

Charity registration number 1135437

**FRIENDS OF HEC CHARITABLE TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2023**

# FRIENDS OF HEC CHARITABLE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	M G Gaveau G de la Rochere V Ponsonnaille S Marc J Saddi	(Appointed 25 May 2023) (Appointed 25 May 2023)
Charity number	1135437	
Independent examiner	Azets Audit Services 2nd Floor Regis House 45 King William Street London EC4R 9AN	
Solicitors	Linklaters LLP One Silk Street London United Kingdom EC2Y 8HQ	

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# **FRIENDS OF HEC CHARITABLE TRUST**

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# FRIENDS OF HEC CHARITABLE TRUST

## TRUSTEES REPORT

### FOR THE YEAR ENDED 5 APRIL 2023

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The Trustees present their annual report and financial statements for the year ended 5 April 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's 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 2022 to April 2023, the fundraising team from HEC Paris, the HEC Paris office in the UK and their volunteers and trustees continued fundraising efforts.

The fundraising project in support of the expansion of the academic activities of HEC Paris in the UK was finalised during the financial year 22-23, and the HEC UK House was inaugurated in March 2023.

Since the inauguration, HEC Paris has organized many events in the House including

- Study trip for students from the Master in Finance, Master in Economics & Finance, Master in Strategic Management and Master Data Science for Business
- Wine tasting evening for the HEC Foundation
- Event for HEC admissions team
- HEC MBA Exploration Week in London
- Executive Education, Leadership for Executive Program

Meetings with prospective donors either face to face or by video conference with members of the HEC Foundation, Olivier Sevilia (President of the HEC Foundation) and Eloi c Peyrache (Dean of HEC Paris) continued throughout the year, and a special Chateau Lafite Rothschild wine tasting event was organised for major donors and prospects.

# FRIENDS OF HEC CHARITABLE TRUST

## TRUSTEES REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2023

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#### Financial review

The Trustees report income for the year from donations and associated gift aid of £979,154 (2022: £788,460) as shown in the Statement of Financial Activities on page 5. The deficit for the year of £161,273 (2022: surplus of £29,675) was carried forward against reserves.

Grants of £1,125,821 (2022: £758,000) 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 £281,264 (2022: £442,537) 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 2022/23 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 4 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	(Resigned 16 December 2022)
G de la Rochere	
V Ponsonnaille	
L Fau	(Resigned 16 December 2022)
S Marc	(Appointed 25 May 2023)
J Saddi	(Appointed 25 May 2023)

#### 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 2023**

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The Trustees report was approved by the Board of Trustees.



**V Ponsonaille**

Trustee

Dated: 19/2/23

# FRIENDS OF HEC CHARITABLE TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF FRIENDS OF HEC CHARITABLE TRUST

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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 2023.

#### **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.

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

Dated: 21 December 2023  
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# FRIENDS OF HEC CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<b>Income from:</b>			
Donations and legacies	2	979,154	788,460
<b>Expenditure on:</b>			
Charitable activities	3	1,149,823	758,785
<b>Net (expenditure)/income for the year/ Net (outgoing)/incoming resources</b>		(170,669)	29,675
<b>Other recognised gains and losses</b>			
Other gains or losses	7	9,396	-
<b>Net movement in funds</b>		(161,273)	29,675
Fund balances at 6 April 2022		442,537	412,862
<b>Fund balances at 5 April 2023</b>		281,264	442,537

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 2023

	Notes	2023 £	£	2022 £	£
<b>Current assets</b>					
Debtors	8	109,580		100,211	
Cash at bank and in hand		176,484		346,001	
		<u>286,064</u>		<u>446,212</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,800)</u>		<u>(3,675)</u>	
Net current assets			<u>281,264</u>		<u>442,537</u>
<b>Income funds</b>					
Unrestricted funds			<u>281,264</u>		<u>442,537</u>
			<u>281,264</u>		<u>442,537</u>

The financial statements were approved by the Trustees on 18/12/23

  
 V Ponsonnaille  
 Trustee

# FRIENDS OF HEC CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 5 APRIL 2023**

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### **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 2023

### 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
	2023	2022
	£	£
Donations and gifts	868,478	679,909
Gift aid	110,676	108,551

# FRIENDS OF HEC CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

### 3 Charitable activities

	Grant funding 2023 £	Support costs 2023 £	Total 2023 £	Grant funding 2022 £	Support costs 2022 £	Total 2022 £
Support costs	-	24,002	24,002	-	785	785
Grant funding of activities (see note )	1,125,821	-	1,125,821	758,000	-	758,000
	<u>1,125,821</u>	<u>24,002</u>	<u>1,149,823</u>	<u>758,000</u>	<u>785</u>	<u>758,785</u>

### 4 Description of charitable activities

#### Grant funding

Grants totalling £1,125,821 (2022: £758,000) were made to Foundation HEC in Paris.

#### Support costs

	2023 £	2022 £
Bank charges	655	594
Gala dinner expenses	11,751	-
Sundry expenses	1,771	16
Independent examiner's fee	4,800	175
Under accrual on prior year Independent examiner's fees	<u>5,025</u>	<u>-</u>
	<u>24,002</u>	<u>785</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 2023 nor for the year ended 5 April 2022.

### 6 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 7 Other gains or losses

	Unrestricted funds	Total
	2023 £	2022 £
Foreign exchange gains	<u>(9,396)</u>	<u>-</u>

# FRIENDS OF HEC CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2023

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#### 8 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	109,580	100,211

#### 9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	4,800	3,675

#### 10 Related party transactions

The charity made a grant to Foundation HEC in Paris, charity under common control, of £1,125,821 in the year ended 5 April 2023 (2022: £758,000).

