

Charity number: 1189216

**HG FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

HG FOUNDATION

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIO, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 MARCH 2021

Trustees	Sir Kevan Collins (appointed 14 June 2020) Richard Donner (appointed 27 April 2020) Cornelius Becker (appointed 14 June 2020) Caroline Löfgren (appointed 27 April 2020) Thomas Attwood (appointed 27 April 2020) Anna Sanow (appointed 27 April 2020) Gero Wittemann (appointed 24 April 2020) Richard Earnshaw (appointed 27 April 2020)
Charity registered number	1189216
Principal office	2 More London Riverside London SE1 2AP
Independent auditors	RPG Crouch Chapman LLP 5 th Floor 14-16 Dowgate Hill London EC4R 2SU
Bankers	RBS International 7 th Floor 1 Princes Street London EC2R 8BP NatWest 10 Southwark Street London SE1 1TJ
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD Burness Paul 120 Bothwell Street Glasgow G2 7JL
Other Advisers	Deloitte LLP Tax and Legal Abbots House Abbey Street Reading RG1 3BD

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the CIO for the period 27 April 2020 to 31 March 2021.

Objectives and activities for the public benefit

The purpose of The Hg Foundation is to make an impact on the development of skills most required for quality employment within the technology industry. The Foundation focuses on those who may otherwise experience barriers to access. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives, in planning future partnerships and activities and when setting its grant making policy.

The Foundation furthers its charitable purposes for the public benefit through making grants to established charitable organisations that directly enhance the prospect of employment or by supporting the attainment of qualifications and skills relevant to employment within the world of technology and the modern job market. The Foundation will also consider interventions where the application of technology can improve and disrupt conventional educational or training delivery mechanisms which may enhance their scale, efficiency and impact. It aims to support access to sustainable, quality and higher value employment for those from non-privileged backgrounds or low-income jobs who are typically underserved by existing public or private schemes or where access gaps and specific needs have been identified.

The Trustees carry out the Foundation's objectives by partnering with experienced, dedicated and proven charitable organisations across the UK, Europe and the United States, all with a strong track record of delivery and who the Foundation will typically look to work with over a number of years. The core partnerships formed in the financial year were with Imperial College London, Sponsors for Educational Opportunity (SEO) and The Tutor Trust. The Trustees also made a one-off donation to Impetus in support of the Online Tutoring Pilot.

The Hg Foundation is supported by Hg, who provide access to a team with deep technological and operational expertise, as well as its wider network comprising a portfolio of technology companies who offer benefits such as work experience, mentoring and job opportunities. The Foundation recognises that technology is high growth, high potential yet disruptive and through the work of partnership schemes seeks to harvest the benefits and mitigate the downsides of this industry. Furthermore, by leveraging Hg's existing and future networks the Foundation aims to create a multiplier effect to enhance the scale and reach of its activities.

Grant making policy

The Foundation has established its grant making policy to achieve its objects for the public benefit.

In order to meet funding criteria, prospective partners of the Foundation must be able to demonstrate that the proposed projects:

- Support the development of education and skills. This includes both the hard and soft skills required to succeed in today's working environment. Hard skills will include but not be limited to subjects such as Maths and coding or other specific skills needed for well-defined careers within the technology industry. Support and education is also given to enhance softer skills such as interview techniques, creating networks and giving those from underprivileged backgrounds access to certain experiences that are helpful for future employability in the technology industry.
- Are in areas relevant to the world of technology that contribute to improved and sustainable employment prospects for the long-term.
- Use clear metrics to track and measure outcomes and assess impact. The Trustees seek to gain best insight on how to appropriately measure and evaluate impact, so as to create a learning environment offering potential for consistent improvement. By working with established charitable organisations and experts the Foundation is able to support its partners in defining;
 - o quantitative and qualitative baseline measures
 - o a KPI and performance milestone framework to assess each project
 - o a "best in class" impact evaluation framework

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

- Target those who need it most. Priority areas of support are projects that focus on individuals from less advantaged or diverse backgrounds, where there is an access gap in education and training and subsequently employment opportunities within the sphere of technology.
- Are driven by experienced, dedicated and proven professionals, experts and institutions with a track record of delivery.
- Are strategic and scalable partnerships for the long term. Each programme and partnership typically run over two to four years, however, smaller, short-term commitments are made by exception; either to establish a new theme or where there is not currently a clear partner operating in a selected area of interest.

The Foundation Trustees take a strategic and proactive approach to sourcing prospective partnerships and a group of Trustees will carry out thorough due diligence on any potential grant recipient to ensure the funds will be applied in accordance with the Foundation's charitable objectives. This process will include the submission of written proposals, a presentation to a group of Trustees and detailed conversations with leaders of the organisation and their team and where appropriate, due diligence visits will take place. The Foundation may also commission third party research in specific areas of interest in order to gain better insights on the most effective forms of intervention.

To mitigate any risk against the reputation of the Foundation, the Trustees may extend due diligence beyond the proposed grant recipient to include any other associated organisations. In cases where the Foundation supports an organisation for an extended period of time, due diligence will be re-run after a period of three years or if there is a material change of circumstances.

The Trustees will require a written agreement to be entered into between the Foundation and the grant recipient which will include, as a minimum:

- The objective of the grant, and details of how the grant can be spent
- The time period for the delivery of the activities, services or outcomes being funded
- Requirements for receiving reports from the recipient on how they have spent the grant, progress against objectives, and achievements for the period covered
- The records that the Trustees require to see regarding the use of the grant, for example invoices for significant expenditure
- Monitoring arrangements to enable the Trustees to have confidence that the grant is used for the intended purpose
- What will happen if the terms and conditions of the grant are breached, or if the recipient can no longer carry out the terms of the grant.

Once a grant agreement has been signed, the Trustees or an appointed grant monitoring officer will hold regular monitoring meetings/visits and will also receive regular grant monitoring reports to include updates on progress against pre-determined milestones specifically around impact and a financial breakdown of expenditure for the project or activity that was funded.

The grant making policy is reviewed annually to ensure it reflects the charity's objects and thereby advances the public benefit.

A review of our achievements and performance: How our grant programmes delivered public benefit

This report covers activity that has taken place between 27th April 2020 and 31st March 2021.

In this period a total of 1731 students were enrolled and actively engaged on a programme delivered by the charitable partners of The Hg Foundation. Due to the COVID-19 pandemic and subsequent government restrictions including school closures, all of the following programmes were moved to either full or partial digital delivery.

As a result of national lockdowns and school closures The Hg Foundation brought forward its planned launch date and deployment of its first grants in order to support some of its charity partners in the accelerated delivery of their programmes.

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

Imperial College London – A-Level Further mA*ths Online Programme

<p>Programme Launch Date: January 2021 Size of Grant: £840,000 over 3 years Target number of students to receive intensive support: 450 over 3 years Target number of teachers to receive intensive support: 150 over 3 years Target number of students with access to online materials: 2,000+ over 3 years</p>

Imperial College London have developed a pioneering and scalable approach to Maths outreach via their mA*ths programme for A-Level Maths which includes mass online learning, e-mentoring, learning support for teachers, as well as intensive support to annual cohorts of disadvantaged students.

The Hg Foundation has funded the expansion of the Imperial College London mA*ths programme into A-Level Further Maths. The core aim of the Further mA*ths programme is to address the attainment gap at A-Level Further Maths by providing intensive support for annual cohorts of up to 150 disadvantaged students by 2022 (this equates to approximately 16% of the total number of disadvantaged students who took Further Maths in 2019). This is a national scheme, targeting disadvantaged students from across the UK.

A smaller proportion of the Foundation's funding has gone towards investigating progression from GCSE into A-Level Further Maths. This project will examine the progression gap at GCSE and explore scalable and effective measures for increasing take-up of Further Maths by disadvantaged students.

The Further mA*ths Online Programme was successfully launched in January 2021; 50 Year 12 pupils were enrolled, selected from 313 applications across 68 LEAs and 122 schools.

Survey results at the end of module 1 indicate that the students are broadly very satisfied with the programme - pitched at the right level, easy to access and use, and beneficial for their Further Maths learning. As at March 2021 there were 678 unique users enrolled for online learning resources, with over 80% of students stating that they found the MOOC easy to use.

One Year 12 Further mA*ths student commented:

"I am really happy to have been able to take part in the Further Maths Online Programme, and so impressed with the quality of the resources provided to assist me in improving my Further Maths skills. This programme served simultaneously as both a great revision source and a form of enrichment to stimulate my love of problem solving and Maths in general. Thanks so much!"

The evaluation plan for the Further mA*ths Online Programme includes both internal oversight and monitoring as well as independent external expertise. External evaluation will interrogate the long-term impact of the programme on A-Level attainment and university progression. It will also ensure that the ongoing evaluation of Maths attainment-raising activities is informed by the latest evidence and best practice and will contribute to the growing body of knowledge around the most effective ways to support young people and their teachers in raising attainment.

In spring 2021, the Imperial College London outreach team commissioned The Brilliant Club (a leading university access charity) to develop the knowledge and evidence base around short and medium-term indicators of improvements in Maths attainment.

Future research priorities include a more in-depth look at patterns of uptake of A-Level Further Maths amongst disadvantaged pupils across the country, and possible factors that influence this. The effectiveness of teacher observations and feedback as an extra perspective within the evaluation of the programme's impact on participants' attainment will also be explored.

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

SEO Sponsors for Educational Opportunity – Tech Developer Programme

Programme Launch Date: April 2021
Size of Grant: \$1.6m over 3 years
Target number of students to receive intensive support: 180 over 3 years

SEO is a non-profit organisation dedicated to providing supplemental educational and career support to young people from underserved communities. Through the SEO Tech Developer programme, supported by The Hg Foundation, SEO aim to address imbalances within the technology industry and raise the percentage of minority students effectively competing for entry-level roles in the tech world.

This is an intensive immersion and training programme focused on eliminating the exposure and preparation gaps facing underrepresented students. In partnership with Codio, a cloud-based platform for high quality computing education and tech skills development, SEO has curated a customised curriculum that hones minority students' existing tech skills. Participants will take part in both individual and team-based projects that focus on solving problems through software development.

The programme will also provide sustained exposure to industry professionals, educators and recruiters through seminars, coaching and mentoring with senior tech executives, as well as access to tech firms for internships.

Applicants must identify as Black, Latinx or Native American, be enrolled as a sophomore at an accredited, four-year US college or university studying Computer Science, Computer Engineering or related STEM subjects and have basic proficiency in one or more programming languages.

Recruitment for the SEO Tech Developer took place between December 2020 and March 2021, with 62 students being selected from 435 qualified applicants. These students will take part in pre-work projects from April 2021 and a 6-week virtual summer residency from June 2021.

Target KPI's over the course of the next three years are for 90% placement for internships within the first 12 months of the programme, 80% placement for full time roles within the first 24 months and an intent to scale the programme by 50% in the next 36 months.

The overall success of the programme will be measured by a combination of progression and attainment metrics. Participants will be evaluated using HackerRank a widely used tech industry assessment tool where developers compete to programme according to provided specifications. These evaluations will occur at the beginning and end of the programme to measure how students have progressed in their technical skill levels. SEO will also track the number of students who obtain internships or employment with technology firms and will benchmark across SEO's other programmes to track the success of the tech developer programme.

The Online Tutoring Pilot

Programme Launch Date: June 2020
Date Ended: October 2020
Size of Grant: £50,000
Number of students who received intensive support: 1,381
Number of tuition sessions held: 7,000

The Online Tutoring Pilot was a collaboration between the UK government, the Education Endowment Foundation, Impetus, Sutton Trust, Nesta, and Teach First, and was one of the first steps in building the government's flagship National Tutoring Programme (NTP). The programme aimed to address the attainment gap between poorer pupils and their better off peers, which was expected to widen as a result of school closures during COVID-19, by providing schools with heavily subsidised tuition and trained tutors for intensive catch-up support to disadvantaged pupils.

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

In spring 2020, The Hg Foundation was one of the founding funders of this online tutoring pilot, the findings from which fed into the evidence underpinning the NTP. The overarching aim of the pilot was to evaluate the feasibility of providing online tuition to disadvantaged learners during the COVID-19 school closures.

The pilot targeted learners from Year 5 to 13 and the majority of learners (80%) who took part were in Year 10 and 11. Average attendance was 65%, attendance was highest in primary schools where the students took part at school, however it was reported that attendance gradually declined over time and decreased significantly once summer holidays began.

The independent evaluation of the pilot was performed by NatCen Social Research and included analysis of monitoring information and feedback data collected routinely by the four tutoring organisations, surveys of school leads and learners, paired interviews with the strategic leads at the four tutoring providers and online focus groups with tutors, school staff and learners.

Despite the challenging circumstances of lockdown, the evaluation of the pilot found that delivering online tuition during the school closures was feasible. Learners reported that they enjoyed the tuition and felt that they benefited from the extra support, with tutors and other stakeholders reporting improvements in learners' confidence and engagement.

The Tutor Trust – Hybrid Tutoring Pilot

<p>Programme Launch Date: September 2020: Size of Grant: £100,000 Number of students receiving intensive support: 238 Number of schools enrolled in programme: 16</p>

The mission of The Tutor Trust is to transform lives through tuition by ensuring that young people who need additional academic support, but whose families might not be able to afford it, have access to inspiring tutors. The Tutor Trust recruit and train bright university students as tutors in the core subjects of Maths, English and Science and place them in state schools across the North-West of the UK.

The hybrid tutoring pilot supported by The Hg Foundation has been designed to test a hybrid model that blends in-person and online tutoring whilst also providing reconditioned computer hardware to pupils who need access to online learning at home.

Since autumn term 2020, 16 schools in Greater Manchester, Liverpool and Leeds have participated in small group tutoring in English and Maths. Participating pupils receive 15 hours support in English and 15 hours support in Maths with most tutoring sessions delivered on a 1:3 basis.

61% of pupils reached are at secondary school and 39% at primary. 65% of pupils receiving tutoring through the pilot qualify for Pupil Premium funding and 17% have Special Educational Needs (SEN).

As at March 2021, delivery is ongoing in 14 schools. Two schools did not restart programmes after the lockdown citing a lack of time in the curriculum with pupils preparing for GCSEs.

Tutoring has been delivered using the 'hybrid' model. The aim has been for 30% of sessions to be delivered in person, and 70% delivered online. However, disruption due to COVID-19 has meant that at times delivery models have had to be more flexible than those initially envisaged. In many cases, programmes have paused and restarted, and it has been difficult for some schools to maintain the planned 70/30 split. However, tutoring is ongoing, and the young people will be supported until the end of the school year, and in some cases into the summer holidays.

For these reasons, it is too early to say if there is anything unique about the impact of a hybrid tutoring model, however preliminary analysis of progress tests from schools that have finished the programme indicate that pupils made progress and enjoyed their tutoring.

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2021 (continued)

The external impact assessment and evaluation for this project is performed by Learning by Questions, an innovative formative and summative assessment platform that is closely linked to National Curriculum objectives. This software will provide detailed information on the progress that pupils have made during the tutoring programme and enable monitoring of the progress of pupils in Alternative Provision and those who are looked after.

Laptop Donations

The UK national lockdowns in 2020 and 2021 created a major challenge for many students to keep up with school and a key issue was a lack of access to technology. Since September 2020, The Hg Foundation has donated over 200 recycled and reconditioned laptops to disadvantaged pupils via The Tutor Trust and another educational outreach charity, The Access Project, to enable these students to engage in tuition programmes online.

The Headteacher at a primary school in Liverpool, who take part in the Hybrid Tutoring programme commented:

"We have recently started The Hg Foundation Hybrid Tutoring Project in school and remotely for twelve Year 6 pupils. It has been such a timely project for our children – particularly with the generous donation of laptops and headsets. This has supported not only the project, but our Year 6 pupils working remotely as their 'bubble' has been suspended three times already due to positive COVID-19 results.

"The nine laptops, provided by The Hg Foundation, supported our school to provide 28 pupils in Year 6 with devices in order to access their learning from home. Initial feedback from pupils is extremely positive. Ten of the twelve children accessing the tutoring programme are eligible for Free School Meals and probably would not have access to this type of after school provision. Thanks for your support."

Monitoring achievement

As this is the first year of the Foundation, and partnership programmes are in their first few months of activity there is not yet sufficient data from which to draw conclusive impact statistics and evaluation. However, as shown in each of the Foundation programme summaries on pages 4-7, thorough impact assessment and evaluation is a core requirement for every partner programme that The Hg Foundation funds.

The evaluation of each of our partner schemes includes both internal oversight and monitoring of specific programme KPIs as well as independent external expertise. Each of our partners will identify and track key measures such as participation targets; activity outcomes such as improved knowledge, skills and confidence; intermediate outcomes such as results and attainment; and longer-term outcomes for example progression to higher education, internship and career placements.

Alongside quantitative measurements like predicted grades and administrative datasets each assessment will also include qualitative methods to explore personal perceptions, confidence and future expectations. These findings will be triangulated in order to provide greater detail and understanding, firstly so as to ensure ongoing improvements can be made to continuously refine and improve the content of each of our partner programmes, but also to ensure that the work of these schemes is properly identified and understood and so that the learnings can be shared more broadly in order to effect greater change.

Fundraising

Hg Foundation does not undertake any fundraising activities from the general public.

Related Parties

The charity is connected to its main donor, HgCapital LLP, through all of its trustees, with the exception of Sir Kevan Collins and Thomas Attwood, who ceased to be a related party in July 2020.

Financial review

The charity's results for the period are set out in the Statement of Financial Activities on page 14.

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

The charity had net incoming resources on unrestricted funds of £3,911,345, comprising income of £4,576,315 and expenditure of £664,970. Income was solely derived from donations of profit and carried interest from HgCapital LLP.

This is the first year of operation for the charity and there is no accumulated surplus/deficit brought forward from previous years, therefore unrestricted funds carried forward to the next financial year amount to £3,911,345.

As shown in note 14 to the accounts, the charity's funds are mainly held in cash. Following the end of this reporting period, the Foundation has made a further two significant grant commitments. Firstly the sponsorship of the upReach Tech500 programme with a commitment of £2,000,000 to be paid over the next three years and secondly to Generation France with a commitment of £1,000,000 to be paid over the next two years. Further details of these programmes can be found in the "Plans for the future" section of this report.

Investment policy and performance

For the period ending 31st March 2021, the Foundation has no formal investment policy with assets being held in liquid/accrual facilities. Consideration to investments and a formalised investment policy will be given in due course.

Internal controls and risk management

The Trustees have responsibility for ensuring that the Foundation has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that it is operating effectively and in line with Charity Commission guidelines.

The systems of financial control are reviewed regularly and have been improved where necessary during the reporting period to provide reasonable assurance against material misstatement or loss.

The trustees have reviewed the principal risks faced by the Foundation and found that they lie in the operational risks from ineffective grant making and the capacity of the Foundation to make effective grants. The Foundation Trustees consider risks on an annual basis as a minimum. Notable risks identified in the reporting period, which have been added to the risk register along with actions to mitigate the impact include:

- Risk of grant recipients mismanaging or fraudulently using funds donated to them. There is a robust due diligence process ahead of allocation of any grants which is led by a Foundation trustee, all grant recipients will adhere to grant making policy stipulations, a grant agreement will be signed by both parties and a grant monitoring process will be put in place which includes regular financial reporting by the grant recipient.
- HgCapital LLP is the primary funder of The Hg Foundation – the exact amounts donated are subject to HgCapital LLP funds hitting targets and timelines. There is a risk that if HgCapital LLP funds do not hit expected targets and forecasted budgets the funding for the Foundation will be reduced or delayed. To mitigate this risk, the Foundation's forecasted budget is cautious and is provided by the HgCapital LLP finance team who update it on a regular basis. The Foundation trustee board will only confirm grant allocations if it is holding sufficient funds at that time.
- COVID-19; external / macro events pose a potential risk to HgCapital LLP's business (i.e. Hg Foundation's primary funding source) due to impact on the global economic and political environment. The HgCapital LLP finance team and Hg Foundation Trustees regularly monitor budgets and where necessary will explore alternative funding sources.

Reserves policy

The Trustees meet annually to review the strategy, budgets, operating plans and forecasts for the forthcoming year. They consider contracted cashflows versus contracted grant commitments and they aim to ensure that there are sufficient liquid resources available to undertake grant allocations, programme activity and to cover operating costs for a minimum period of 12 months.

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2021 (continued)

All funding to the Foundation is unrestricted and therefore can be used at the discretion of the Trustees, however, funds of £1,681,673 have been earmarked for special projects, as disclosed in Note 11.

The balance held as unrestricted funds at 31st March was £3,911,345. During the year, the charity incurred expenditure of £664,970. The current level of reserves is therefore higher than stated in the reserves policy, but in evaluating the reserves requirements for the next year, the trustees need to take into account the grant commitments of £3m for the upReach Tech500 programme and Generation France. The trustees therefore consider the reserves policy to be met satisfactorily.

Plans for the future

The Foundation Trustees will continue to work with and support current partners and explore ways to share the knowledge and use the learnings from these programmes in the hope of being able to effect change within education and specifically to improve employment prospects for those from disadvantaged backgrounds within the technology industry.

Following the end of this reporting period, The Hg Foundation Trustees have made significant commitments to these programmes:

- **upReach Tech 500** is a tailored programme for 500 undergraduates from disadvantaged backgrounds looking to secure graduate roles in the technology sector, with digital skills training also available to a further 2500 students.
- **Generation France** aims to bridge the gap between employers struggling to recruit entry-level talent and French youth not in any form of training or employment. Funding from the Foundation is specifically focused on technology businesses.

Over the next 12 months The Hg Foundation Trustees will also aim to develop research into themes and sectors where its interventions can be most effective, this includes engagement with leading researchers such as the Education Endowment Foundation and the Education Policy Institute. Such research underpins the Foundation's strategy, allowing the Trustees to focus on a small number of well researched themes within education and technology where it has been established that the greatest impact can be achieved.

Structure, governance and management

Governing Document and Constitution

The Hg Foundation was incorporated on 27th April 2020. The Foundation is a Charitable Incorporated Organisation and a registered charity (number 1189216). Its governing document is its Constitution.

Trustees – Appointment, Induction and Training

New Trustees are appointed by a resolution passed at a meeting of the existing Foundation Trustees or by written resolution, such a resolution shall be effective only if at least half of the current Foundation Trustees have voted in its favour. The constitution allows for a minimum of 3 Trustees and a maximum of 10 Trustees, at any given time at least 2 Trustees must not be officers, partners or employees of HgCapital LLP or Hg Advisory GmbH & Co. KG.

On appointment, new Trustees sign a trustee declaration statement committing them to giving of their time and expertise. They are made aware of their legal obligations under Charity Law, the decision-making process of the Foundation, key policies and procedures, its strategic aims and recent performance. New Trustees are provided with a copy of the current version of the Constitution and a copy of the latest statement of accounts.

Organisation

At the bi-monthly trustee meetings, the Trustees discuss areas of activity such as grant making, performance against objectives and a review of budget and cashflow forecasts. The due diligence process prior to a grant commitment is run by a nominated trustee who will bring a proposal to a nominated investment sub-committee. Once approved by the sub-committee the new grant proposal will be brought to the full trustee board for final approval.

At annual strategy meetings, the Trustees meet to discuss overall strategy, performance, annual budget and to determine how best to direct its resources to meet its objectives.

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

Key management personnel remuneration

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

In accordance with the Foundation's Conflict of Interest Policy, Trustees are required to declare and register any personal interests, business interests or other direct or indirect interests that might potentially conflict with their duties as a Trustee and absent themselves from decisions where a conflict of interest arises.

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CIO will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that 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 charity's auditors are aware of that information.

Auditors

The auditors, RPG Crouch Chapman LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 29th November 2021
and signed on their behalf by:



Trustee

Anna Martina Sanow



Trustee

Richard Donner

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HG FOUNDATION

Opinion

We have audited the financial statements of Hg Foundation (the 'charity') for the period ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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).

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

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' 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 Charity and the Charity's Trustees as a body, for our audit work, for this report or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the period 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 Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

In our evaluation of the Trustees' conclusions, we considered the risks associated with the charity's business model, including the effects arising from macro-economic uncertainties such as COVID-19 and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HG FOUNDATION - continued

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

Capability of the audit to detect irregularities including fraud.

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with the Charities Act 2011 and FRS102.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HG FOUNDATION - continued

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurances 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 assurance, but it is not a guarantee that an audit concluded in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatement 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.

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. The description forms part of our Auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' 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 charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



RPG Crouch Chapman LLP
5th Floor
14-16 Dowgate Hill
London
EC4R 2SU

Date: 7/12/2021

HG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Total Funds £
Income from:			
Donations and legacies	3	4,576,315	4,576,315
Total income		<u>4,576,315</u>	<u>4,576,315</u>
Expenditure on:			
Charitable activities	5	664,970	664,970
Total expenditure		<u>664,970</u>	<u>664,970</u>
Net movement in funds		<u>3,911,345</u>	<u>3,911,345</u>
Reconciliation of funds:			
Net movement in funds		3,911,345	3,911,345
Total funds carried forward		<u>3,911,345</u>	<u>3,911,345</u>

The Statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 17 to 21 form part of these financial statements.

HG FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	£	2021 £
Current assets			
Debtors	9	735,356	
Cash at bank and in hand	12	3,384,021	
		<u>4,119,377</u>	
Creditors: amounts falling due within one year	10	(208,032)	
Net current assets			<u>3,911,345</u>
Total assets less current liabilities			<u>3,911,345</u>
Total net assets			<u>3,911,345</u>
Charity funds			
Unrestricted funds	11		<u>3,911,345</u>
Total funds			<u>3,911,345</u>

The financial statements were approved and authorised for issue by the Trustees on 29th November 2021 and signed on their behalf by:



Trustee

Anna Martina Sanow



Trustee

Richard Donner

The notes on pages 17 to 21 form part of these financial statements.

HG FOUNDATION

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	2021 £
Cash flows from operating activities	
Net cash used in operating activities	3,384,021
	<hr/>
Change in cash and cash equivalents in the year	3,384,021
	<hr/>
Cash and cash equivalents at the end of the year	3,384,021
	<hr/> <hr/>

The notes on pages 17 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. General information

The Charity is a CIO registered with the Charity Commission in England and Wales, charity number 1189216. Its registered address is 2 More London Riverside, London, SE1 2AP.

The principal activities of the CIO is to support skill development for the modern job market and contribute to improved, quality employment prospects for those who may otherwise experience barriers to access.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Hg Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared in Sterling and all amounts are rounded to the nearest £.

2.2 Going concern

Based on their assessment of the twelve months from the date on which the balance sheet was signed, the Trustees are of the opinion that the charity is a going concern as the charity holds significant cash reserves and the accounts have therefore been prepared on the going concern basis.

2.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021 – continued**

2.4 Expenditure – continued

Expenditure on charitable activities is incurred on directly undertaking the activities which further the CIO's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.6 Cash at bank and in hand

Cash at bank and 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.

2.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the CIO anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.8 Financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the CIO and which have not been designated for other purposes.

2.10 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The trustees are of the opinion that the following estimates and assumptions could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021 – continued**

Accruals

Material accruals are included for project funding for which an obligation to pay exists. The amounts are based on best estimates of the amounts which will be due and payable in the future. Accruals of lower values comprise expected costs for expenditure to be invoiced in the future and is based on best estimates or invoices received after the year end.

Accrued income

Provisions are made for income relating to the year which is expected to be received after the year end. The figure is based on best estimates or communication received after the year end.

3. Income from donations and legacies	Unrestricted Funds 2021 £	Total Funds 2021 £
Donations	4,576,315	4,576,315
	<u>4,576,315</u>	<u>4,576,315</u>

4. Analysis of grants	Grants to Institutions 2021 £	Total Funds 2021 £
Grant - educational projects	646,186	646,186
	<u>646,186</u>	<u>646,186</u>

Grants made to institutions:	2021 £
The Online Tutoring Pilot – Impetus	50,000
Imperial College London: A-Level Further mA*ths Online Programme	270,217
The Tutor Trust – Hybrid Tutoring Pilot	100,000
Laptop Donations	16,242
SEO Sponsors for Educational Opportunity – Tech Developer Programme	113,880
Charity Committee – Impetus	15,000
Charity Committee – individual grants < £5,000	80,847
	<u>646,186</u>

5. Analysis of expenditure on charitable activities	Unrestricted Funds 2021 £	Total Funds 2021 £
Summary by fund type		
Grants	646,186	646,186
Support costs	18,784	18,784
	<u>664,970</u>	<u>664,970</u>

6. Analysis of expenditure by activities	Grant Funding of Activities 2021 £	Support Costs 2021 £	Total Funds 2021 £
Education Projects	646,186	18,784	664,970
	<u>646,186</u>	<u>18,784</u>	<u>664,970</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021 – continued**

6. Analysis of expenditure by activities - continued

Analysis of support costs

	Activities 2021 £	Total Funds 2021 £
Legal Fees	8,218	8,218
Audit Fees	10,200	10,200
Bank Charges	248	248
Other Costs	76	76
Subscriptions	42	42
	<u>18,784</u>	<u>18,784</u>

7. Auditors' remuneration

	2021 £
Fees payable to the CIO's auditor for the audit of the CIO's annual accounts	<u>10,200</u>

8. Trustees' remuneration and expenses and key management remuneration

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 March 2021, no Trustee expenses have been incurred.

Key management comprises the trustees, who give their time freely. There is no paid staff.

9. Debtors

	2021 £
Due within one year: Prepayments and accrued income	<u>735,356</u>

10. Creditors: Amounts falling due within one-year

	2021 £
Accruals and deferred income	<u>208,032</u>

11. Statement of funds

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
General funds	-	4,576,315	(664,970)	(1,681,673)	2,229,671
Designated funds	-	-	-	1,681,673	1,681,673
Total funds	<u>-</u>	<u>4,576,315</u>	<u>(664,970)</u>	<u>-</u>	<u>3,911,345</u>

Designated funds comprise expected expenditure for the following projects:

		Likely Timing of Expenditure
SEO - Tech Developer Programme	1,111,890	throughout 2021/22
Imperial College	<u>569,783</u>	in stages, by 31 August 2023
Total	<u>1,681,673</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021 – continued**

12. Analysis of net assets between funds	General Funds 2021 £	Designated Funds 2021 £	Total Funds 2021 £
Current assets	2,437,704	1,681,673	4,119,377
Current liabilities	(208,032)	-	(208,032)
Total	<u>2,229,672</u>	<u>1,681,673</u>	<u>3,911,345</u>

13. Reconciliation of net movement in funds to net cash flow from operating activities	2021 £
Net income for the year (as per Statement of Financial Activities)	3,911,345
Adjustments for:	
Increase in debtors	(735,356)
Increase in creditors	208,032
Net cash provided by operating activities	<u>3,384,021</u>

14. Analysis of cash and cash equivalents	2021 £
Cash in hand	3,384,021
Total cash and cash equivalents	<u>3,384,021</u>

15. Analysis of changes in net debt	Cash Flows 2021 £	At 31 March 2021 £
Cash at bank and in hand	3,384,021	3,384,021
	<u>3,384,021</u>	<u>3,384,021</u>

16. Related party transactions

During the period ended 31 March 2021, the charity received donations of £4,576,315 from HgCapital LLP. The charity is connected to HgCapital LLP through its trustees as follows:

Anna Martina Sanow, Caroline Löfgren, Richard Earnshaw, Cornelius Becker and Gero Wittemann are employees or Partners of HgCapital LLP (or its associated companies in Munich and New York). Thomas Attwood was on the board of HgCapital LLP until 15 July 2020, when his status as a related party ceased.

Richard Donner is a retired Partner at HgCapital LLP.