scholar alumni at university is well outside the scope of the scholarship programme. However an awareness of the impact of the UK's withdrawal from the European Union helps HMC Projects to interpret the variation in the number of scholarship applicants from different countries. The position for scholars from EU countries has now been clarified and those in the UK prior to 1st January 2021 have been entitled to apply for pre-settled status and almost all have now done so. The deadline for application was 30th June 2021. Further clarification from the UK government has revealed that those with pre-settled status seem entitled to home fee status and also to student funding. That said, some universities appear to be applying this entitlement at their discretion and the situation is rather opaque. The situation for those taking up their scholarship at a school in the UK in September 2021 is clear: they are not entitled to pre-settled status and hence will not have home fee status nor access to student loans. This fact may well discourage those with EU passports from applying for scholarships if their ultimate objective is entry into a university in the UK. It is not clear whether the reduction in applicants in some EU countries (the Czech Republic, Bulgaria and Estonia) is simply a continuation of a trend over recent years or whether it is a direct consequence of this unfortunate effect of Brexit. That said, numbers of applicants in Romania and Slovakia remain buoyant.

Seeing the need for some scholars to receive advice on university opportunities open to them outside the UK, to supplement that guidance they receive from their school, a professional higher education consultant and his team of expert mentors have been generously providing advice pro bono to our scholars for some years now and it is hoped that this arrangement will continue for the foreseeable future. The results of this initiative are reflected in the wider range of destination universities where scholars have secured places on courses and, in many cases, with the award of generous bursaries and scholarships.

At the time of writing of this report it is clear that COVID is proving more persistent in the UK than some originally thought and the picture in some countries where HMC Projects operates is even less favourable and concerns on the part of families for the safety of their children in the UK have had an impact. The boarding schools taking our scholars have been very supportive so far over quarantine measures and it is hoped that this will continue for as long as such steps are required to limit the spread of the virus.

The trustees continue to recognise the burden of work falling on the shoulders of the one person who has the role of both director and administrator. In October 2021, there will be a change in student coordinator who is the first point of contact in HMC Projects for the scholars and those charged with their care in their UK school. For the sake of future planning it is important that remuneration levels in the form of honoraria are realistic to attract others to take on these positions in the future.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity was established to take over the activities of the HMC Foreign Students Fund, a charitable trust, and the assets and liabilities of that trust were transferred to the charity on 30 April 1999 by way of a donation.

Key management remuneration

The charity reimbursed expenses totalling £1,458 (2020 - £8,615) in respect of student awards, admin expenses and asset purchases to 2 (2020 - 3) key management personnel.

In addition, consultancy fees were paid to key management personnel during the year, as follows:

A G Boggis £nil (2020 - £2,500)

Dr E J Wolstenholme £15,000 (2020 - £10,500)

Mrs W F McLachlan £4,000 (2020 - £4,000)

Approved by order of the board of trustees on 10 November 2021 and signed on its behalf by:

Mrs R C F Owens - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

Independent examiner's report to the trustees of HMC Projects in Central and Eastern Europe ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

G Kelly
ACA, FCCA
Bright Brown Limited
Chartered Accountants
Isle of Wight

Date:

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		5,387	2,667
Charitable activities			
Scholar selection and placement		84,950	123,443
Investment income	2	<u>262</u>	<u>1,260</u>
Total		90,599	127,370
EXPENDITURE ON			
Charitable activities			
Scholar selection and placement		61,218	83,993
NET INCOME		<u>29,381</u>	<u>43,377</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		168,353	124,976
TOTAL FUNDS CARRIED FORWARD		<u>197,734</u>	<u>168,353</u>

The notes form part of these financial statements

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE (REGISTERED NUMBER: 03636789)**

**BALANCE SHEET
31 AUGUST 2021**

		2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS	Notes		
Tangible assets	7	533	87
CURRENT ASSETS			
Debtors	8	3,590	21,420
Cash at bank		<u>276,464</u>	<u>196,716</u>
		280,054	218,136
CREDITORS			
Amounts falling due within one year	9	(82,853)	(49,870)
NET CURRENT ASSETS		<u>197,201</u>	<u>168,266</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		197,734	168,353
NET ASSETS FUNDS	10	<u>197,734</u>	<u>168,353</u>
Unrestricted funds		<u>197,734</u>	<u>168,353</u>
TOTAL FUNDS		<u>197,734</u>	<u>168,353</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The notes form part of these financial statements

**BALANCE SHEET - continued
31 AUGUST 2021**

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10 November 2021 and were signed on its behalf by:

R C F Owens - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income received in relation to student placements is deferred where it relates to a term or period taking place after the year end.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

Taxation

The charity is exempt from corporation tax on its charitable activities.

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>262</u>	<u>1,260</u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Independent examiners' fee	1,620	1,680
Depreciation - owned assets	<u>353</u>	<u>86</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

The charity incurred expenses of £319 (2020 - £254) in respect of trustees' liability insurance.

In addition, the charity reimbursed expenses totalling £29 (2020 - £5,942) in respect of interviewing expenses to 1 (2020 - 7) trustee.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2021	2020
	—	—

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	2,667
Charitable activities	
Scholar selection and placement	123,443
Investment income	<u>1,260</u>
Total	<u>127,370</u>
EXPENDITURE ON	
Charitable activities	
Scholar selection and placement	83,993
NET INCOME	<u>43,377</u>

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted
fund
£

RECONCILIATION OF FUNDS

Total funds brought forward	124,976
TOTAL FUNDS CARRIED FORWARD	<u><u>168,353</u></u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2020	1,728	259	1,987
Additions	-	799	799
At 31 August 2021	<u>1,728</u>	<u>1,058</u>	<u>2,786</u>
DEPRECIATION			
At 1 September 2020	1,728	172	1,900
Charge for year	-	353	353
At 31 August 2021	<u>1,728</u>	<u>525</u>	<u>2,253</u>
NET BOOK VALUE			
At 31 August 2021	<u>-</u>	<u>533</u>	<u>533</u>
At 31 August 2020	<u>-</u>	<u>87</u>	<u>87</u>

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	-	3,206
Prepayments	<u>3,590</u>	<u>18,214</u>
	<u>3,590</u>	<u>21,420</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accrued income	70,283	47,976
Accrued expenses	<u>12,570</u>	<u>1,894</u>
	<u>82,853</u>	<u>49,870</u>

10. MOVEMENT IN FUNDS

	At 1.9.20	Net movement in funds	At 31.8.21
	£	£	£
Unrestricted funds			
General fund	168,353	29,381	197,734
TOTAL FUNDS	<u>168,353</u>	<u>29,381</u>	<u>197,734</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	90,599	(61,218)	29,381
TOTAL FUNDS	<u>90,599</u>	<u>(61,218)</u>	<u>29,381</u>

**HMC PROJECTS IN CENTRAL AND EASTERN
EUROPE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	124,976	43,377	168,353
TOTAL FUNDS	<u>124,976</u>	<u>43,377</u>	<u>168,353</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	127,370	(83,993)	43,377
TOTAL FUNDS	<u>127,370</u>	<u>(83,993)</u>	<u>43,377</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.