

**Charity number: 1189216**

**HG FOUNDATION**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

RPGCC  
Chartered Accountants & Statutory Auditor  
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## **HG FOUNDATION**

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## HG FOUNDATION

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

<b>Trustees</b>	Thomas Attwood Matthew Brockman Juan Antonio Campos Benitez Robert Joseph Citrino IV Sir Kevan Collins Richard Donner Richard Earnshaw (resigned 9 April 2024) Caroline Löfgren Anna Martina Sanow Genyi Zhao (resigned 23 April 2024) Elona Mortimer Zhika (appointed 11 January 2024)
<b>Charity registered number</b>	1189216
<b>Principal office</b>	2 More London Riverside London SE1 2AP
<b>Chief executive officer</b>	James Turner
<b>Independent auditors</b>	RPG Crouch Chapman LLP 40 Gracechurch Street London EC3V 0BT
<b>Bankers</b>	RBS International 7th Floor 1 Princes Street London EC2R 8BP  NatWest 10 Southwark Street London SE1 1TJ
<b>Solicitors</b>	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD  Shoosmiths LLP The XYZ Building 2 Hardman Boulevard Manchester M3 3AZ
<b>Tax and Legal</b>	Deloitte LLP Abbotts House Abbey Street Reading RG1 3BD

## HG FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the CIO for the year ended 31 March 2024.

#### Objectives and activities for the public benefit

The purpose of The Hg Foundation is to remove barriers to education and skills in the technology sector. Our vision is that the technology workforce of the future harnesses the talent of everyone, regardless of background. The Foundation has a particular focus on supporting those groups who are underrepresented because of their gender, socio-economic background or ethnicity.

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 employment prospects of underrepresented groups in the technology sector or which support their aspirations and educational attainment in qualifications relevant to the world of technology.

The Trustees carry out the Foundation's objectives by partnering with charitable and non-profit organisations across the UK, Europe and North America, with a strong track record of delivery and which the Foundation will typically look to work with over a number of years.

The Hg Foundation is supported by the Hg Group, which provides the Foundation's funding and access to a team with deep technological and operational expertise, as well as its wider portfolio of technology companies which employ thousands of people across the globe. The Foundation recognises that technology is high growth, high potential yet disruptive, and through its work seeks to harvest the benefits and mitigate the downsides of the 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.

The Foundation prioritises partnerships that:

- Support the development of education and skills. This includes both the technical and general skills required to succeed in today's working environment. Technical skills will include but not be limited to subjects such as Mathematics and coding or other specific skills and qualifications needed for careers within the technology industry. The Foundation also considers support to enhance wider skills such as interview techniques, communications skills, creating networks and giving those from under represented backgrounds access to experiences that are helpful for future employability prospects
- 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 insight on how to appropriately measure and evaluate impact, in order to improve its own understanding, that of its partners and the sector more widely, and to promote improvement. By working with established non-profit 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 the progress each project
  - o a route to a robust impact evaluation framework, including – where possible – a counter-factual comparison.

## HG FOUNDATION

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

- Target those who need it most. The Foundation focuses on individuals from underrepresented backgrounds, where there is an access gap in education and training and subsequently employment opportunities within the technology sector. This includes underrepresentation by gender, socio-economic background and ethnicity, as well as specific groups in need such as those from refugee and migrant communities.
- 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 partnership typically runs for three years, however, smaller, short-term commitments are also made; either to establish a new theme or where there is not currently a clear partner operating in a selected area of interest. The Foundation then makes regrants to those partnerships where there is evidence of promise and continued support would further its mission.

The Foundation takes a strategic and proactive approach to sourcing prospective partnerships and carries 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 includes the submission of written proposals and performance data, numerous detailed conversations with leaders of the organisation and their team and, where appropriate, due diligence visits and reference checks. 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 to 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 the first funding period as part of the re-granting process or if there is a material change of circumstances.

The Trustees 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 that are 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
- Monitoring arrangements, including key metrics around delivery and key outcomes, to enable the Trustees to have confidence that the grant is used for the intended purpose
- A plan for independent impact evaluation or a route to it
- 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 Foundation holds regular monitoring meetings/visits and will also receive regular monitoring reports to include updates on progress against pre-determined milestones. A financial breakdown of expenditure for the project is also requested.

The grant making approach is reviewed regularly to ensure it reflects the charity's objects and advances the public benefit. The Foundation is planning in the 2024/25 financial year its first open funding round in a specific area of interest to unearth a wider range of promising organisations and determine these programmes with the best fit to our objectives.

## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

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

This report covers activity that has taken place between 1st April 2023 and 31st March 2024.

In total, the Foundation has now supported over 30 non-profit programmes in the UK, France, Germany, Netherlands and the USA, which between them will provide support for over 50,000 young people and adults from underrepresented homes. We have developed a new website which shows more clearly the range and focus of the partnership we support: <https://www.thehgfoundation.com/partnerships>

In this period, the Foundation agreed funding for a number of partnerships, intervening at different points on the talent pipeline into the technology sector (in addition to continuing to support existing partnerships funded in previous years). Some of these were smaller scale pilots; others new partnerships; and some our first regrants to organisations showing promising signs of impact. In line with previous years, some partnerships span a single year and others are multi-year reflecting our intention to support multiple cohorts and more intensive interventions. The figures below reflect the total potential grant rather than the portion committed in this financial year; payment is according to partners meeting milestones and key performance indicators.

#### **FOR THE YEAR ENDED 31 MARCH 2024**

##### **Article 1 - Dema1n + STEM**

##### **Size of Grant: £697,700 over three years**

Article 1 is a French non-profit working to improve school guidance, success in education and career paths for students from lower income homes. To date, Article 1 has been able to mobilise 31,000 volunteers, 200 partners and supports more than 221,000 young people every year, including almost 122,000 from working-class backgrounds. 52,000 of these young people have had access to workshops, and more than 36,000 receive individual support through mentoring.

With support from The Hg Foundation, Article 1 has launched a new program ("Dema1n + STEM") focused on STEM and Tech pathways for 2,000 mentees. Over three years, the programme will provide workshops, webinars, job discovery evenings and company visits, mentoring, and tech-career specific resources, particularly targeting women and those from lower-income families. The Hg Foundation grant will also fund the programme's evaluation to drive measurable, long-term, and scalable impact.

##### **Fondation Florence**

##### **Size of Grant: £188,500 over three years**

Le Fond de Dotation Florence is a new French foundation, founded in 2023. Its mission is to support young people from socioeconomically disadvantaged backgrounds to succeed in higher education and then access professional jobs. Its highly tailored and selective programme comprises four pillars of activity: financial support; personalised mentorship; internships; and socio-cultural support.

The Hg Foundation's €225,000 grant will enable Florence to extend its current focus (business and finance) into Tech and STEM. The initiative includes a comprehensive program with financial support, mentorship, and access to internships, to approximately 120 students over three years, with the ambition to scale beyond. Hg will contribute its expertise and network to shape Florence's initiatives, with representation on Florence's Executive Committee.

## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

#### **Apps for Good – App for Social Action**

##### **Size of Grant: £485,000 over three years**

Apps for Good, an organisation founded in 2010, provides free tech innovation courses to schools and gives teachers ready-made education content, so young people from all backgrounds can develop digital and essential skills. Apps for Good and The Hg Foundation formed a three-year partnership to launch the App for Social Action programme - an innovative app-development course, mapped to the computing curriculums across the UK. It is delivered by teachers over seven sessions, with the opportunity to interact with industry volunteers.

The programme will reach up to 24,000 state school students aged 11-14 in 600 schools across the UK - the largest reach of any of the Foundation's partnerships to date. In addition, part of The Hg Foundation's grant will support an evaluation of the programme, enabling further development and improvements for greater impact in the future.

#### **TeachingWithChatGPT.org.uk**

##### **Size of Grant: £155,000 over one year**

TeachingWithChatGPT.org.uk is a free online resource to empower UK teachers and other educators to use ChatGPT effectively to enhance their day-to-day work. The development of the guide was supported by The Hg Foundation with Bain & Company's Social Impact practice, and with input from a number of schools and educational charities.

In research to develop the guide it was found that, of teachers who had already used ChatGPT and similar AI tools, the vast majority reported that it had saved them time, improved lessons and reduced their time to prepare for their classes. Despite this experience, in late 2023, 50% of teachers said that they had not yet used generative AI.

In partnership with the Education Endowment Foundation, the Hg Foundation is supporting a randomised control trial exploring how the use of ChatGPT, supported by the free guide, can save STEM teachers time in preparing lessons, and monitoring the quality of the lesson plans produced. If the trial is successful we hope that it will pave the way for more work to see how generative AI tools can support the work of STEM teachers in particular, who are in short supply in global education systems.

#### **Let's Get Ready- STEM Pathway**

##### **Size of Grant: £421,200 over three years**

The Hg Foundation is working with Lets Get Ready (LGR) to develop a new STEM Pathway programme.

Research shows that individuals from low-income backgrounds, rural communities and those who are Black/African American and Hispanic/Latinx, have a higher college dropout rate due to the financial pressures and difficulties they experience when settling into college. Let's Get Ready has 25 years' experience in improving college retention.

The Foundation-funded programme will focus on guiding LGR students through their college transition to successful careers in the fields of Science, Technology, Engineering and Mathematics. Over three years, the partnership will support 6,900 STEM students, doubling the current number of LGR students interested in STEM. As a result of this support, the programme aims to lower college dropout rates and increase graduation rates among these students, as well as fostering an interest in and progression to STEM careers. The Foundation's support will also enable the creation of LGR's first-ever career and alumni platform, as well as a strategically important impact evaluation of LGR's overall provision.

## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

#### **British Computer Society and Microsoft - TEALS**

##### **Size of Grant: £40,200 over one year**

The Hg Foundation has partnered with Microsoft and BCS, The Chartered Institute for IT to help bring the Microsoft TEALS Program to the UK. The TEALS Program has been running in the United States since 2009 and has helped over 100,000 students receive Computer Science learning pathways. It is also available to pupils in Canada, Mexico, Israel, Colombia, Kenya and India.

As part of the TEALS Program, volunteers must have a degree in Computer Science, or equivalent industry experience. They are brought into schools to support teachers, particularly non-specialists, who teach Computing at Key Stage 3 (ages 11 to 14) and Computer Science GCSE at Key Stage 4. Volunteers can also help boost pupils' employability skills by linking learning to the world of work and providing enrichment sessions such, including connections with employers. The UK partnership will pilot the programme in a small number of schools, primarily serving disadvantaged communities, and gather feedback on its implementation in a UK context.

#### **Birkbeck- Access to Digital Skills and Careers**

##### **Size of Grant: £94,287.48 over one year**

Birkbeck is the educational home to a diverse community of learners; 40% are from households with an income below £25,000, 78% are combining studies with work and caring responsibilities, 48% of undergraduates are from Black, Asian, and Minority Ethnic (BAME) backgrounds, and the average age of students is 35 years old.

The partnership with the Foundation will support The Access to Digital Skills and Careers Programme (ADSCP), designed to create pathways to digital and technology careers for Birkbeck students, particularly for underrepresented groups.

The ADSCP consists of three key pillars: a Career Accelerator bootcamp, a Tech Skills certification scheme, and an Access Tech micro-placement initiative. The programme first launched with funding support from The Access Foundation. In this pilot year, the programme supported 328 students to improve their digital skills and explore careers in the technology sector, of which 90% of participants had at least one marker of socio-economic disadvantage. The next phase will see the programme roughly double in size with the combined support of The Hg and The Access Foundations.

#### **XTX Markets and Purposeful Ventures**

##### **Size of Grant: £2,000,000 over five years**

A collaboration with XTX Markets and Purposeful Ventures, the £7m 'Maths Excellence Fund' will support schools in England to improve attainment and progression in Maths from 11-16 and 16-18 years of age, increasing the number of students who are on track to succeed in A-level Maths and beyond, with a focus on those from disadvantaged backgrounds.

The Fund draws on a research report published by XTX Markets and the University of Nottingham which highlighted major inequalities in young people's chances of joining and leaving the 'Maths excellence pathway' – a routes into high quality STEM degrees and ultimately tech careers.

The Fund is supporting four partnerships to address this challenge: The Inspiration Trust, working with 12 schools in East Anglia; Mathematics in Education and Industry (MEI), supporting 10 schools in Birmingham; the Co-op Academies Trust and 12 of its schools in the North of England; and United Learning, which will support 14 of its schools in five clusters across England. After a setup year, the projects will be implemented in the 2024/25 academic year and run for five years in total, with a robust evaluation of impact in the latter phase.



## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

#### **University of Manchester mA\*ths programme**

##### **Size of Grant: £116,101 over one year**

We are piloting with the University of Manchester the extension of the Imperial College mA\*ths programme to the North West of England.

The pilot is focussed on supporting students from lower income households to attain the highest grades in A Level Mathematics, opening up opportunities and access to university in STEM subjects and onwards into tech careers. The project will initially recruit up to 50 target students from the Greater Manchester area embarking on the first year of their A level studies.

Informed by data from the pilot and an evaluation of the ongoing work at Imperial, The Foundation is looking at the potential scalability of this programme in future years.

#### **JINC – Vocational tech and Engineering Careers Programme**

##### **Size of Grant: £502,600 over two years**

Founded in 2003, JINC works collectively with schools and employers to improve students' social skills and provide career guidance, boosting prospects for young people from socioeconomic disadvantaged neighbourhoods. JINC finds that young people that grow up in poverty are often missing role models and guidance when it comes to their education and future work. This hinders their ability to make good choices for their future.

Our partnership with JINC, which is the largest social mobility-focused charity in The Netherlands, will support a two-year programme targeted at students in vocational and pre-vocational schools and exposing them to careers in technology. Over the course of the programme students, typically aged 16 and above, will receive initiatives such as flash internships and career coaching. This will initially open up JINC's programmes to around 1,500 additional young people, across four cities in the Netherlands.

#### **SEO – Tech Developer**

##### **Size of Grant: £1,680,600 over three years**

SEO Tech Developer was founded as a virtual intensive, free immersion programme to propel first-year and sophomore Black, Latinx, and Native American computer science and software engineering college students to the next level, ensuring they are prepared to effectively compete for internships in the tech world. The Hg Foundation is the seed-funder of the programme and has been heavily involved in its development, which draws on SEO's 60+ years of experience of running programmes in education and other competitive professional sectors, such as law and finance. Tech Developer is centred around a six-week virtual summer residency, which includes 300+ hours of technical and soft-skills training. Participants also have exclusive access to tech internships through SEO's partner employers. The programme focuses on experiential learning, team and project-based work, along with sustained exposure to tech industry professionals and educators through curriculum delivery, seminars and mentorship.

The Foundation's second commitment to Tech Developer will enable the programme to double in size, reaching 500 students over a three-year period, as well as growing a new First Year Academy to build the pipeline of students interested in and equipped with the tech skills to participate in the main programme. The grant will also support an independent impact evaluation of Tech Developer – the first time SEO has taken this approach.

## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

#### **Upwardly Global- Empowering Refugee and Immigrant Women for future-ready tech roles**

##### **Size of Grant: £763,800 over three years**

Upwardly Global supports over 2 million college-educated refugees and immigrants facing under- or un-employment. Since 2000, Upwardly Global has been helping individuals access professional careers in the US and has placed nearly 11,000 people into skill-aligned roles. As a result of their support, average starting salaries for those placing in tech roles are \$70k - representing a \$55k average income gain to candidates who were previously in low-wage work or unemployed, often for several years.

The Hg Foundation and Upwardly Global's \$1 million partnership will reach 250 immigrant and refugee women over three years. The programme comprises industry-specific coaching, re-and upskilling, networking, mentorship and job placement support. The organisation will also scale its suite of tools for job seekers via its learning management platform, that hosts an eLearning library of job readiness training modules.

#### **Generation Global – Employer Coalition**

##### **Size of Grant: £79,798 over one year**

The Hg Foundation funded a follow up piece of work to a major research project we co funded to give global insight into hiring trends to entry level jobs in the technology sector. Developed by Generation, the study surveyed more than 4,000 employed and unemployed people and collected 1,325 responses from tech and non-tech employers, spanning eight countries: Brazil, Canada, France, Germany, India, Mexico, the UK and the US.

The research explored critical issues such as demand for entry level talent; how job requirements are evolving; the drivers of successful applications; and how employers screen CVs and aim to increase diversity.

The overall aim was to identify interventions that can be made to support under-represented communities to access and thrive in entry-level tech jobs, and to inform the debate around solutions to increasing the supply and diversity of talent. Following the research project, The Hg Foundation also supported Generation Global with a second grant to help the organisation build a coalition of employers to test the most promising approaches at scale, to see whether they are successful and cost effective in harnessing the talent of under-served groups.

#### **UpReach – Tech 500**

##### **Size of Grant: £1,511,938 over two years commencing post year end, following an initial three year grant of £1,999,609 which started in 2021**

Research consistently shows that the UK tech workforce does not reflect the wider population, with those from lower socio-economic backgrounds and state schools significantly underrepresented. UpReach's Tech500 programme, established in partnership with The Hg Foundation, helps talented undergraduates from less advantaged backgrounds secure graduate roles in the technology sector. The programme supports 500 Associates at any one time. It offers participants comprehensive and exclusive training, networking and development opportunities to boost their success rates in progressing to top jobs. upReach also works with leading technology firms to influence hiring behaviours and to support them in their commitment to social mobility and diversity in the workplace.

After supporting the inception of the programme and its first three years of operation, The Hg Foundation made a new £1.5m commitment to upReach to sustain and develop the programme, extending the project into 2025 and beyond. By the end of this grant period, 1,000 students in total will have been able to access the programme. The second grant will also support an independent evaluation of impact, to determine a causal link between upReach's activities and employment outcomes.

## HG FOUNDATION

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

In addition to the above flagship programme grants, in the year the Foundation has also funded some smaller pilot projects to explore new areas of work, including:

- A grant to Sustainability First to investigate the Green Tech Sector and the possibility of a programme to widen access to careers in this growing area
- A project with the University of Exeter and the South West Social Mobility Commission, looking at work experience for school-aged students in the tech sector
- A partnership with Tutor Trust to support the extension of their tutoring model into Further Education Colleges in England, focusing on those students who have failed to achieve threshold grades in their GCSE exams at age 16.

And we have continued funding for programmes supported in previous years:

- **Generation France - Ton Emploi**  
The collaboration between The Hg Foundation and Generation France aims to bridge the gap between the many employers who struggle to recruit entry level talent and young people from disadvantaged backgrounds who are not in any form of training or work. The programme comprises specific technical, behavioural, mindset and professional skills training, as well as mentoring during and after the programme. It will reach unemployed learners in France through expanding Generation's existing employability programmes and developing new employment tracks in tech-related roles.
- **Technical University of Munich - MINT-Impulse an der Schule**  
MINT-Impulse an der Schule, run by the Technical University of Munich (TUM), encourages girls to study Mathematics, Information Technology, Natural Sciences and Technology (MINT) by providing inspirational enrichment activities, boosting confidence and breaking down ingrained gender stereotypes. The project, seed-funded by The Hg Foundation, reaches girls aged 14-16 at select schools in rural Bavaria which struggle to take part in extracurricular programmes because of a lack of resources and geographic isolation.

#### **Monitoring achievement**

The Foundation has a major focus on impact measurement, both to understand the extent to which the programmes it funds contributes to its overall mission, and to build capacity and understanding in our partnerships and in the sector more widely.

The Foundation defines clear intermediate and end-point KPIs for each grant, in collaboration with its partners. For direct delivery grants, these typically relate to measures such as participation and engagement levels; 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, assessment often includes qualitative methods to explore participants' attitudes and aspirations.

Our overall approach to evaluation is captured in our published Evaluation Guide, which includes our overarching theory of change and outcomes framework. The Foundation's partners have on going access to our independent evaluation consultants to help them implement the recommendations in the guide and advise on related issues. As part of the development of a partnership proposal, expert advice is taken from our evaluation consultants, and impact considerations incorporated into the design and implementation of the programme put forward to the trustees.

## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

All our major partners have been paired with an independent evaluator to explore how best to measure programme impact and increase our understanding of efficacy. For those at an earlier stage in their evaluation journey, this includes work to build data capabilities and refine the programme model, readying it for quantitative evaluation; for others, we are directly supporting a quantitative evaluation of impact, including through building an understanding of the counter-factual – what would likely have happened to these learners anyway, without any additional support – for example through comparison groups, quasi-experimental designs and randomised control trials.

The Foundation also gathers comparable data from its partners on the costs of all the programmes it funds. This is informing a cost effectiveness framework which will allow the Foundation to make instructive comparisons across the four principal segments of work in its portfolio: attitudes and aspirations; education attainment; entry level employability; and employability for highly skilled individuals.

#### **Fundraising**

Hg Foundation does not undertake any fundraising activities from the general public. At present its sole source of income is from the Hg Group.

#### **Related Parties**

In accordance with its constitution, the majority of the trustees are employees or partners of the Foundation's donor, Hg Group. There are four independent Trustees: Thomas Attwood, Sir Kevan Collins, Richard Donner and Elona Mortimer Zhika. Thomas Attwood and Richard Donner were previously partners in HgCapital LLP. Elona Mortimer Zhika is the CEO of IRIS, a software company in the Hg portfolio.

#### **Financial review**

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

The charity had net incoming resources of £2,811,188 (2023: £3,789,451), comprising income of £6,849,591 (2023: £6,490,799) and expenditure of £4,038,403 (2023: £2,701,348). Funds brought forward from the previous year amounted to £6,943,212 (2023: £3,153,761). Income was solely derived from donations of profit and carried interest from the Hg Group. The charity only has unrestricted funds.

#### **Investment policy and performance**

The financial objective of the CIO is to at least maintain the real value of its assets.

It will have the ability to invest excess cash on a conservative basis to protect cash balances prior to distribution and is aiming to provide a well-balanced portfolio of investments. It will adhere to a reserves policy (as set out below).

The CIO may also decide on a case by case basis to make social investments in support of its mission. A "social investment" means a relevant act of charity which is being carried out "with a view to both directly furthering the charity's purposes and achieving a financial return for the charity". The CIO recognises these investments may have a relatively higher risk reward profile, and which should be considered in a broader portfolio construction/asset allocation strategy.

The trustees of the CIO have the final decision making power for any financial investment matters but have delegated to a Finance Committee (the "Finance Committee") to review and make recommendations to the trustees. The Finance Committee are charged with agreeing a suitable asset allocation strategy which is set so as to achieve the overall CIO investment objective.

## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

#### **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 refined where necessary during the reporting period to provide reasonable assurance against material misstatement or loss.

The Trustees review the risks faced by the Foundation on a regular basis. The main risks identified at the last review lie in the operational risks from ineffective grant making, the capacity of the Foundation to make effective grants and the challenges in assessing the impact of programmes in a timely and proportionate manner. Notable financial risks identified include:

- Risk of grant recipients mismanaging or fraudulently using funds donated to them. To mitigate this, there is a robust due diligence process ahead of allocation of any grants, all grant recipients are expected to adhere to grant making policy stipulations, grant agreement is signed by both parties and a grant monitoring process is in place which includes regular financial reporting by the grant recipient.
- Hg Group is the primary funder of The Hg Foundation – the exact amounts donated are subject to Hg Group's managed funds hitting targets and timelines. There is a risk that if Hg Group 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 Hg Group finance team, who update it on a regular basis.
- External / macro events pose a potential risk to Hg Group's business (i.e. Hg Foundation's primary funding source) due to impact on the global economic and political environment. The Hg Group finance team and Hg Foundation Trustees regularly monitor budgets and where necessary will explore alternative funding sources.

#### **Reserves policy**

The Finance Committee meets at least quarterly to review the strategy, budgets, operating plans and forecasts. It considers contracted cashflows and unrestricted reserves versus planned grant commitments for the following three years. On this basis, the Finance Committee aims to ensure that there will be sufficient funds available to meet grant commitments for the following 36 months plus operational costs. Contracted cashflows are based on the Foundation's share of contracted profit from the Hg Group during the subsequent three financial years. The Foundation's share of carried interest is only recognised on receipt. The Finance Committee considers this to be a conservative approach and are satisfied that the charity is meeting this policy satisfactorily.

#### **Plans for the future**

The Foundation has a number of key priorities for the period ahead:

- Effectively monitoring and supporting our existing partnerships, including making regrants to help the most effective partnerships scale further
- Identifying new programmes in areas where there are gaps in our portfolio, including funding more work in Europe and North America
- Developing further our approach to impact, especially around making instructive comparisons across programmes operating in similar areas and driving for similar outcomes
- Making full use of the eco-system of expertise around the Foundation, including from Hg Group and its portfolio of software companies and other collaborators who share our mission
- Understanding more about the pipeline of talent into tech, and where there are the greatest opportunities for effective intervention, both to inform the Foundation's own work and that of others in the space
- Building the profile of the Foundation further to encourage collaboration and partnership

## **HG FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

#### **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 Hg Group 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, and are given an opportunity to meet with team members and organisations supported by the Foundation.

##### **Organisation**

At the quarterly trustee meetings, the Trustees discuss areas of activity such as grant making (following the recommendations of the Partnerships Committee), performance against objectives, a high level review of the budget and cashflow forecasts, following prior in depth consideration by the Finance Committee. Other topics are discussed periodically and as needed – for example, approach to scale up, impact evaluation, the pipeline into the technology workforce.

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.

##### **Key management personnel remuneration**

The Trustees consider the board of Trustees, and the CEO, 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.

## HG FOUNDATION

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

#### 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

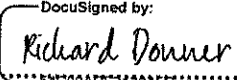
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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 and signed on their behalf by:

DocuSigned by:  
  
54C99ADF212045C.....  
**Richard Donner**  
Trustee

Date: 14-Jan-2025

## **HG FOUNDATION**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HG FOUNDATION**

#### **Opinion**

We have audited the financial statements of Hg Foundation (the 'charity') for the year ended 31 March 2024 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources 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 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 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.



## **HG FOUNDATION**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HG FOUNDATION (CONTINUED)**

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **HG FOUNDATION**

### **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 auditor under section 144 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 assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed in the relevant paragraph above.

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 Auditors' 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**  
40 Gracechurch Street  
London  
EC3V 0BT

Date: 15/01/25

RPG Crouch Chapman LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## HG FOUNDATION

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
<b>Income from:</b>				
Donations and legacies	4	6,595,225	6,595,225	6,490,799
Investments	5	254,366	254,366	-
<b>Total income</b>		<b>6,849,591</b>	<b>6,849,591</b>	<b>6,490,799</b>
<b>Expenditure on:</b>				
Charitable activities	7	4,038,403	4,038,403	2,701,348
<b>Total expenditure</b>		<b>4,038,403</b>	<b>4,038,403</b>	<b>2,701,348</b>
<b>Net movement in funds</b>		<b>2,811,188</b>	<b>2,811,188</b>	<b>3,789,451</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		6,943,212	6,943,212	3,153,761
Net movement in funds		2,811,188	2,811,188	3,789,451
<b>Total funds carried forward</b>		<b>9,754,400</b>	<b>9,754,400</b>	<b>6,943,212</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.


The notes on pages 20 to 30 form part of these financial statements.

# HG FOUNDATION

## BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Investments	11	912,756	450,277
		<u>912,756</u>	<u>450,277</u>
<b>Current assets</b>			
Debtors	12	194,880	592,106
Cash at bank and in hand	17	9,168,948	6,453,719
		<u>9,363,828</u>	<u>7,045,825</u>
Creditors: amounts falling due within one year	13	(522,184)	(552,890)
<b>Net current assets</b>		<u>8,841,644</u>	<u>6,492,935</u>
<b>Total net assets</b>		<u><u>9,754,400</u></u>	<u><u>6,943,212</u></u>
<b>Charity funds</b>			
Unrestricted funds		9,754,400	6,943,212
<b>Total funds</b>		<u><u>9,754,400</u></u>	<u><u>6,943,212</u></u>

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

DocuSigned by:  
  
 \*\*\*\*\*54C99A0F2120A5C\*\*\*\*\*  
**Richard Donner**  
 Trustee  
 Date: 14-Jan-2025

The notes on pages 20 to 30 form part of these financial statements.

## HG FOUNDATION

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	3,177,708	3,976,314
<b>Cash flows from investing activities</b>		
Purchase of investments	(462,479)	(450,277)
<b>Net cash used in investing activities</b>	(462,479)	(450,277)
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	-	-
<b>Change in cash and cash equivalents in the year</b>	2,715,229	3,526,037
Cash and cash equivalents at the beginning of the year	6,453,719	2,927,682
<b>Cash and cash equivalents at the end of the year</b>	9,168,948	6,453,719

The notes on pages 20 to 30 form part of these financial statements

## **HG FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

#### **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.

The trustees confirm their explicit and unreserved compliance with the above legislation.

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 Charity 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.

## **HG FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

#### **2. Accounting policies (continued)**

##### **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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity'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 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

##### **2.6 Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **2.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

##### **2.8 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.

## **HG FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

#### **2. Accounting policies (continued)**

##### **2.9 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.

##### **2.10 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 Charity 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.

##### **2.11 Financial instruments**

The Charity 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.

##### **2.12 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 Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

#### **3. 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.

Critical accounting estimates and assumptions:

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 none of the estimates made result in a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, however, they are of the opinion that the following estimates are significant accounting estimates used in the financial statements:



## HG FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 3. Critical accounting estimates and areas of judgment (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.

#### 4. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	6,595,225	6,595,225

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	6,490,799	6,490,799

#### 5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment income	254,366	254,366	-

**HG FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024****6. Analysis of grants**

	<b>Grants to Institutions 2024 £</b>	<b>Total funds 2024 £</b>
Project grants	<u>3,601,289</u>	<u>3,601,289</u>

	<i>Grants to Institutions 2023 £</i>	<i>Total funds 2023 £</i>
Project grants	<u>2,561,501</u>	<u>2,561,501</u>

The Charity has made the following material grants to institutions during the year:

	<b>2024 £</b>	<b>2023 £</b>
<b>Name of institution</b>		
Partnership - SEO - Sponsor for Educational Opportunity	<b>636,923</b>	460,280
Partnership - upReach Charitable Co.	<b>607,935</b>	580,895
Partnership - Assonat Finance Generation	<b>306,195</b>	-
Partnership - Apps for Good	<b>295,000</b>	-
Partnership - Jinc Grant	<b>257,056</b>	-
Partnership - Technische Universität München	<b>214,076</b>	225,966
Partnership - Purposeful Ventures	<b>200,000</b>	-
Partnership - Lets Get Ready, Inc	<b>145,718</b>	-
	<u><b>2,662,903</b></u>	<u>1,267,141</u>
Other grants to institutions	<b>938,386</b>	1,294,360
	<u><b>3,601,289</b></u>	<u>2,561,501</u>

	<b>2024 £</b>
Individually material grants	<b>2,662,902</b>
Grants individually not material	<b>938,387</b>
	<u><b>3,601,289</b></u>

## HG FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 7. Analysis of expenditure on charitable activities

##### Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £
Project grants	3,601,289	3,601,289
Administration of the charity	437,114	437,114
	<u>4,038,403</u>	<u>4,038,403</u>
	Unrestricted funds 2023 £	Total 2023 £
Project grants	2,561,501	2,561,501
Administration of the charity	139,847	139,847
	<u>2,701,348</u>	<u>2,701,348</u>

## HG FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 8. Analysis of expenditure by activities

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £
Project grants	3,601,289	-	3,601,289
Administration of the charity	-	437,114	437,114
	<u>3,601,289</u>	<u>437,114</u>	<u>4,038,403</u>

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Project grants	2,561,501	-	2,561,501
Administration of the charity	-	139,847	139,847
	<u>2,561,501</u>	<u>139,847</u>	<u>2,701,348</u>

## HG FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 8. Analysis of expenditure by activities (continued)

##### Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Legal Fees	4,498	2,100
Audit Fees	11,000	11,000
Bank Charges	1,846	552
Other Costs	3,982	540
Events	2,200	18,711
Insurance	554	551
General Admin	-	250
Marketing (recruitment)	20,432	1,783
Travel & Entertainment	7,081	1,229
Analysis & Evaluation	36,125	5,500
Staff Costs	305,239	97,631
Digital Communications and Equipment	44,157	-
	<u>437,114</u>	<u>139,847</u>

#### 9. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>11,000</u>	<u>11,000</u>

#### 10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

Key management comprises the trustees and the charity CEO. Key management remuneration amounted to £145,000 (2023: £97,631). The charity does not operate its own payroll and all staff costs are re-charged from Hg Group.

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

# **HG FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

### **11. Fixed asset investments**

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 April 2023	450,277
Additions	462,479
Revaluations	-
	<hr/>
At 31 March 2024	<b>912,756</b> <hr/>
 <b>Net book value</b>	
At 31 March 2024	<b>912,756</b>
	<hr/>
At 31 March 2023	<b>450,277</b> <hr/>

### **12. Debtors**

	2024 £	2023 £
<b>Due within one year</b>		
Prepayments and accrued income	194,880	592,106
	<hr/>	<hr/>
	<b>194,880</b>	<b>592,106</b> <hr/>

### **13. Creditors: Amounts falling due within one year**

	2024 £	2023 £
Trade creditors	-	282,850
Accruals and deferred income	522,184	270,040
	<hr/>	<hr/>
	<b>522,184</b>	<b>552,890</b> <hr/>

# **HG FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

### **14. Financial instruments**

	2024 £	2023 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>912,756</b>	<b>450,277</b>

Financial assets measured at fair value through income and expenditure comprises the charity's investment in Cornerstone I LP.

### **15. Funds**

The charity only has unrestricted, general funds. All amounts included in these accounts therefore represent unrestricted, general funds.

### **16. Reconciliation of net movement in funds to net cash flow from operating activities**

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	<b>2,811,188</b>	<b>3,789,451</b>
<b>Adjustments for:</b>		
Decrease in debtors	<b>397,226</b>	<b>186,554</b>
Increase/(decrease) in creditors	<b>(30,706)</b>	<b>309</b>
<b>Net cash provided by operating activities</b>	<b>3,177,708</b>	<b>3,976,314</b>

### **17. Analysis of cash and cash equivalents**

	2024 £	2023 £
Cash in hand	<b>9,168,948</b>	<b>6,453,719</b>
<b>Total cash and cash equivalents</b>	<b>9,168,948</b>	<b>6,453,719</b>

## HG FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 18. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	6,453,719	2,715,229	9,168,948
	<u>6,453,719</u>	<u>2,715,229</u>	<u>9,168,948</u>

#### 19. Financial commitments

During the year, the charity committed to make total future investments of £3,800,000 (2023: £3,500,000). During the year, £462,479 (2023: £450,277) was drawn down, taking the total investment so far to £912,756, as disclosed in Note 11.

#### 20. Related party transactions

During the year ended 31 March 2024, the charity received donations of £6,595,225 (2023: £6,490,799) from the Hg Group. The charity is connected to Hg Group through its trustees as follows:

Trustees Anna Martina Sanow, Richard Earnshaw, Robbie Citrino, Juan Campos, Genyi Zhao and Caroline Lofgren are employees of Hg Group or its associated companies in Munich and New York.

During the year, the charity incurred expenditure of £305,239 (2023: £97,631) representing a re-charge of wages and salaries and associated staff costs from Hg Group.

Included in grants made are grants to TEAK and The Education Endowment Foundation. Sir Kevan Collins serves on the board of Trustees of the latter, whereas Robert Citrino serves on the board of the former. The trustees are satisfied that any potential conflicts of interests have been managed satisfactorily.