

BRIDGE TO THE FUTURE

(Limited by Guarantee)

COMPANY NO.: 08497337

CHARITY NO.: 1153559

REPORT AND ACCOUNTS

**for the year ended
31 August 2021**

BRIDGE TO THE FUTURE
(Limited by Guarantee)

Status: Company Limited by Guarantee No.: 08497337
Registered Charity No.:1153559
The company's governing document is its Memorandum and Articles of Association dated 22 April 2013

Registered Office: 10 Queen Street Place
London
EC4R 1AG

Trustees: Guglielmo Verdirame
Emma Goddard
Jutta von Falkenhausen
Andrea Mangoni
Sir Michael Jackson
Ewald Engelen
Fleur Meijs

Auditors: Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers: Handelsbanken
2nd Floor, High Hill House
6A Hampstead High Street
London NW3 2HR

Investment managers: Rothschild
St Julian's Court
St Julian's Avenue
St Peter Port
Guernsey GY1 3BP

Vanguard Investment Series plc
Brown Brothers Harriman Fund
Administration Service (Ireland) Ltd
30 Herbert Street, Dublin
D02 W329, Ireland

Northern Trust International Fund
Administration Services (Ireland) Ltd
Georges Court, 54-62 Townsend Street
Dublin 2
Ireland

BRIDGE TO THE FUTURE

(Limited by Guarantee)

Trustees' report for the year ended 31 August 2021

TRUSTEES' REPORT

For the year ended 31 August 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Bridge to the Future (the company) for the year ended 31 August 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (Charities SORP FRS102) effective 1 January 2015).

Structure, governance and management

a. Constitution

The company is registered as a charitable company, limited by guarantee and was set up by a Memorandum of Association.

The company is constituted under a Memorandum of Association and is a registered charity, number 1153559.

The principal object of the company is, for the public benefit, to advance the education (including social and physical training) of persons of any age, in such ways as the charity Trustees think fit.

b. Method of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The trustees who served during the year were as follows:

Guglielmo Verdirame (Chair)

Ewald Engelen

Jutta von Falkenhausen

Sir Michael Jackson

Andrea Mangoni

Fleur Meijs

Emma Goddard

c. Organisational structure and decision making

The Trustees are responsible for the oversight and strategy of the charity and for decisions in respect of the grants to be made to beneficiaries. The Trustees are also the Key Management personnel of the charity and are not remunerated for their services to the charity. The management of the charity's investments is delegated to an Investment Committee who have been appointed for their specific knowledge of this field. The day-to-day administration of the charity is delegated to the clerk of the Trustees.

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Trustees' report for the year ended 31 August 2021

d. Key risks and principal uncertainties

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The uncertainty of investment returns is managed by the Investment Committee to the best of their abilities. The Investment Committee decided to diversify the endowment investments with a larger proportion of the portfolio invested in equities. The endowment is exposed to volatility of the prices in its investments. However, as the endowment has a long term horizon, it only needs a smaller proportion of funds available for annual donations to UWC Mostar.

Therefore, to manage the liquidity risks, the Trustees ensure that sufficient liquid funds are available to meet the endowment's short and medium term donations.

The overall aim is to achieve a 5% plus inflation investment return over the long term. Further analysis is included in the Investment Review on page 5.

The Charity does not have any staff and thus the Coronavirus pandemic has had limited impact on the operational activities of the Charity.

Public Benefit

The Trustees have considered the Charity Commission guidance on public benefit and consider that the charity is compliant.

Objectives and Activities

The object of the charity is the advancement of education.

A declaration of trust was approved by the Board on 9 August 2016 to hold the funds specifically to promote education by supporting the educational work of United World Colleges Mostar (UWC Mostar) and its students by means only of the award of scholarships for students at UWC Mostar or grants to UWC Mostar. The charitable trust is administered as an expendable endowment and safeguards are implemented to protect the capital of the endowment in the long term. It is the intention of the Trustees to continue to raise funds for the endowment fund to increase the number of scholarships at UWC Mostar. The Trustees will determine the amount of grants to be made each year to UWC Mostar.

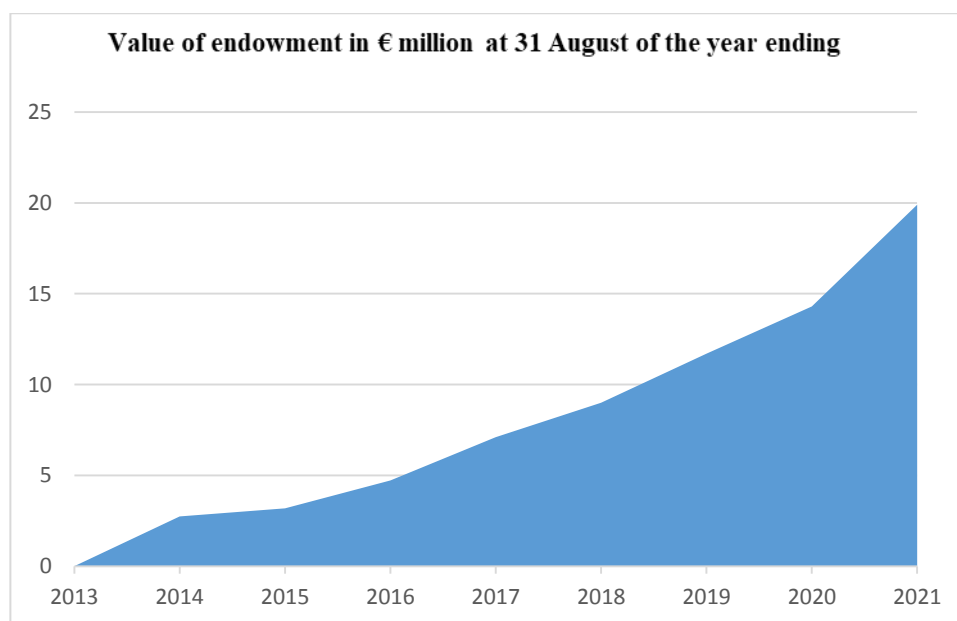
a. Review of activities

The charity's funds increased to € 19,829,864 in the current year (€14,325,605 in 2020). This increase was a combination of additional donations €1,898,952 (€2,490,848 in 2020), investment income €61,787 (€67,716 in 2020), charitable expenditure of €643,177 (€556,224 in 2020) and other net gains €4,186,697 (€614,972 in 2020). Whilst the increase in funds is a considerable achievement, the Trustees are aiming to raise more sums of capital to increase the number of endowment scholarships.

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Trustees' report for the year ended 31 August 2021



b. Scholarships

The Trustees approved grants for scholarships at UWC Mostar. The table below shows the number of students receiving a scholarship per year of attendance at UWC Mostar and the amounts and the period when the costs were recognised in the financial statements.

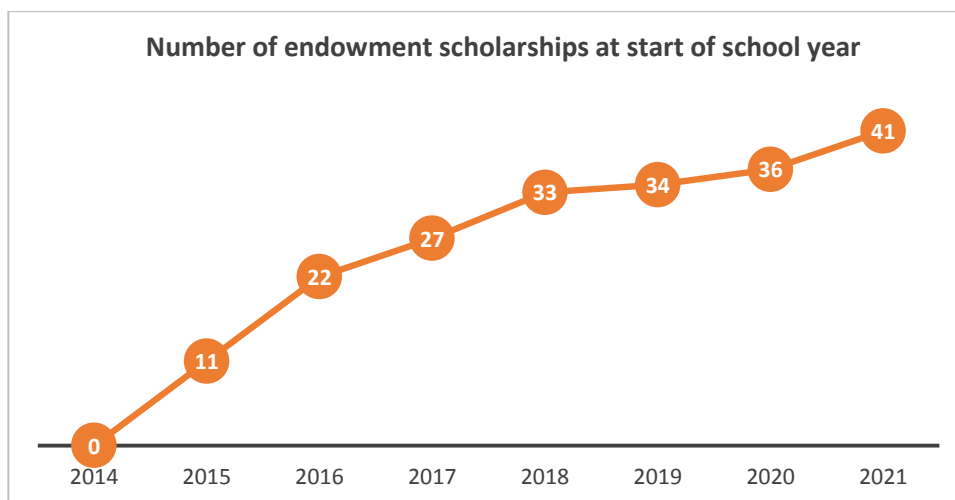
Number of students	Attending school-year at UWC Mostar	Amounts recognised as charitable expenditure	Recognised in period/year ending
17	Sept 2018- June 2020	€332,000	31 Aug 2018
17	Sept 2019- June 2021	€400,000	31 Aug 2019
19	Sept 2020- June 2022	€451,750	31 Aug 2020
22	Sept 2021- June 2023	€538,000	31 Aug 2021

Students are selected and awarded their scholarship in the year preceding the school-year and as such the costs need to be recognised at the point that the scholarship is awarded, being one year in advance of the student attending UWC Mostar. The costs of scholarship have increased for the students starting in September 2019, and as such whilst the overall value of grants towards UWC Mostar has increased, the number of students receiving scholarships from Bridge to the Future have marginally increased.

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Trustees' report for the year ended 31 August 2021



c. Oversight

The charity has a trustee position at the UWC Mostar College Board to oversee the activities of the College as it receives significant amounts of funding from the endowment to ensure the money is spent well and proper financial disciplines are applied. The representative charity Board member reviews and gets insight into the financial budget, income and expenditures of the College.

The charity organises an annual event to attend the graduation event with donors and trustees of the charity in Mostar and to meet all endowment students.

The College has an endowment officer who is the key person who coordinates report writing on behalf of the endowment in UWC Mostar, organises events with endowment students when needed and manages the relationships with the alumni, including the donors to the EUR1 campaign.

Financial review

The Trustees have reviewed the amount raised in the year and reviewed the investment performance and consider the state of affairs of the charity to be respectable. The Trustees have had a long-term commitment to raising the sum of €20m to secure the long-term viability of the charity. That goal has been achieved and the Trustees continue to focus on fundraising and capital growth to achieve an overall 50% scholarship provision to UWC Mostar from the endowment.

a. Investment review

The Investment Committee decided in the previous financial year to extend the fund manager mandate beyond Rothschild who had been to that date the sole manager of the investment portfolio. The charity now uses three different fund managers: Rothschild, Vanguard and Generation Investment Management. All fund managers did exceptionally well, driven largely by the increase in stock markets globally over the year. Total net investment returns of €4,237,851 was generated (€614,972 in 2020). The remaining funds are held in cash, partly to manage the liquidity risk.

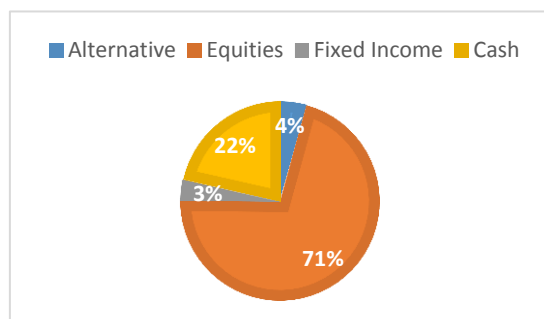
Another key risk is the uncertainty of monetary exchange rates, this is mitigated by holding funds in more than one currency.

BRIDGE TO THE FUTURE

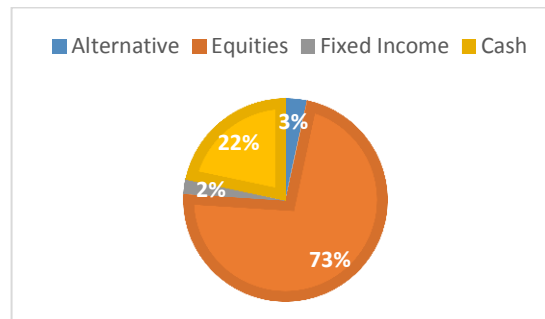
(Limited by Guarantee)

Trustees' report for the year ended 31 August 2021

Asset allocation at 31 Aug 2021



Asset allocation at 31 Aug 2020



b. Reserves policy

These funds will be held to provide grant funding to students at UWC Mostar. The amount available for distribution will be made available from a mixture of income and capital growth, whilst at the same time aiming to preserve the underlying value of the endowment. The Trustees keep sufficient funds available equivalent to the amounts payable in grants during the next 12 months in readily available form. The remaining funds are available for investment upon the discretion of the Investment Manager.

c. Principal funding

The principal donors are disclosed in note 16 to the accounts. A variety of donors have given to the charity with more details on the donors on the Charities website.

In June 2017, an UWC Mostar alumni fundraising campaign was started to encourage the relative young cohort of alumni of the College to donate a small amount, "the €1 campaign". The overall aim is to raise sufficient funds to provide a full endowment donated by UWC Mostar alumni. Two matching schemes exist to encourage the alumni to donate.

Financial year	Recurring donors	Recurring donations in €	One-off donations in €	Total alumni fund in €
2017	68	2,581	20,307	22,888
2018	74	1,855	-	1,855
2019	89	3,549	779	4,328
2020	119	2,704	-	2,704
2021	155	5,099	1,134	6,233
				38,088
Matched funding bringing to a total of EUR				114,025

Following the implementation of the Charities (Protection and Social Investment) Act 2016, the charity has reviewed its fundraising activities and confirms that it complies with the regulation. The charity did not make use of any external fundraisers. No complaints were received in respect of its fundraising activities.

d. Going concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees considered the impact of the Coronavirus on the financial markets in their assessment.

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Trustees' report for the year ended 31 August 2021

Plans for the future

a. Future developments

The Trustees will continue with their fundraising campaign.

Trustees' responsibilities statement

The Trustees (who are also directors of Bridge to the Future for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- follow applicable Accounting Standards, subject to any material departures as disclosed and explained in the Financial Statements;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable him to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The Trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre LLP, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 26th November 2021

and signed on their behalf by:

Guglielmo Verdirame

Guglielmo Verdirame

Independent auditor's report to the members of Bridge to the Future

Opinion

We have audited the financial statements of Bridge to the Future for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of Bridge to the Future

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent auditor's report to the members of Bridge to the Future

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the use of endowment funds and Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Reviewing allocations and disclosures relating to endowment funds;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing valuations of investments; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. There were no areas within the financial statements that required the Trustees to make significant judgements or estimates during the year.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Wilks (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

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BRIDGE TO THE FUTURE**(Limited by Guarantee)**

Statement of Financial Activities

Income and Expenditure Account

for the year ended 31 August 2021

	Note	Endowment Funds €	Unrestricted Funds €	Total Funds 2021 €	Total Funds 2020 €
Income and endowments from:					
Donations and legacies	2	1,898,952	-	1,898,952	2,490,848
Investment income		61,787		61,787	67,716
Total income		<u>1,960,739</u>	<u>-</u>	<u>1,960,739</u>	<u>2,558,564</u>
Expenditure on:					
Raising funds	3	88,023	-	88,023	92,142
Charitable activities	4	555,154	-	555,154	464,082
Total expenditure		<u>643,177</u>	<u>-</u>	<u>643,177</u>	<u>556,224</u>
Net income / (expenditure) before other gains and losses					
		1,317,562	-	1,317,562	2,002,340
Gains and losses on investments		4,131,393		4,131,393	703,422
Other gains and losses		55,304	-	55,304	(88,450)
Net movement in funds		<u>5,504,259</u>	<u>-</u>	<u>5,504,259</u>	<u>2,617,312</u>
Reconciliation of funds					
Funds brought forward		14,325,605	-	14,325,605	11,708,293
Total funds carried forward	12	<u>19,829,864</u>	<u>-</u>	<u>19,829,864</u>	<u>14,325,605</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The accompanying Notes to the Accounts form part of these financial statements.

BRIDGE TO THE FUTURE**(Limited by Guarantee)**

Company number: 08497337

Balance sheet

as at 31 August 2021

	<u>Note</u>	<u>2021</u> €	<u>2020</u> €
Fixed assets			
Investments	8	16,538,262	12,424,163
Current assets			
Debtors	9	-	-
Cash at bank and in hand		4,076,534	2,581,950
Total current assets		<u>4,076,534</u>	<u>2,581,950</u>
Creditors: amounts falling due within one year	9	<u>(524,932)</u>	<u>(456,508)</u>
Net current assets		<u>3,551,602</u>	<u>2,125,442</u>
Total assets less current liabilities		<u>20,089,864</u>	<u>14,549,605</u>
Creditors: Amounts falling due after more than one year	10	(260,000)	(224,000)
Net assets	11	<u><u>19,829,864</u></u>	<u><u>14,325,605</u></u>
The funds of the charity:			
Endowment funds	16	19,829,864	14,325,605
Total charity funds	12	<u><u>19,829,864</u></u>	<u><u>14,325,605</u></u>

Approved and authorised by the trustees on 26th November 2021

and signed on their behalf by

*Guglielmo Verdirame*Guglielmo Verdirame
Director

The accompanying Notes to the Accounts form part of these financial statements.

BRIDGE TO THE FUTURE**(Limited by Guarantee)**Statement of cash flows
for the year ended 31 August 2021

	<u>Note</u>	<u>2021</u> €	<u>2020</u> €
Cash flows from operating activities	A	1,360,199	2,022,016
Cash flows from investing activities			
Dividends and interest		61,787	67,716
Purchase of investments		(1,473,743)	(6,482,534)
Proceeds from sale of investments		1,491,037	3,089,390
Net cash provided by/(used in) investing activities		79,081	(3,325,428)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		2,581,950	3,973,812
Change in cash and cash equivalents due to exchange rate movements		55,304	(88,450)
Cash and cash equivalents at the end of the year		<u><u>4,076,534</u></u>	<u><u>2,581,950</u></u>

(A) Reconciliation of net income to net cash flow from operating activities:

	<u>2021</u> €	<u>2020</u> €
Net income	1,317,562	2,002,340
Adjustments for:		
Dividends and interest from investments	(61,787)	(67,716)
Decrease/(increase) in debtors	-	-
Increase in creditors	104,424	87,392
Net cash provided by operating activities	<u><u>1,360,199</u></u>	<u><u>2,022,016</u></u>

Analysis of cash and cash equivalents

	<u>2021</u> €	<u>2020</u> €
Cash at bank and in hand	<u><u>4,076,534</u></u>	<u><u>2,581,950</u></u>

BRIDGE TO THE FUTURE

(Limited by Guarantee)

Notes to the accounts
for the year ended 31 August 2021

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(i) Preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

Basis of accounting

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Areas of judgement and uncertainty

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost, with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used at working capital. Financial liabilities held at amortised cost comprise all creditors.

Investments are recorded at fair value using quoted prices in an active market.

Asset management fees are charged in the period that they relate to, included under Fundraising Expenditure, investment management costs.

(ii) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Endowment funds are intended to create a permanent fund, the income from which will be used to fund the Charities future activities.

BRIDGE TO THE FUTURE

(Limited by Guarantee)

Notes to the accounts
for the year ended 31 August 2021

(iii) **Revenue recognition**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and associated gift aid and is included in full when probable, measurable and entitled.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is recognised on an accruals basis.

(iv) **Expenditure**

Expenditure is accounted for on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and service for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them including governance costs.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, the audit fees and costs linked to the strategic management of the charitable company.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.
- Grants awarded are recognised in the year that the Board approves the selection of students to receive an endowment scholarship at UWC Mostar from the charity. The full two year endowment is recognised at the point of approval, but relates to the following two school years.

(v) **Financial investments**

Quoted investments are included in the financial statements at market value at the balance sheet date.

Investment income, representing dividends and interest income on investments, is recognised on an accruals basis. Gains and losses on investments are represented separately on the Statement of Financial Activities.

For investment funds where valuation dates are not coterminous with the charity's year end, a best estimate is made of their market value as at 31 August based on valuations either side of the year end.

Cash held with investment managers is included within the total value of investments as at the year-end.

(vi) **Debtors**

Debtors are recognised at the settlement amount.

(vii) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

(viii) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

BRIDGE TO THE FUTURE

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Notes to the accounts
for the year ended 31 August 2021

(ix) **Foreign currency translation**

Functional currency and presentation currency

The financial statements of the charitable company are presented in Euros. The charitable company resides in the UK however expenditure arises mainly in Euros, the functional currency is also Euros.

Donations are received in Sterling, Euros and US Dollars.

(x) **Transactions and balances**

In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in income and expenditure in the period in which they arise.

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Notes to the accounts

for the year ended 31 August 2021

2 Donations and legacies	Endowment Funds	Unrestricted Funds	Total 2021	Total * 2020
	€	€	€	€
Donations	1,697,988	-	1,697,988	2,190,793
Gift Aid	200,964	-	200,964	300,055
Total	<u>1,898,952</u>	<u>-</u>	<u>1,898,952</u>	<u>2,490,848</u>
 3 Expenditure on raising funds	Endowment Funds	Unrestricted Funds	Total 2021	Total 2020
	€	€	€	€
Fundraising	-		-	-
Investment management costs	88,023		88,023	92,142
Total	<u>88,023</u>	<u>-</u>	<u>88,023</u>	<u>92,142</u>
 4 Expenditure on Charitable activities	Endowment Funds	Unrestricted Funds	Total 2021	Total * 2020
	€	€	€	€
Administration costs		-	-	-
Grant awarded	538,000	-	538,000	451,750
Governance Costs				
Audit fee - current year	10,044	-	10,044	7,912
Administration and Compliance	4,483	-	4,483	4,390
Legal fees	2,627	-	2,627	30
Total	<u>555,154</u>	<u>-</u>	<u>555,154</u>	<u>464,082</u>

Grants awarded represent the endowments for 20 students to attend UWC Mostar and 1 further student on partial scholarship. Grants awarded in 2021 are in respect of 2021/22 and 2022/23. Grants awarded in 2020 are in respect of 2020/21 and 2021/22.

All support costs are allocated in full to the single grant making charitable activity.

* Totals for the comparative periods were also in respect of the Endowment fund.

5 Net income for the year	2021	2020
	€	€
This is stated after charging / (crediting):		
Auditors' remuneration (excluding VAT):	<u>8,155</u>	<u>5,507</u>

6 Staff costs and numbers

The charity did not employ any staff in this accounting period (2020: none), and therefore there were no staff costs during the year (2020: €nil). The trustees are the key management personnel of the charity and are not remunerated for their services.

BRIDGE TO THE FUTURE**(Limited by Guarantee)**

Notes to the accounts

for the year ended 31 August 2021

7 Trustee remuneration and expenses

No trustees received any remuneration during the year. No expenses were reimbursed to trustees in the year (2020: €nil were reimbursed to trustees).

8 Investments

	<u>2021</u>	<u>2020</u>
	€	€
Market value at 1st September 2020	12,424,163	8,327,597
Additions at cost	1,473,743	6,482,534
Disposal proceeds	(1,491,037)	(3,089,390)
Realised gain	178,973	64,381
Unrealised gain	3,952,420	639,041
Market value at 31st August 2021	<u>16,538,262</u>	<u>12,424,163</u>
Historical cost at 31st August 2021	<u>11,190,133</u>	<u>10,924,721</u>

The portfolio is made up as follows:

Overseas/UK equities	14,567,955	10,893,699
Hedge funds	885,482	501,462
Fixed income	701,000	345,254
Cash	383,825	683,748
Others		
	<u>16,538,262</u>	<u>12,424,163</u>

9 Creditors: amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	€	€
Grant commitments	484,000	424,000
Trade Creditors	-	3,369
Accruals	40,932	29,139
Total	<u>524,932</u>	<u>456,508</u>

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(Limited by Guarantee)

Notes to the accounts
for the year ended 31 August 2021

10	Creditors: amounts falling due outside one year		<u>2021</u>	<u>2020</u>
			€	€
	Grant commitments		260,000	224,000
	Total		<u>260,000</u>	<u>224,000</u>
11	Analysis of net assets between funds	Endowment	Total	Endowment
		<u>Funds</u>	<u>Funds 2021</u>	<u>Funds</u>
		€	€	€
	Fixed assets	16,538,262	16,538,262	12,424,163
	Current assets	4,076,534	4,076,534	2,581,950
	Current liabilities	(524,932)	(524,932)	(456,508)
	Long term liabilities	(260,000)	(260,000)	(224,000)
	Net assets at 31 August	<u>19,829,864</u>	<u>19,829,864</u>	<u>14,325,605</u>

The net assets of the charity are all held as endowment funds with no unrestricted funds.

12	Movements in funds	At 1 September			Other gains	At 31 August
		<u>2020</u>	<u>Income</u>	<u>Expenditure</u>	<u>and losses</u>	<u>2021</u>
		€	€	€	€	€
	<i>Endowment funds:</i>					
	Endowment Fund	14,325,605	1,960,739	(643,177)	4,186,697	19,829,864
	Total endowment funds	<u>14,325,605</u>	<u>1,960,739</u>	<u>(643,177)</u>	<u>4,186,697</u>	<u>19,829,864</u>
	Total funds	<u>14,325,605</u>	<u>1,960,739</u>	<u>(643,177)</u>	<u>4,186,697</u>	<u>19,829,864</u>
13	Movements in funds	At 1 September			Other gains	At 31 August
	- comparative 2020	<u>2019</u>	<u>Income</u>	<u>Expenditure</u>	<u>and losses</u>	<u>2020</u>
		€	€	€	€	€
	<i>Endowment funds:</i>					
	Endowment Fund	11,708,293	2,558,564	(556,224)	614,972	14,325,605
	Total endowment funds	<u>11,708,293</u>	<u>2,558,564</u>	<u>(556,224)</u>	<u>614,972</u>	<u>14,325,605</u>
	Total funds	<u>11,708,293</u>	<u>2,558,564</u>	<u>(556,224)</u>	<u>614,972</u>	<u>14,325,605</u>

BRIDGE TO THE FUTURE**(Limited by Guarantee)**

Notes to the accounts

for the year ended 31 August 2021

14 Financial instruments	<u>2021</u>	<u>2020</u>
	€	€
Equity investments	14,567,955	10,893,699
Fixed income investments	701,000	345,254
Other investments	885,482	501,462
Financial assets measured at fair value	<u>16,154,437</u>	<u>11,740,415</u>
Financial assets measured at amortised cost	<u>4,460,359</u>	<u>3,265,698</u>
Financial liabilities measured at amortised cost	<u>(784,932)</u>	<u>(680,508)</u>
Financial liabilities measured at fair value	<u>(784,932)</u>	<u>(680,508)</u>

Financial assets measured at fair value comprise investments

Financial assets measured at amortised cost comprise cash, debtors and receivables.

Financial liabilities measured at amortised cost comprise accruals and other creditors.

15 Related Party Transactions

Adriaan de Mol van Otterloo made a donation of in the year €763,415 (2020: €1,170,002).

Adriaan de Mol van Otterloo is the spouse of Fleur Meijs, a Trustee of the charity.

Guglielmo Verdirame made a donation of £26,000 during the year (2020 £4,500).

There were no other related party transactions.

16 Endowment Fund

A declaration of trust was approved by the Board on 9 August 2016 to hold the funds specifically to promote education by supporting the educational work of United World Colleges Mostar (UWC Mostar) and its students by means only of the award of scholarships for students at UWC Mostar or grants to UWC Mostar.

The charitable trust is administered as an expendable endowment and safeguards are implemented to protect the capital of the endowment in the long term.

17 Legal status of the charity

The charity is a company limited by guarantee, incorporated in England and Wales (registration no.: 08497337) and has no share capital. The liability of each member in the event of winding up is limited to £1.

18 Post Balance Sheet Event

The Trustees have considered the risks arising from the coronavirus as part of its process to approve the Company's Financial Statements and the going concern assessment. Any changes to the valuation of the investments following the market volatility from the coronavirus are a non-adjusting post balance sheet event.