

Charity number: 1189216

**HG FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

RPG Crouch Chapman LLP
Chartered Accountants & Statutory Auditor
40 Gracechurch Street
London
EC3V 0BT

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 2025

Trustees	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) Quan Hue Gerville-Reache (appointed 4 August 2025)
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Charity registered number	1189216
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Principal office	2 More London Riverside London SE1 2AP
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Chief executive officer	James Turner
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Independent auditors	RPG Crouch Chapman LLP 40 Gracechurch Street London EC3V 0BT
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Bankers	NatWest 10 Southwark Street London SE1 1TJ Shoosmiths LLP The XYZ Building 2 Hardman Boulevard Manchester M3 3AZ
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HG FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the CIO for the year ended 31 March 2025.

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. 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 computing or other tech-specific skills and qualifications needed for careers within the technology industry. The Foundation also supports projects that enhance wider employability skills such as communications skills, problem solving and critical thinking, including giving those from under represented backgrounds access to work experience and other opportunities 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.
- Are informed by evidence and 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 2025

- 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.

HG FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 2024 and 31st March 2025.

Since its formation, the Foundation has now supported over 40 non profit programmes in the UK, France, Germany, Netherlands and the USA, which between them will provide support for over 70,000 young people and adults from underrepresented backgrounds.

In the current 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 2025

BUILDING ASPIRATIONS AND NAVIGATING CHOICES

The starting point for creating the next generation of tech talent is for young people to understand the range of opportunities available in the tech sector, its relevance to so many aspects of our lives, and the pathways to follow for the maximum chance of education and career success.

Building on the success of the Foundation's existing partnerships, we expanded support for programmes helping underrepresented young people build awareness of tech careers and navigate choices ahead through new partnerships this year with the following organisations:

FUTURES FOR ALL (UK)

Size of Grant: £264,000 over 1 year

Futures For All (formerly Speakers for Schools) delivers impactful interventions to young people in UK state schools and colleges, inspiring them to reach their full potential and take pathways into careers they may have otherwise not considered.

The Hg Foundation partnered with Futures For All to pilot the new IntoTech Programme. The programme involves a series of tailored interventions shining the spotlight on careers in tech, for young people aged 12-16, with a focus on girls and those from disadvantaged backgrounds. The programme consists of inspirational talks, insight days, work experiences and mentoring. Based on the success of this pilot, the programme is now being rolled out to deliver at scale over the next four years.

UMATHS (UK)

Size of Grant: £145,827 over 1 year

University Maths Schools are 16-19 state schools in the UK, aiming to immerse students in the challenge and opportunities of Maths and related subjects. They are founded by and closely linked to leading universities and offer a high quality specialist STEM curriculum. They are intended to be engines of social mobility, working with students from underrepresented groups to widen participation in high quality STEM degrees and careers. In 2023, the University Maths Schools Network (U Maths) was created to strengthen the Maths School community, giving it a channel for best practise sharing across the network.

The Hg Foundation's partnership will support U Maths' initiatives to help ensure their schools better reflect the communities they are in. The range of activities includes: application support for low income students; outreach activities with local schools; expansion of summer schools for girls; reviewing and improving admissions processes; growing the U Maths Girls Network to support a sense of belonging. The funding for this partnership will commence in FY26.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

CYBERHORIZONS (UK)

Size of grant £94,500 Over 1 year.

The Cyber Horizons programme aims to build students' cyber skills, excite them about career opportunities in the sector and provide advice on navigating the pathways into a sector which remains in high demand. Through

the pilot programme, students from the North East of England benefited from 4 weeks of intensive programming over the summer. The support includes employability workshops covering topics such as workplace etiquette, goal setting, and behaviour expectations. Participants then have two weeks of hands on cyber experience, working with industry professionals on real world cyber projects, plus on site company visits. The programme concludes with a one week in person 'CyberDefenders' course, and post placement mentorship throughout Year 13.

The Hg Foundation is providing a grant to fund the pilot. The programme leverages CyberFirst's track record of promoting cybersecurity opportunities to young people, and RTC North's experience of delivering STEM programmes to schools in the region. If successful, it is hoped the pilot could provide a blueprint for an expanded programme.

In addition to the above, the Foundation continued to support our on going partnerships with Apps for Good, TEAK, JINC, and the Technical University of Munich.

SUPPORTING ATTAINMENT AND PROGRESSION IN STEM

Helping young people achieve strong academic qualifications in STEM subjects is essential for opening doors to university courses and careers in technology. The Foundation supports a range of partnerships which provide direct academic support to young people (including transitions to further study in key STEM subjects), as well as supporting teachers working in these important areas where there is an acute shortage of specialist educators.

To maximise impact in this area, the Hg Foundation made the following new grants this year:

STEM HORIZONS (UK)

Size of Grant: £1.1m over three years

The Foundation has developed a new initiative to bring together independent and state schools to work together with over 1,000 students to improve grades in Computer Science GCSE.

Through STEM Horizons, dedicated Computer Science teachers, based initially in five hub independent schools, will work with ~25 state schools with high proportions of students from low income backgrounds to deliver a two year programme of support. Provision will total almost 100 hours of activity and include weekly hybrid lessons, peer mentoring, academic seminars, Maths support and a range of enrichment activities.

The National Foundation for Educational Research will conduct a robust, independent evaluation of the programme focused on improvements in the core outcome of GCSE attainment and also look at the impact on education and career aspirations.

A complementary 'Bright Sparks' programme will work with year 9 students (age 13/14) to support more young people in partner schools, especially girls, to choose computing GCSE
mA*ths programmes expansions

The development of STEM Horizons is supported by a steering committee of current and former headteachers from the state and independent sectors. Funding for the STEM Horizons programme commences in FY26.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

MA*THS ONLINE PROGRAMMES (UK)

Size of Grant: £833,000

The mA*ths Online Programmes aim to help disadvantaged A Level Maths and Further Maths students to achieve the top A* grades in the subjects, supporting entry into STEM related degrees at leading universities.

Following the success of the original programmes at Imperial, the Foundation supported the expansion to the University of Manchester in Summer 2023, to pilot the scalability of the model. This year the Hg Foundation have committed a further £833,000 to support the programmes at both institutions for another three years; helping to grow each of the cohorts to 150 places, eventually reaching 600 students per year at each university.

The Hg Foundation will continue to expand the programmes to reach more high potential students across the UK, working with Imperial to create a model for this growth and introduce two new universities to the network and launch their first cohorts for their local regions. This funding will commence in FY26.

NOWTEACH (UK)

Size of Grant: £150,000 over 3 years

Now Teach's mission is to attract and recruit experienced and successful professionals to change careers and enter teaching. This partnership with the Foundation will support the recruitment of Computer Science teachers directly from the worlds of business, science and IT to teach in secondary schools across England. Computer Science is one of the most in demand subjects with the largest shortage of specialist teachers.

The Hg Foundation's £150,000 grant will offer career changers a free two year support package of 1 2 1 guidance, wellbeing, subject and career coaching and access to a support network of 1,000 peers. The programme will also enhance technology and AI knowledge across the organisation, through working groups and online hubs to share best practice. As a result of the programme, at least twenty schools will gain a new Computer Science teacher, with candidates bringing years of professional and real world experience to inspire the next generation of AI specialists and app creators.

Throughout the year we also continued to support Let's Get Ready and TEALS, that the Foundation had made grants to in previous years.

PROVIDING PATHWAYS TO ENTRY LEVEL EMPLOYMENT

Tech careers can offer a great route to economic and social mobility, including for those without higher education qualifications and those who are unemployed or underemployed. Reskilling and providing new opportunities to train are even more important as AI changes the workforce and new jobs are created as others decline. Through the work of the new partnerships below, the Foundation focuses on supporting young people and those already in the workplace to prepare for and succeed in high quality entry level jobs in both tech and tech adjacent occupations.

CODE YOUR FUTURE (UK)

Size of Grant: £690,000 over 3 years

CodeYourFuture's mission is to help refugees, asylum seekers, displaced migrants and low-income groups change their lives through free technical and soft skills training. The charity provides free courses in Basic Online Skills, Introduction to Digital Skills, Introduction to Programming and Software Development – equipping participants with the technical and employability skills to embark on new career paths.

CodeYourFuture delivers its programmes across five hubs in the UK, with in-person workshops and sessions facilitated by industry volunteers. As hiring demands in the tech sector have changed, CodeYourFuture have developed their programmes to provide more intensive training to their participants. The Hg Foundation's grant supports participants on their most intensive programmes – Intro to Programming and the Software Development Course. Part of the grant is also supporting CodeYourFuture's data and impact measurement, enabling them to further refine their programme and assess their impact on employment and other outcomes.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

GENERATION FRANCE (REGRANT)

Size of grant €1.1m over 3 years

The Foundation's partnership with Generation France aims to equip unemployed and under-employed individuals with the skills needed for life-changing tech careers. The programme comprises specific technical, behavioural, mindset and professional skills training, as well as mentoring during and after the programme. To date, it has supported 1,300 unemployed learners in France – both through Generation's existing tech programmes and new partnerships which have expanded their reach. With a further 900 targeted over the next two years, over 2,100 individuals will have benefitted from the partnership.

The Foundation's funding has also supported the development of Generation's third-party impact evaluation.

SPECIALISTERNE (USA)

Grant size: \$1,147,856 over 3 years

Specialisterne is an international social enterprise working to transform the employment landscape so that there are more meaningful opportunities for neurodivergent individuals. Specialisterne was also recently named in the Forbes 2025 Accessibility 100 list, recognizing Specialisterne Global as one of the world's top innovators in accessibility for their work advancing neurodivergent inclusion in the workplace.

Founded in 2004, they have helped over 10,000 individuals enhance their capabilities, achieve and advance into full-time, skill-aligned employment through a range of different programmes and support.

The organisation runs its Academy programme – an 8-week full time course which provides technical training for in-demand job pathways as well as occupational skills and job application support – in 4 countries. The Foundation is partnering with Specialisterne through a \$1.1m grant over three years that will enable the organisation to set up an Academy programme in the US for the first time.

SUPPORTING PROGRESSION TO HIGHLY SKILLED TECH JOBS

Undergraduate and graduate education remain important pathways into tech, but not all groups have equal chances to access university, succeed in their degrees and progress to highly-skilled technical jobs.

The Foundation's partners work across multiple entry points: supporting young people to access the first steps on the career ladder through internships, skills development and work experience, as well as helping qualified professionals overcome barriers to tech opportunities that match their skills. New partnerships with this primary focus supported during the year include:

The Royal Academy of Engineering/Google Deepmind (UK)

Grant size: £500,000 over 2 years

The Foundation has partnered with the Royal Academy of Engineering and Google DeepMind to deliver the Research Ready Programme. Providing over 130 paid research placements in top AI labs, the programme aims to address the barriers encountered by undergraduates from socioeconomically disadvantaged backgrounds in progressing into research and careers in AI. In doing so, it will help to build a stronger and more diverse AI research community to bring unique perspectives and solutions to this crucial and rapidly growing field.

ReDI (Germany)

Grant size: €600,000 over 3 years

ReDI School of Digital Integration is a non-profit tech school for refugees, migrants and marginalised locals without access to digital education. By equipping participants with both digital and soft skills - and connecting them with a network of tech leaders, students and alumni - ReDI helps to create new opportunities and accelerate integration into the job market.

The Foundation is supporting the Digital Career Programme based in Hamburg, which focuses on providing high-end tech skills to participants, through 11 courses and an annual summer school for women. The courses have a variety of entry levels to make them accessible for all abilities in tech. Participants are taught by volunteer IT professionals in evening classes and complete a project each semester. This is accompanied by a range of career support activities and mentorship from industry experts, to help further enhance their employability and ability to enter tech careers.

In addition, the Foundation has continued to support our existing partners working on entry to highly skilled tech employment: Article 1, Florence, SEO, upReach and Upwardly Global.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

PORTFOLIO OPPORTUNITY FUND

In Summer 2024, we launched our Portfolio Opportunity Fund, to offer software companies in the Hg portfolio the opportunity to partner on projects that advance our mission. The Hg portfolio employs around 100,000 individuals; we are building on this expertise and the collective Portfolio's ideas and energy to widen the talent pipeline. As part of a competitive application process, a Decisions Committee, chaired by one of our Trustees and with membership made up of Hg volunteers, reviewed applications and made granting decisions. In the current period, seven partnerships have been supported through the fund, totalling £325,000 in grants from The Hg Foundation, and leveraging a further £540,000 from portfolio companies. Funding for an eighth partnership was also secured as part of this process, with financial commitments commencing in FY26. It is hoped that the most successful projects from the fund will be scaled up more widely as they develop, with lessons learned for the broader sector.

Research and Advocacy: Transformations in Tech

UNDERSTANDING THE CHANGING PIPELINE INTO THE TECHNOLOGY SECTOR

Understanding the talent pipeline into tech and the barriers faced by the groups the Foundation focuses on is essential to help us deploy funds for maximum impact and best support our non profit programmes. In addition to the above programme grants, the Hg Foundation has also funded the following:

- National Foundation for Educational Research (NFER) research programme exploring pathways into each employment in the UK, the disparities for underrepresented groups at various stages of the pipeline and current and future hiring trends in the sector.
- Tech Future Taskforce, an industry-wide initiative, backed by the Sutton Trust, which aims to create a fairer tech industry and drive business growth across the UK. The Tech Future Taskforce provides practical support to help employers create meaningful opportunities for people from underrepresented socio-economic backgrounds to succeed in tech.
- AI transformation report. Following an event convened by The Foundation and Google DeepMind a report was commissioned to highlight opportunities for STEM charities to deliver impact within AI education

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 terms 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, as well as a newly developed evidence ladder to help partners build understanding of their impact. The Foundation's partners have on going access to our independent evaluation consultant and in house expert to help them implement the recommendations in the guide and advise on related issues.

Many 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 counterfactual.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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.

The Foundation also benefits from a range of services provided by the Hg Group to the Foundation at zero cost, including accommodation, IT and operational support. The scope of these arrangements is set out in a Service Agreement.

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 Hg Capital LLP. Elona Mortimer Zhika is the former 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 £2,591,402 (2024: £2,811,118), comprising income of £8,788,375 (2024: £6,849,591) and expenditure of £6,196,973 (2024: £4,038,403). Funds brought forward from the previous year amounted to £9,754,400 (2024: £6,943,212). 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 2025

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:

- To understand further the impact of AI and other factors on future skills needs and labour market trends in tech, in order to better support our non-profits partners to adapt their programmes accordingly, as well as to inform our future grants
- To ensure our programme portfolio is balanced geographically, particularly by understanding more work in the US and mainland Europe
- To build further on existing projects which remain aligned with our mission, which we have added value to and which have evidence of promise, through re-grants
- To double down on efforts to build capacity and share best practices across our networks, including between our non-profit partners and the wider Hg community

HG FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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. The Foundation's three committees – Partnerships, Finance and Engagement – operate under clear terms of reference determined by the board and any major decisions are brought back to the trustee board for 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.

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. Trustees are entitled to reimbursement of expenses incurred as a result of conducting business related to the Hg Foundation. Any reimbursements must be claimed in line with the Hg Foundation Travel & Expense policy.

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 2025

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: Richard Donner

Date: 27-Jan-2026

DocuSigned by:
Richard Donner
54C99ADF212045C...

Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HG FOUNDATION

Opinion

We have audited the financial statements of Hg Foundation (the 'charity') for the year ended 31 March 2025 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).

In opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 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 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 report. We are independent of the charity in accordance with the ethical requirements that are relevant to audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled 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 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 charity's 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 TRUSTEES OF HG FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and 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, 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 knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HG FOUNDATION (CONTINUED)

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 opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- proper 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 audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, set out of page 12, the Trustees are responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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 responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting fraud are outlined above.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HG FOUNDATION (CONTINUED)

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 audit work, for this report, or for the opinions we have formed.



RPG Crouch Chapman LLP, Statutory Auditor

40 Gracechurch Street

London

EC3V 0BT

Date:

30/01/26

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 2025**

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Donations and legacies	4	8,360,294	8,360,294	6,595,225
Investments	5	428,081	428,081	254,366
Total income		8,788,375	8,788,375	6,849,591
Expenditure on:				
Charitable activities	7	6,196,973	6,196,973	4,038,403
Total expenditure		6,196,973	6,196,973	4,038,403
Net movement in funds		2,591,402	2,591,402	2,811,188
Reconciliation of funds:				
Total funds brought forward		9,754,400	9,754,400	6,943,212
Net movement in funds		2,591,402	2,591,402	2,811,188
Total funds carried forward		12,345,802	12,345,802	9,754,400

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

The notes on pages 20 to 29 form part of these financial statements.

HG FOUNDATION**BALANCE SHEET
AS AT 31 MARCH 2025**

Charity Number :1189216

	Note	2025 £	2024 £
Investments	12	1,832,763	912,756
		<u>1,832,763</u>	<u>912,756</u>
Current assets			
Debtors	13	226,877	194,880
Cash at bank and in hand		10,849,748	9,168,948
		<u>11,076,625</u>	<u>9,363,828</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(563,586)	(522,184)
Net current assets		<u>10,513,039</u>	<u>8,841,644</u>
Total net assets		<u><u>12,345,802</u></u>	<u><u>9,754,400</u></u>
Charity funds			
Unrestricted funds		12,345,802	9,754,400
Total funds		<u><u>12,345,802</u></u>	<u><u>9,754,400</u></u>

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

Date: 30-Jan-2026

DocuSigned by:

Richard Donner

The notes on pages 20 to 29 form part of these financial statements.

HG FOUNDATION**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	2,600,807	3,177,708
Cash flows from investing activities		
Purchase of investments	(920,007)	(462,479)
Net cash used in investing activities	(920,007)	(462,479)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	1,680,800	2,715,229
Cash and cash equivalents at the beginning of the year	9,168,948	6,453,719
Cash and cash equivalents at the end of the year	10,849,748	9,168,948

The notes on pages 20 to 29 form part of these financial statements

HG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

HG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 2025

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 2025****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 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	8,360,294	8,360,294	6,595,225
<i>Total 2024</i>	6,595,225	6,595,225	

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Investment income	428,081	428,081	254,366
<i>Total 2024</i>	254,366	254,366	

6. Analysis of grants

	Grants to Institutions 2025 £	Total funds 2025 £	Total funds 2024 £
Project grants	5,558,781	5,558,781	3,601,289
<i>Total 2024</i>	3,601,289	3,601,289	

HG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

6. Analysis of grants (continued)

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

	2025 £	2024 £
Name of institution		
Partnership - SEO - Sponsor for Educational Opportunity	566,247	636,923
Partnership - upReach Charitable Co.	982,445	607,935
Partnership - Speakers for Schools	165,900	-
Partnership - Assonat Finance Generation	472,442	306,195
Partnership - Apps for Good	245,000	295,000
Partnership - Jinc Grant	150,310	257,056
Partnership - Technische Universität München	167,073	214,076
Partnership - Purposeful Ventures	200,000	200,000
Partnership - Lets Get Ready, Inc	163,881	145,718
Partnership - Upwardly Global	259,009	130,904
Partnership - Article 1	249,778	117,715
Partnership - TEAK	169,554	79,388
Partnership - Code Your Future	197,144	-
Partnership - Specialisterne USA	304,972	-
Partnership - Google DeepMind	426,300	-
	-	-
	4,720,055	2,990,910
Other grants to institutions	838,726	610,379
	5,558,781	3,601,289

Material grants are defined as grants in excess of £150,000 in 2025 (2024: £100,000). As a result of different grant levels in 2024 and 2025, the comparatives column includes grants which were not material in the prior year.

	2025 £
Grants individually material in 2025	4,720,055
Other grants	838,726
	5,558,781

HG FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****7. Analysis of expenditure on charitable activities****Summary by fund type**

	Unrestricted funds 2025 £	Total 2025 £	Total 2024 £
Project grants	5,558,781	5,558,781	3,601,289
Administration of the charity	638,192	638,192	437,114
	<u>6,196,973</u>	<u>6,196,973</u>	<u>4,038,403</u>
<i>Total 2024</i>	<u>4,038,403</u>	<u>4,038,403</u>	

8. Analysis of expenditure by activities

	Grant funding of activities 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Project grants	5,558,781	-	5,558,781	3,601,289
Administration of the charity	-	638,192	638,192	437,114
	<u>5,558,781</u>	<u>638,192</u>	<u>6,196,973</u>	<u>4,038,403</u>
<i>Total 2024</i>	<u>3,601,289</u>	<u>437,114</u>	<u>4,038,403</u>	

HG FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****8. Analysis of expenditure by activities (continued)****Analysis of support costs**

	Total funds 2025 £	Total funds 2024 £
Staff costs	432,064	305,239
Legal Fees	1,390	4,498
Audit Fees	11,550	11,000
Bank Charges	331	1,846
Other Costs	30,437	3,982
Events	14,556	2,200
Insurance	620	554
Marketing (recruitment)	36,956	20,432
Travel & Entertainment	6,289	7,081
Analysis & Evaluation	103,849	36,125
Digital Communications and Equipment	150	44,157
	638,192	437,114

9. Auditors' remuneration

	2025 £	2024 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,550	11,000

10. Staff costs

	2025 £	2024 £
Wages and salaries	432,064	305,239
	432,064	305,239

The average number of persons employed by the Charity during the year was as follows:

	2025 No.	2024 No.
Administration and Finance	3	1

HG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

10. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

Key management comprises the trustees and the charity CEO. Key management remuneration amounted to £150,000 (2024: £145,000). The charity does not operate its own payroll and all staff costs are re-charged from Hg Group.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

12. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2024	912,756
Additions	920,007
Revaluations	-
At 31 March 2025	<u>1,832,763</u>
Net book value	
At 31 March 2025	<u>1,832,763</u>
At 31 March 2024	<u>912,756</u>

13. Debtors

	2025 £	2024 £
Due within one year		
Prepayments and accrued income	226,877	194,880
	<u>226,877</u>	<u>194,880</u>

HG FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****14. Creditors: Amounts falling due within one year**

	2025 £	2024 £
Accruals and deferred income	<u>563,586</u>	<u>522,184</u>

15. Financial instruments

	2025 £	2024 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,832,763</u>	<u>912,756</u>

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

16. Funds

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

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)	<u>2,591,402</u>	<u>2,811,188</u>
Adjustments for:		
Decrease/(increase) in debtors	(31,997)	397,226
Increase/(decrease) in creditors	41,402	(30,706)
Net cash provided by operating activities	<u><u>2,600,807</u></u>	<u><u>3,177,708</u></u>

18. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	<u>10,849,748</u>	<u>9,168,948</u>
Total cash and cash equivalents	<u><u>10,849,748</u></u>	<u><u>9,168,948</u></u>

HG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. Analysis of changes in net debt

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	9,168,948	1,680,801	10,849,749
	<u>9,168,948</u>	<u>1,680,801</u>	<u>10,849,749</u>

20. Financial commitments

The Charity has continued to commit to make total future investments of £3,800,000 (2024: £3,800,000). During the year, £920,007 (2024: £462,479) was drawn down, taking the total investment so far to £1,832,763, as disclosed in Note 12.

21. Related party transactions

During the year ended 31 March 2025, the charity received donations of £8,360,295 (2024: £6,595,225) 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 £432,064 (2024: £305,239) representing a re-charge of wages and salaries and associated staff costs from Hg Group.

Included in grants (note 8) made is a grant to TEAK of £169,554 (2024 -£79,388). Also included are grants for The Education Endowment Foundation of £80,000 (2024 -Nil.) 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.

