

Charity registration number 290609

FRIENDS OF HARVARD UNIVERSITY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

FRIENDS OF HARVARD UNIVERSITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J.H. McFadden J.D. Fishburn C.D. Quillen III R.G. Howells C. Wright J.V. Baker J O'Regan
Charity number	290609
Principal address	1 Mulgrave Chambers 26-28 Mulgrave Road Sutton Surrey SM2 6LE
Independent examiner	Hannah Sibley FCA TC Group 5th Floor 3 Dorset Rise London EC4Y 8EN
Bankers	National Westminster Bank Plc Kidderminster Branch 24 High Street Kidderminster Worcs DY10 2DL
Legal advisors	Mc Fadden, Pilkington & Ward LLP 1 Mulgrave Chambers 26-28 Mulgrave Road Sutton Surrey SM2 6LE

FRIENDS OF HARVARD UNIVERSITY

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FRIENDS OF HARVARD UNIVERSITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, the Charities Act 2011 and "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).

Objectives and activities

The objectives of the trust are:

- to provide scholarships and fellowships to past and present students of Harvard University to enable or assist them to attend establishments of higher or further education anywhere in the world or to engage in research or study at any such establishment.
- the provision of special prizes, grants or rewards to scholars and in particular to past and present students at Harvard University.
- the provision, improvement, replacement or repair of buildings and other equipment and assets of Harvard University which are used exclusively for the educational purposes of the University either by making new additions thereto or otherwise.
- the furtherance of general charitable and educational objects for the benefit of Harvard University or its past or present members.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Trust's objectives are met in such proportion and manner as the Trustees shall in their absolute discretion from time to time determine.

Achievements, performance and financial review

Total income and expenditure for the year is shown on page 5.

Approaches for donations were made during the year, which resulted in income of £458,599 (2022: £1,015,167) generated by way of donations of £413,219, donated professional services of £15,000 by McFadden, Pilkington & Ward LLP, gifts in kind of £30,280 in relation to professional fees paid by a related party on behalf of the charity and £100 of AML compensation.

Expenditure in the year amounted to £534,174 (2022: £3,251,694) of which £488,448 (2022: £3,207,084) is represented by payments to Harvard University, £356 (2022: £726) relates to JustGiving fees and commissions and £45,370 (2022: £43,884) was incurred in connection with governance costs.

Fair value movements on investments amounted to £151 (2022: £28,627) primarily relating to the change in valuation of shares between acquisition and disposal.

The Statement of Financial Position on page 6 of the financial statements shows the financial position of the Trust as at 31 December 2023.

Total assets less liabilities amounted to £371,405 (2022: £447,131) which is represented by the accumulated balance on the restricted income fund of £368,987 and an accumulated balance on the unrestricted income fund of £2,418.

FRIENDS OF HARVARD UNIVERSITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trust is committed to using its resources in pursuit of its charitable objects. It is also committed to maintaining a level of reserves that is prudent to meet on-going liabilities, sufficient to ensure that all commitments can be met and to protect the long-term future of its operations. It is the Trust's policy to retain sufficient reserves to cover administration costs and commitments for a period of one year.

The Trustees have considered the future cashflows and ability to call on trusted donors to cover operating expenses should this be required. The Trustees are satisfied that the current level of reserves are appropriate to its circumstances as grants to the University are only made out of donations received and there will be sufficient resources to cover the operating expenses of the charity.

Risk management

The Trustees have identified, monitored, and reviewed significant risks and have implemented systems and processes to manage and mitigate those risks. The main risks are associated with the continued donations from long term donors and ensuring that donations are generated from new Harvard Alumni and friends of Harvard in the business community. The Trustees review ongoing pledges and have a strong presence in the UK to continue to develop new relationships with donors. The Trustees are satisfied with the current risk management procedures in place which they believe satisfactorily mitigate the identified risks.

Fundraising Statement

The Charity's fundraising activities focus on existing relationships with a small number of individual donors and businesses. The Charity has not engaged with any professional fundraisers to raise funds. No complaints were received in relation to the Charity's fundraising activities.

Plans for the future

The trust's future plan is to work in the most efficient and effective way towards achieving its objectives.

Structure, governance and management

The Trust was established by a charitable deed on 25 October 1984 and is a registered charity No. 290609. It is governed by this deed and by the Charities Act 2011.

The Trustees who served during the year and up to the date of signature of the financial statements were:

J.H. McFadden
J.D. Fishburn
C.D. Quillen III
R.G. Howells
C. Wright
J.V. Baker
J O'Regan

The President of Harvard University has the right to nominate all new trustees with the existing trustees obliged to appoint such nominees. Additional trustees may be appointed at any time, but the total number shall not be less than three or more than nine.

The Trust has no employees. The day to day administration of the charity is provided by Charles Dominic Services Limited.

FRIENDS OF HARVARD UNIVERSITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 and 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 charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of Trustees

J.H. McFadden

Trustee

Dated: 23 October 2024

FRIENDS OF HARVARD UNIVERSITY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FRIENDS OF HARVARD UNIVERSITY

I report to the Trustees on my examination of the accounts of the charity for the year ended 31 December 2023 which are set out on pages 5 to 14.

Responsibilities and basis of report

As the charity's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Use of this 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. My independent examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my independent examination work, for this report, or for the opinions I have formed.

Hannah Sibley FCA

Chartered Accountant (Institute of Chartered Accountants in England and Wales)

Independent Examiner

TC Group
5th Floor
3 Dorset Rise
London
EC4Y 8EN

Dated: 24 October 2024

FRIENDS OF HARVARD UNIVERSITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<u>Income and endowments from:</u>					
Voluntary income	3	45,280	413,219	458,499	1,015,167
Other income	2	100	-	100	-
Total income		45,380	413,219	458,599	1,015,167
<u>Expenditure on:</u>					
Raising funds	4	-	356	356	726
Charitable activities	5	45,489	488,329	533,818	3,250,968
Total expenditure		45,489	488,685	534,174	3,251,694
Fair value movements on investments	11	-	(151)	(151)	(28,627)
Net expenditure for the year/ Net movement in funds		(109)	(75,617)	(75,726)	(2,265,154)
Fund balances at 1 January 2023		2,527	444,604	447,131	2,712,285
Fund balances at 31 December 2023		2,418	368,987	371,405	447,131

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

FRIENDS OF HARVARD UNIVERSITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	12		52		64
Current assets					
Debtors falling due after one year	13	166,143		333,453	
Debtors falling due within one year	13	211,594		120,751	
Cash at bank and in hand		32,722		181,329	
		410,459		635,533	
Creditors: amounts falling due within one year	14	(39,106)		(188,466)	
Net current assets			371,353		447,067
Total assets less current liabilities			371,405		447,131
Income funds					
Restricted funds	15	368,987		444,604	
Unrestricted funds		2,418		2,527	
		371,405		447,131	

The financial statements were approved by the Trustees on 23 October 2024

J.H. McFadden
Trustee

FRIENDS OF HARVARD UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Friends of Harvard University is a charity registered in England & Wales with registration number 290609. The principal address is 1 Mulgrave Chambers, 26-28 Mulgrave Road, Sutton, Surrey, SM2 6LE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Trust Deed, the Charities Act 2011 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of the investment portfolio at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

The unrestricted income fund consists of funds to be used to meet ongoing overheads and administrative expenses.

The restricted funds, which are wholly payable to Harvard University, are subject to specific conditions by donors as to how they may be used.

1.4 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as income when receivable.

Donated services are recognised at their estimated open market value, with an equivalent amount recognised as expenditure.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

FRIENDS OF HARVARD UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis. All expenses, including governance costs, are allocated to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments to Harvard University in the furtherance of the charitable objects of the Trust.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net gains/(losses) on investments for the year in the Statement of Financial Activities. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.9 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in total charitable expenditure.

2 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	100	-

FRIENDS OF HARVARD UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

3 Voluntary income

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	-	413,219	413,219	971,367
Donated goods and services	45,280	-	45,280	43,800
	45,280	413,219	458,499	1,015,167
For the year ended 31 December 2022	43,800	971,367		1,015,167

4 Expenditure on raising funds

	Restricted funds 2023 £	Restricted funds 2022 £
Agents commissions		
Other fundraising costs	356	726

5 Charitable activities

	2023 £	2022 £
Grant funding of activities (see note 6)	488,448	3,207,084
Governance costs (see note 8)	45,370	43,884
	533,818	3,250,968
Analysis by fund		
Unrestricted funds	45,489	72,047
Restricted funds	488,329	3,178,921
	533,818	3,250,968

FRIENDS OF HARVARD UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Grants payable

	2023 £	2022 £
Grants to institutions: Harvard University	488,448	3,207,084
Analysis by fund		
Unrestricted funds	119	28,163
Restricted funds	488,329	3,178,921
	488,448	3,207,084

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or reimbursed expenses from the charity during the year.

8 Governance costs

	2023 £	2022 £
Audit and accountancy fees	12,280	12,300
Legal and professional	33,000	31,500
Bank charges	90	84
	45,370	43,884

Audit and accountancy fees include £6,900 (2022: £9,000) paid to the Trust's accountants for the Independent Examination (2022: Audit) of these financial statements, £900 for the balance of the 2022 audit fees and £4,480 (2022: £3,300) for other services.

9 Employees

There were no employees during the year or in the prior year. Day to day administration of the charity is provided by Charles Dominic Services Limited.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

FRIENDS OF HARVARD UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11 Fair value movements on investments

	Restricted funds	Restricted funds
	2023 £	2022 £
Fair value movements on investments	(139)	(28,511)
Revaluation of listed investments	(12)	(116)
	<u>(151)</u>	<u>(28,627)</u>

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2023	64
Valuation changes	(12)
At 31 December 2023	<u>52</u>
Carrying amount	
At 31 December 2023	<u>52</u>
At 31 December 2022	<u>64</u>

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	<u>211,594</u>	<u>120,751</u>
Amounts falling due after more than one year:		
Other debtors	<u>166,143</u>	<u>333,453</u>
Total debtors	<u>377,737</u>	<u>454,204</u>

FRIENDS OF HARVARD UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	30,906	178,866
Accruals and deferred income	8,200	9,600
	<hr/>	<hr/>
	39,106	188,466
	<hr/>	<hr/>

FRIENDS OF HARVARD UNIVERSITY

15 Restricted funds

The income funds of the charity include restricted funds, the movement for which is set out below:

	Balance at 1 January 2022	Incoming resources	Resources expended	Investments gains/losses	Balance at 1 January 2023	Incoming resources	Resources expended	Investments gains/losses	Balance at 31 December 2023
	£	£	£	£	£	£	£	£	£
Stephanie Hui and Harold Wong									
Goldman Sachs Gives Scholarship Fund	107,805	-	(107,805)	-	-	-	-	-	-
Philippe Wamba Fund for Summer	365,241	-	(365,241)	-	-	-	-	-	-
Danny and Manizeh Rimer Gallery Fund	1,833,465	162,131	(1,967,085)	(28,511)	-	-	-	-	-
Undergraduate level students of Greek or Romanian origin Goldman Sachs Gives	375,000	-	(75,000)	-	300,000	-	(75,000)	-	225,000
Department of Organismic and Evolutionary Biology at Harvard	-	263,245	(263,245)	-	-	-	-	-	-
Harvard Business School for the HBS Fund	-	102,834	(73,913)	-	28,921	244,889	(150,806)	-	123,004
Learn to Fish Christian Research Endowment Fund	-	196,933	(81,250)	-	115,683	13,175	(107,875)	-	20,983
Harvard Law School in support of Annual Scholarship Funds	-	53,438	(53,438)	-	-	-	-	-	-
Dyvik Henke Family Undergraduate Financial Aid Fund	-	51,875	(51,875)	-	-	-	-	-	-
Graduate School Fund Fellowship in Physics	-	38,427	(38,427)	-	-	50,631	(50,631)	-	-
ADS Endowed UWCS Fund	-	29,500	(29,500)	-	-	-	-	-	-
Kennedy School of Government for the HKS Fund	-	25,625	(25,625)	-	-	25,450	(25,450)	-	-
Others (Less than £25,000)	-	47,359	(47,359)	-	-	79,074	(78,923)	(151)	-
	2,681,511	971,367	(3,179,763)	(28,511)	444,604	413,219	(488,685)	(151)	368,987

The charity's restricted funds comprise monies to be granted to Harvard University for the purposes specified by donors, as set out above.

16 Related party transactions

Donations include £15,000 of donated services by McFadden, Pilkington & Ward LLP (2022: £15,000), a law firm in which Trustee, J McFadden is a partner.

Donations include £30,280 (2022: £28,800) of donations in kind in relation to the payment of professional fees received from Harvard Global, a related entity responsible for external payments of the charity.

During the year ended 31 December 2023, grants of £488,448 (2022: £3,207,084) were awarded to Harvard University, which has the right to nominate all new Trustees.