

FRIENDS OF HEC CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

FRIENDS OF HEC CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M G Gaveau B Schwab G de la Rochere V Ponsonnaille L Fau
Charity number	1135437
Independent examiner	Azets Audit Services 2nd Floor Regis House 45 King William Street London United Kingdom EC4R 9AN
Solicitors	Linklaters LLP One Silk Street London United Kingdom EC2Y 8HQ

FRIENDS OF HEC CHARITABLE TRUST

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FRIENDS OF HEC CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their report and financial statements for the year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The objects and aims of the Charity are set out in the Trust Deed and are to advance the education of students at 'Ecole Des Hautes Etudes Commerciales' (HEC).

The Charity shall achieve its objects through, but not be limited to, the following activities:

- The award of scholarships to students of HEC;
- The grant of financial assistance to research and pedagogical projects undertaken by or under the supervision of HEC; and
- The provision of assistance to HEC in relation to its funding strategies for ensuring the adequacy of the property, plant and equipment needed to carry out HEC's education mission

Achievements and performance

Friends of HEC Charitable Trust advances the education of students at "Ecole des Hautes Etudes Commerciales" ("HEC") through the funding scholarships at HEC, research and pedagogical projects and the renovation of infrastructures on the HEC campus.

Details of the activities funded can be found in full in the [HEC Foundation's annual report](#).

Throughout the financial year, from April 2020 to April 2021, the fundraising team from HEC Paris, the HEC Paris office in the UK and their volunteers and trustees continued fundraising efforts.

These were principally carried out through

- Meetings with prospective donors either face to face or by video conference
- A series of 4 video-conferences were also organized with small groups of prospective donors with the Dean of HEC Paris, Mr Eloïc Peyrache.
- A team of 10 runners participated in the London Semi Marathon to raise funds for the Friends of HEC Charitable Trust and the HEC Foundation.
- Due to the Covid restrictions, no indoor fundraising events were organized.

Going Concern and COVID-19

The Covid crisis has affected the Friend of HEC Charitable Trust like any other charities in the UK and worldwide. However, unlike many charities, FOH only operates with volunteers with no fixed costs (apart from the auditors'). It is of course to be expected that donations have and will decrease following the cancellation of major galas and physical fundraising events. Smaller donations are still being paid into the donation platforms to the benefit of FOH.

FRIENDS OF HEC CHARITABLE TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Financial review

The Trustees report income for the year from donations and associated gift aid of £693,365 (2020: £625,880) as shown in the Statement of Financial Activities on page 8. The deficit for the year of £111,941 (2020: £22,074) was carried forward against reserves.

Grants of £800,000 (2020: £633,815) were paid in the year to Foundation HEC, Paris.

Reserves Policy

The Charity manages its funds to provide the income to support the grants made in the year.

The Trust has unrestricted funds of £412,862 (2020: £524,802) at the year end and it is the policy of the Trustees to continue to use the income of the Charity in line with the stated objects.

Risk management

The Trustees have examined the major risks which the Charity faced and confirm that systems have been established so that the necessary steps can be taken to manage and lessen such risks.

Future Plans

The Trust aims for 2020/21 are to continue to make grants in pursuance of the charitable objects.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Charity constitution

The charity is constituted under a deed dated 04 February 2010 and is a registered charity with number 1135437.

Trustees

The Trustees who served during the year and up to the date of signature of the financial statements were:

M G Gaveau
B Schwab
G de la Rochere
V Ponsonnaille
L Fau

Recruitment and appointment of new trustees

The power of appointing new or additional trustees is vested in the Trustees.

There is a process of induction for new trustees which includes meetings with current trustees and the provision of key information.

Day to day administration of the Trust is delegated to the following:

Administrator - Leila El Hafi

All grants, sponsorships and donations are agreed at formal Trustee's meetings.

Key management remuneration

The Trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year,

FRIENDS OF HEC CHARITABLE TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees report was approved by the Board of Trustees.



V Ponsonnaille

Trustee

Dated: 7/4/22

FRIENDS OF HEC CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FRIENDS OF HEC CHARITABLE TRUST

I report to the Trustees on my examination of the financial statements of Friends of HEC Charitable Trust (the Charity) for the year ended 5 April 2021.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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


JOHN HOWARD
Azets Audit Services

2nd Floor
Regis House
45 King William Street
London
EC4R 9AN
United Kingdom

Dated: 12 January 2022

FRIENDS OF HEC CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and legacies	2	693,365	625,880
<u>Expenditure on:</u>			
Charitable activities	3	805,306	647,954
Net expenditure for the year/ Net movement in funds		(111,941)	(22,074)
Fund balances at 6 April 2020		524,803	546,876
Fund balances at 5 April 2021		412,862	524,802

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.


FRIENDS OF HEC CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	6	154,344		81,040	
Cash at bank and in hand		268,498		450,242	
		<u>422,842</u>		<u>531,282</u>	
Creditors: amounts falling due within one year	7	<u>(9,980)</u>		<u>(6,480)</u>	
Net current assets			<u>412,862</u>		<u>524,802</u>
Income funds					
Unrestricted funds			<u>412,862</u>		<u>524,802</u>
			<u>412,862</u>		<u>524,802</u>

The financial statements were approved by the Trustees on 7/11/2022


.....
V Ponsonnaille
Trustee

FRIENDS OF HEC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

After reviewing the charity's projections and taking into account the economic conditions and possible changes in trading performance, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing the financial statements.

The trustees have also considered the impact of the COVID-19 pandemic lockdown on the future viability of the charity.

Consequently, the trustees have a reasonable expectation that the charity will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

The following specific policies are applied to particular categories of income:

- Voluntary income includes donation income, accounted for on an accruals basis
- Other trading income includes income from an annual gala dinner and an auction, accounted for on an accruals basis

FRIENDS OF HEC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.5 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 cost 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.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them
- Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust
- Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Taxation

The charity is exempt from tax on its charitable activities.

1.7 Foreign exchange

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances stated in foreign currencies are translated at the rate of exchange prevailing at the year end.

2 Donations and legacies

	Unrestricted funds	Total
	2021	2020
	£	£
Donations and gifts	620,062	586,124
Gift aid	73,303	39,756
	<u>693,365</u>	<u>625,880</u>

FRIENDS OF HEC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

3 Charitable activities

	Grant funding 2021 £	Support costs 2021 £	Total 2021 £	Grant funding 2020 £	Support costs 2020 £	Total 2020 £
Support costs	-	5,306	5,306	-	14,139	14,139
Grant funding of activities (see note)	800,000	-	800,000	633,815	-	633,815
	<u>800,000</u>	<u>5,306</u>	<u>805,306</u>	<u>633,815</u>	<u>14,139</u>	<u>647,954</u>

4 Description of charitable activities

Grant funding

Grants totalling £800,000 (2020: £633,815) were made to Foundation HEC in Paris.

Support costs

	2021 £	2020 £
Bank charges	458	792
Donation agent fees	-	437
Sundry expenses	1,348	13,670
Foreign exchange (gains)/losses	-	(7,000)
Auditors' remuneration - for audit	-	6,240
Independent examiner's fee	3,500	-
	<u>5,306</u>	<u>14,139</u>

5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2021 nor for the year ended 5 April 2020.

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	<u>154,344</u>	<u>81,040</u>

FRIENDS OF HEC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	9,980	6,480
	<u> </u>	<u> </u>

8 Related party transactions

The charity made a grant to Foundation HEC in Paris, charity under common control, of £800,000 in the year ended 5 April 2021 (2020: £633,815).