

**Charity Number 1156286**

***HOWDEN GROUP FOUNDATION***

*Audited Annual Report and Accounts*

*For the year ended 30 September 2021*

# Howden Group Foundation – Charity Number 1156286

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## Financial Statements

For the year ended 30 September 2021

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# Howden Group Foundation – Charity Number 1156286

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## Trustees and Advisors

### Trustees:

L. Muñoz-Rojas Entrecañales (Chair)  
A. Barrett  
C. Creasey (Independent Trustee appointed 24 January 2022)  
L. Dormandy (Independent Trustee appointed 24 January 2022)  
H. Goodhew (appointed 16 December 2021)  
M. Hudson  
A. Mandal (Independent Trustee appointed 24 January 2022)  
J. Marron  
R. Scott  
M. Smale (resigned 3 February 2022)

### Principal Office:

One Creechurch Place,  
London,  
EC3A 5AF

### Auditor:

David Hoose  
Mazars LLP,  
Two Chamberlain Square,  
Birmingham,  
B3 2AX

### Banker:

RBS London City Office,  
PO Box 412,  
62/63 Threadneedle Street,  
London,  
EC3R 8LA

## Trustees' Report

The Trustees present their report and the financial statements for the Howden Group Foundation (the Foundation) for the year ended 30 September 2021.

The Foundation's constitution sets out its purposes and aims, its Trustees and the rules regulating its governance. These are provided in further detail in the sections that follow.

## Purposes and Aims

The Foundation's principal activities are set out in its constitution, dated 5 June 2020, which were reaffirmed by the Trustees on 5 November 2020. Its objects are listed below:

- a) Relief of Sickness – The relief of sickness and the preservation of physical and mental health among people or anyone in the world by providing grants, items and services to individuals in need and/or charities, or other organisations working for the relief of sickness and the preservation of physical and mental health.
- b) Relief of Poverty – The prevention or relief of poverty anywhere in the world by providing: grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve poverty.
- c) Relief of Disasters – The relief of financial need and suffering among victims of war, natural or other kinds of disaster or catastrophe in form of money (or other means deemed suitable) for persons, bodies, organisations and/or countries affected including the provision of medical aid.
- d) Relief of Unemployment – The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment and supporting entrepreneurship.
- e) Advancement of Education – To advance the education of the pupils by providing and assisting in the provision of facilities not required to be provided by the local education authority for education at the school.
- f) Environmental Sustainability – To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment with a focus on energy consumption, waste management and recycling.

## Ensuring our work delivers our aims

We review our aims, objectives and activities annually. This review looks at what we have achieved and the outcomes of our work in the period under review. We also look at the success of each activity and the benefits that they have brought to those groups of people we are set up to help. In addition, the review helps us ensure our aims, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how any future, planned activities will contribute to the aims and objectives they have set.

## How our activities deliver public benefit

Our main objectives and who we try to help have been set out above. During the period under review we have undertaken a number of activities to raise funds to support causes which we believe align with our stated aims and objectives.

## Trustees' Report (*continued*)

*Who used and benefitted from our services?*

### **Grant making policy and Group's employees fundraising activities**

In 2021, the Foundation continued its commitment to support strategic partnerships which align with Howden Group Holdings Limited's (Howden Group or the Group) Corporate Social Responsibility (CSR) strategy focusing on education, entrepreneurship and the environment. Current partners include the Prince's Trust UK & Australia, Fundacion Pro Empleo, The Nature Conservancy, Care Channels International, Seven Clean Seas and the Danish Red Cross through Replexus.

The Groups' UK employees selected their charity partnership through employee vote at the end of 2019, where Alzheimer's Society was selected as our two year partner. Due to Covid restrictions, employee fundraising events were limited and, as a result, we have extended our partnership with Alzheimer's Society until 30 September 2022.

Additionally, in this period, the Foundation continued to provide assistance to a number of other legacy causes. It continued to be a member of the Lloyd's of London Community Programme and through the programme our volunteers take part in a weekly reading/writing scheme at Harry Gosling Primary, a monthly mentoring programme at Morpeth Sixth Form as well as career insight workshops with various schools in East London. The Foundation also supported volunteers taking part in one off financial literacy workshops across primary schools in East London. In 2021, the Foundation recommenced its support of The Hague Schools' Year 4 activity day, which was put on hold in 2020 due to Covid.

In 2021 our 'Investing in the Community' Awards took place, where Group employees nominate charities they support outside of work.. This year, we granted awards to seven charities.

The Foundation continues to operate its People First Fund providing Group employees with matched giving and prize awards (e.g. Christmas card competition) which assists selected charities with their work.

Incoming resources from the fundraising activities of the Group's employees are directed through the Foundation but these have reduced this year due to the introduction of the new CSR platform 'Group Giving' powered by Benevity Inc. Group employees are encouraged to direct fundraising activities through the platform which goes directly to the chosen charity.

## Trustees' Report (*continued*)

### **Financial Review**

#### *Principal funding sources*

The Foundation principally relies on charitable donations from the Howden Group as part of the Group's commitment to being a responsible business. The Foundation therefore has a close working relationship with the Group and aligns with its CSR strategy which focuses on education, entrepreneurship and the environment whilst maintaining its independence as a grant making charity.

Historically donations to the Foundation have been made by Howden Group Services Limited, the Group's central services subsidiary company, and this continued in 2021 where funds were donated to support the charitable objectives of the Foundation.

In July 2020, to complement this traditional route of funding, the Foundation was gifted funds by the Group with which it chose to take the opportunity to purchase shares in the Group. The Foundation purchased further shares in the Group in November 2021. The Group has grown from strength to strength and, as a shareholder, the Foundation has and is expected to benefit directly from the Group's ongoing success. As the Group continues to grow, so will the charitable work of the Foundation.

To ensure liquidity, the Foundation has a revolving loan facility with the Group. The loan is secured against the value of the shares the Foundation holds in the Group.

Additionally the Foundation receives donations from UK employees as part of the UK charity of the year campaign, the general public and members of the insurance broking community. We continue to see less Group employee fundraising come through the Foundation as we transfer them onto the Benevity platform. This platform enables Group employees to donate directly to their chosen charity partners.

Some UK-based employees of the Group contribute funds to the Foundation via payroll giving which is administered by Charities Trust. Through Charities Trust, Group employees can donate funds to Howden Group Foundation or select a personal charity but this is not a condition of employment.

All donations into the Foundation are unrestricted.

### **Reserves policy**

All funds are unrestricted and the Trustees aim to utilise the reserves on a timely basis.

The Foundation has resolved to establish and maintain a level of cash reserves of up to £100,000 to be available to administer basic grant giving to elected charitable causes during the financial period without immediate recourse to Group.

### **Investment policy**

The Foundation has invested funds donated by the Group in the purchase of shares in the Howden Group and is expected to benefit directly from the Group's success. Additionally the Trustees feel it is appropriate to retain an appropriate level of cash reserves in a current bank account.

## Trustees' Report (*continued*)

### **Principal Risks and Uncertainties**

The Trustees have a duty to identify, understand and analyse the risks to which the Foundation is exposed and to ensure appropriate and effective controls are in place to provide its Trustees with appropriate information of risks and emerging risks that could impact on the core strategy of the Foundation and its objectives.

Currently the Foundation keeps the following risks under review as part of the quarterly risk register review:

- The damage to reputation of the Foundation and the wider Group, which could have an adverse impact on its ability to meet its aims and objectives. The Foundation has a strong governance structure in place to mitigate such risks as far as possible.
- The Foundation is reliant on a small number of individuals at board and management level for its success and loss of these key individuals could have significant implications. Recently the Trustee membership has been expanded to include three independent Trustees to provide guidance to the Foundation as it grows.
- The financial sustainability of the Foundation is reviewed regularly given its reliance on the Group. The ability to meet current and future commitments is a key focus for the Trustees who approve a three year rolling budget annually and review the performance against the budget quarterly.
- Key to the success of the Foundation is its ability to support charities that are effective in delivering public benefit in line with its constitution. Due diligence and monitoring processes are incorporated into all Foundation partnerships to ensure impact and accountability.
- Staff or volunteers acting outside regulations, policies and procedures. We regularly review whether our policies, including safeguarding arrangements, are fit for purpose and look to develop these in line with best practice. As part of our application and monitoring process, all charities are asked to submit their safeguarding policies and procedures.

### **Plans for Future Periods**

The Foundation plans to refocus its efforts in the forthcoming period with specific emphasis on:

- Exploration of further disaster relief projects following the partnership with the Danish Red Cross through Replexus
- Global partnerships that reflect the regions in which the Group has a presence
- Review of grant-making and operations strategy
- The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion

## Trustees' Report (*continued*)

### Structure, Governance and Management

#### *Governing document*

The Foundation is a charitable incorporated organisation, incorporated on 20 March 2014. The Foundation's constitution establishes the powers and objectives of the organisation and was last updated on the 5 November 2020 when the Foundation changed its name to Howden Group Foundation.

#### *Recruitment and appointment of Trustees*

In selecting individuals for appointment as Trustees, the Foundation Trustees must have regard to the skills, knowledge and experience of potential Trustees for the effective management and administration of the organisation. In order to act as a Trustee of the Foundation the potential Trustee must be a natural person over the age of 16. On, or before their first appointment as a Trustee, existing Foundation Trustees are to make a copy of the constitution document and the Foundation's Annual Report and statement of accounts available to new Trustees.

The Trustee membership is reviewed at least annually to ensure that core responsibilities are held to manage certain key areas of expertise: legal, finance and risk management.

In January 2022, to complement the Trustee base who are volunteer employees of the Group, the Foundation elected three Independent Trustees to expand the range of backgrounds, experiences and skills of the Trustee Board.

The Foundation has also created a committee consisting of employees from each of the Group's regions worldwide in order to ensure global reach and charities that align with the Group's CSR strategy, as well as employee engagement.

#### *Foundation Trustees*

The Foundation Trustees, named in the Foundation's constitution, which served during the period under review are listed below, together with date of appointment\*.

L. Muñoz-Rojas Entrecañales	(Chairman, appointed 17 October 2019)
A. Barrett	(Deputy Chairman, reappointed 14 September 2016)
M. Hudson	(appointed 4 August 2017)
J. Marron	(appointed 9 December 2019)
R. Scott	(appointed 15 July 2021)
M. Smale	(resigned 3 February 2022)

\* Chair and Trustee tenure is three years, with the possibility for re-appointment for a maximum of nine years.

The Trustees are considered to be the key management personnel of the charity alongside support from the secretariats of the Foundation, C. Ballantine (appointed Nov 2021), S. Arup and H. Clare.

Since 30 September 2021, the following appointments were made to expand the Trustee membership.

C. Creasey	(Independent Trustee appointed 24 January 2022)
L. Dormandy	(Independent Trustee appointed 24 January 2022)
H. Goodhew	(appointed 16 December 2021)
A. Mandal	(Independent Trustee appointed 24 January 2022)



## Trustees' Report (*continued*)

### *Training*

Upon appointment a Trustee is provided with a guidance document that outlines their role and responsibility as a Trustee of the Foundation. As outlined in the Foundation's constitution, extant Trustees will make a copy of the constitution and a copy of the latest Trustees' Annual Report and statement of accounts available to each new Trustee.

### *Organisational structure*

The Foundation's Trustees meet at least quarterly. In the event that there are no urgent matters to address at a formal meeting then the Trustees will communicate electronically as outlined and permitted in the Foundation's constitution. Any decision may be taken, either at a formal meeting of the Foundation Trustees, or by resolution in writing or electronic form agreed by all of the Foundation Trustees.

The Trustees have appointed a committee of the Foundation to which it delegates certain day to day activities and responsibilities. Formed from a broad membership of employees across the Group, the Foundation Committee meets quarterly ahead of the trustee meeting and minutes are shared with the Foundation accordingly.

## **Statement of the responsibility of the Trustees**

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of the Foundation's affairs and the surplus or deficit for the year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Foundation will continue in operation.

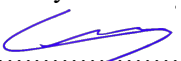
The Trustees are responsible for:

- Keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Foundation and;
- Safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the auditors are unaware and,
- That they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Trustees on 20 July 2022 and signed on its behalf

  
.....  
Luis Muñoz-Rojas Entrecanales

## Independent auditor's report to the members of the Howden Group Foundation

### Opinion

We have audited the financial statements of the Howden Group Foundation (the 'charity') for the year ended 30 September 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 FRS 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 charity's affairs as at 30 September 2021 and of its 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

## Independent auditor's report to the members of the Howden Group Foundation (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

### **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 light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Independent auditor's report to the members of the Howden Group Foundation (continued)

### **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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, the Charities Statement of Recommended Practice and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of investments, and income cut off at year end.

# Howden Group Foundation – Charity Number 1156286

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## Independent auditor's report to the members of the Howden Group Foundation (continued)

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.


There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

  
[David Hoose \(Jul 22, 2022 07:43 GMT+1\)](#)

David Hoose

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham B3 3AX

Jul 22, 2022

# Howden Group Foundation – Charity Number 1156286

## Statement of Financial Activities For the year ended 30 September 2021

	<i>Note</i>	<b>Unrestricted Funds 2021 £'000</b>	<b>Total Funds 2021 £'000</b>	<b>Total Funds 2020 £'000</b>
<b>Incoming resources</b>				
Donations and grants	<b>2</b>	244	244	3,257
Fundraising events	<b>3</b>	34	34	70
Foreign exchange gains		6	6	-
Interest and dividends		-	-	2
		<hr/>	<hr/>	<hr/>
<b>Total incoming resources</b>		284	284	3,329
		<hr/>	<hr/>	<hr/>
<b>Resources expended</b>				
Cost of generating funds		(2)	(2)	(2)
Donations and grants	<b>4</b>	(1,958)	(1,958)	(1,850)
Audit fee	<b>5</b>	(13)	(13)	(12)
Interest on loan		(24)	(24)	
		<hr/>	<hr/>	<hr/>
<b>Total resources expended</b>		(1,997)	(1,997)	(1,864)
		<hr/>	<hr/>	<hr/>
<b>Net (expense) / income before investment gains</b>		(1,713)	(1,713)	1,465
		<hr/>	<hr/>	<hr/>
Gains on investment assets		3,650	3,650	-
<b>Surplus for the year</b>		1,937	1,937	1,465
<b>Funds brought forward</b>		2,411	2,411	946
		<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>		4,348	4,348	2,411
		<hr/>	<hr/>	<hr/>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 16 to 21 form part of these accounts.

# Howden Group Foundation – Charity Number 1156286

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## Balance Sheet

As at 30 September 2021

	<i>Note</i>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Fixed assets</b>			
Investments	<b>8</b>	5,556	2,258
		<hr/>	<hr/>
		5,556	2,258
<b>Current assets</b>			
Debtors	<b>9</b>	5	33
Cash at bank and in hand		516	257
		<hr/>	<hr/>
		521	290
<b>Creditors:</b> amounts falling due within one year	<b>10</b>	(705)	(137)
		<hr/>	<hr/>
<b>Net Current (Liabilities) / Assets</b>		(184)	153
		<hr/>	<hr/>
<b>Creditors:</b> amounts falling due after one year	<b>11</b>	(1,024)	-
		<hr/>	<hr/>
		<hr/>	<hr/>
<b>Net Assets</b>		4,348	2,411
		<hr/>	<hr/>
<b>Funds of the Charity</b>			
Unrestricted funds	<b>12</b>	4,348	2,411
		<hr/>	<hr/>
<b>Total funds</b>		4,348	2,411
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Trustees on 20 July 2022 and were signed on its behalf by:

  
.....  
Luis Muñoz-Rojas Entrecanales

The notes on pages 16 to 21 form part of these accounts.

# Howden Group Foundation – Charity Number 1156286

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## Statement of Cash Flows As at 30 September 2021

	2021 £'000	2020 £'000
<b>Reconciliation of net incoming resources to net cash flow from operating activities :</b>		
Net Movement in Funds	1,937	1,462
Decrease in Debtors	28	3
Increase in Creditors	1,068	136
(Gains) on Investment Assets	(3,650)	-
Investment Income	-	2
<b>Cash Flows from Operating Activities</b>	<u>(617)</u>	<u>1,603</u>
Purchase of Investments	-	(2,258)
Proceeds on Disposal of Investments	351	-
Drawdown on Loan facility	525	-
<b>Cash Flows from Investing Activities</b>	<u>876</u>	<u>(2,258)</u>
Increase/(decrease) in Cash and Cash Equivalents in the Year	259	(655)
Cash and Cash Equivalents at the Beginning of the Year	257	912
<b>Cash and Cash Equivalents at the End of the Year</b>	516	257



## Notes to the Financial Statements For the year ended 30 September 2021

### **1 Accounting policies**

#### ***General information***

Howden Group Foundation is a charity registered in England and Wales. Its correspondence address is detailed in the Annual Report. As a CIO, the Foundation meets the public benefit entity requirements of FRS102.

The principal activity of the Foundation is to benefit charity institutions with charitable objectives by way of grant making.

The financial statements are prepared in Pounds Sterling as this is the functional currency and currency of the primary economic environment in which the charity operates.

Monetary amounts in these financial statements are rounded to the nearest £'000.

#### ***Basis of preparation***

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and under the historical cost convention in accordance with applicable Accounting Standards as modified by the accounting policy for investments quoted on a recognised stock exchange.

#### ***Going Concern***

These accounts have been prepared on the going concern basis as the Trustees consider that there are sufficient reserves available to meet the Foundation's liabilities as they fall due.

#### ***Fund accounting***

Unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity. All the Foundation's funds are classified as unrestricted funds as there is no limitation on the purpose for which they can be used.

#### ***Incoming resources***

All incoming resources are included in the statement of financial activities when the charity is entitled to, and it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

#### ***Resources expended***

Expenditure is recognised on an accrual basis as a liability is incurred. Grants payable are only recognised in the accounts when a commitment has been approved by the Board and there are no conditions to be met relating to the grant which remain in the control of the charity.

Expenditure includes any VAT which cannot be fully recovered, and is allocated according to the activity to which it relates.

# Howden Group Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2021

### 1 Accounting policies continued

#### *Cash and Cash equivalents*

Cash and cash equivalents are 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.

#### *Judgements in applying accounting policies and key sources of estimation uncertainty*

In applying the charity's accounting policies, the Trustees may be required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities.

#### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities with the next financial year are discussed below:

The carrying amount of unlisted investments on 30 September 2021 was £5,556k (2020: £2,258k).

The value of the investments is based on the adopted share price of Howden Group Holdings Limited ("Howden Group"). The share price adopted is based on a report prepared for Howden Group by an external third party, which values the Howden Group on the basis of precedent transactions, public company valuations, leverage buyout valuation and discounted cash flow. The adopted share price has also been used for a number of recent transactions, including the internal market run by Howden Group and shares issued in relation to acquisitions. Some of the shares held have a hurdle price, which needs to be achieved for the shares to have value, as set out in the legal documents governing those shares.

### 2 Incoming resources – Donations

	Unrestricted Funds 2021 £'000	Total 2021 £'000	Total 2020 £'000
Howden Group Holdings Limited	-	-	2,267
Howden Group Services Limited	210	210	861
Individual donations	34	34	99
RKH Specialty Limited	-	-	12
Howden Insurance Brokers Limited	-	-	11
DUAL International Limited	-	-	6
HX Group Limited	-	-	1
	<hr/>	<hr/>	<hr/>
	244	244	3,257
	<hr/>	<hr/>	<hr/>

# Howden Group Foundation – Charity Number 1156286

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Notes to the Financial Statements  
For the year ended 30 September 2021

## 3 Incoming resources – Fund raising events

	Unrestricted Funds 2021 £'000	2021 Total £'000	2020 Total £'000
DUAL Charity Ball	20	20	-
Reaching India - Covid support	6	6	-
HIBL Countdown to Christmas	2	2	-
Other	6	6	7
Masquerade Ball	-	-	42
London to Brighton cycle ride	-	-	10
Hyperion KM Challenge	-	-	3
Christmas Jumper Day	-	-	3
Quiz night Cancer Research	-	-	2
M4M - Other	-	-	3
	<hr/>	<hr/>	<hr/>
	34	34	70
	<hr/>	<hr/>	<hr/>

# Howden Group Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2021

### 4 Resources expended – Donations and grants

	Unrestricted		
	Funds	2021	2020
	2021	Total	Total
	£'000	£'000	£'000
The Prince's Trust	501	501	505
The Prince's Trust (due Apr-22)	500	500	-
The Prince's Trust (due Apr-23)	500	500	-
The Nature Conservancy	173	173	180
Care Channels International	60	60	-
Seven Clean Seas	52	52	-
Charitable Giving	42	42	-
Alzheimer's Society	38	38	47
The UK Online Giving Foundation	11	11	-
Cancer Research	-	-	222
Plastic Oceans	-	-	199
Blackdog	-	-	181
Danish Red Cross	-	-	125
NHS Charities Together	-	-	36
TMEA office	-	-	35
Harmonia Correctora	-	-	15
Other	81	81	72
	<hr/>	<hr/>	<hr/>
	1,958	1,958	1,850
	<hr/>	<hr/>	<hr/>

Other donations and grants comprise multiple small amounts under £10,000 that have been made to a number of various charities and causes to support them in their work.

### 5 Audit Fee

The Audit fee amounts to £12,480 (2020: £12,000).

### 6 Trustee remuneration and expenditure

No Trustees or connected person is entitled to any remuneration from the charity as set out in the charity's constitution nor received any reimbursement of expenses.

# Howden Group Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2021

### 7 Taxation

As a charity The Howden Foundation is exempt from tax on income and gains falling within s505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No charges have arisen in the charity in the period.

### 8 Fixed assets - Investments

	Investments £'000
Market Value:	
At 1 October 2020	2,258
Additions	-
Revaluations	3,524
Disposals	(226)
	<hr/>
At 30 September 2021	5,556
	<hr/>

### 9 Debtors

	2021 £'000	2020 £'000
Accrued income - Donations	5	33
	<hr/>	<hr/>
	5	33
	<hr/>	<hr/>

### 10 Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Accruals - Donations	693	125
Accruals – Audit fee	12	12
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	705	137
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# Howden Group Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2021

### 11 Creditors: Amounts falling due after one year

	2021 £'000	2020 £'000
Accruals - Donations	500	-
Loan	524	-
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	1,024	-
	<hr/>	<hr/>

The loan relates to a revolving loan facility made in July 2020 with HIG Finance 2 Limited a Group company. The total principal amount must not exceed £5,000,000 and must be repaid on or before the fifth year anniversary. Interest rate is equal to 5.75% per annum and the loan is secured by a fixed charge on the shares held in the Group. As at 30 September 2020, the loan advance was £500,000 and interest incurred in the period amounted to £24,418.

### 12 Movement in funds

	At 30 Sep-20 £'000	Incoming Resources £'000	Outgoing Resources £'000	Investment Gains £'000	At 30 Sep-21 £'000
Unrestricted Funds					
General Funds	2,411	284	(1,997)	3,650	4,348
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	2,411	284	(1,997)	3,650	4,348
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 13 Related party transactions

A trustee donated his board fee for Howden Group Holdings Limited totalling £12,500 (2020: £37,500).

None of the trustees have been paid any remuneration or incurred any expenses in the period.