

**Brown University
Charitable
Trust**

**Annual Report and Financial
Statements**

31 December 2020

Charity Registration Number
1051909

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	5

Financial statements

Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Principal accounting policies	13
Notes to the financial statements	16

Reference and administrative information

Trustees	Peter C Hansen – Chair Gregory Conway Ronald D Margolin – Resigned 29 Feb 2020 Andrea Shen – Appointed 8 October 2020 Lawrence Small – Appointed 8 October 2020 Joshua E Taub
Principal office	19 Norcott Road London N16 7EJ
Charity registration number	1051909
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc Chichester Branch 5 East Street Chichester PO19 1HH

Trustees' report Year to 31 December 2020

The trustees present their annual report together with the financial statements of the Brown University Charitable Trust for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 15 of the attached 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 United Kingdom and Republic of Ireland (FRS 102).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Brown University Charitable Trust is governed by a trust deed dated 16 November 1995 (as amended 24 April 1996). The charity is registered under the Charities Act 2011, Charity Registration Number 1051909.

The names of the trustees who served as at the date of approval of the financial statements are set out as part of the reference and administrative information on page 1 of these annual report and financial statements.

On agreeing to become a trustee of the charity, the trustees are thoroughly briefed by their co-trustees on the history of the trust, the day-to-day management, the responsibilities of the trustees, the current objectives and future plans. The trustees are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up-to-date on any changes in legislation.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and 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 income and expenditure of the charity 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 in 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

- ◆ state whether applicable United Kingdom 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 proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's 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.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. The trustees review the developments with regard to the charity, its grant giving activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including solicitors and accountants.

Risk management

Having assessed the major risks to which the charity is exposed, in particular those relating to its cash holdings and its finances, the trustees believe that by monitoring reserve levels, by ensuring that controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees of the charity. The trustees are not remunerated for their role.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Charitable objectives

The funds of the trust and income thereon are held for the purposes of financially supporting educational activities at Brown University of Providence, Rhode Island, USA.

When setting the objectives and planning the work of the charity for the year the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Grant making policy

The Brown University Charitable Trust makes all of its grant payments to Brown University for the support of specific funds, such as scholarship and leadership funds and the University's Annual Fund.

Fundraising

The Brown University Charitable Trust does not routinely raise funds from the general public and as such is not registered with the fundraising regulator. The charity does not engage with professional fundraisers and did not receive any complaints on fundraising practices in the year. When donations from individuals are received, the charity aims to protect personal data and never sells data or swaps data with other organisations and takes appropriate action to safeguard vulnerable people when undertaking fundraising activities.

Review of activities and results for the year

Total income for the year ended 31 December 2020 amounted to £3,813,735 (2019 – £2,041,699). This represents donations received by the trust together with the tax reclaimed under the Gift Aid scheme.

The trust made grants totalling £3,800,253 (2019 – £2,003,490) to Brown University during the year in accordance with its grant giving policy set out above.

At 31 December 2020, total funds of the trust amounted to £34,076 (2019 – £39,333).

Reserves policy and financial position

Reserves policy

The trust is operated as a grant giving charity and the trustees' policy is to seek to distribute the income arising in each financial year.

Financial position

The balance sheet shows total funds of £34,076 (2019 – £39,333) all of which are unrestricted. Of this balance, in 2019, £36,971 had been designated by the trustees to cover the future administrative support costs of the charity. This balance was utilised during the year ended 31 December 2020. Free reserves at 31 December 2020 are therefore £34,076 (2019 – £2,362). The trustees consider that this level of free reserves meets the charity's reserves policy above and it, therefore, considers free reserves to be adequate but not excessive.

FUTURE PLANS

The trustees do not anticipate any significant changes to the charity or its activities over the next few years. It is the trustees' intention to continue to make grants at a similar, if not higher level.

Impact of COVID-19

The charity trust holds only minimal funds, with grants made in line with the charitable objectives of the trust regularly upon receipt of funds. As such the impact of COVID-19 on the operations of the trust on a day to day level has been limited. The trustees will continue to monitor this as the global situation develops to ensure that they can continue to support the University effectively.

The trustees of the charity have determined that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion, despite the global uncertainty in relation to COVID-19 that the trust will have sufficient resources to meet its liabilities as they fall due. The trustees have made this assessment with respect to a period of one year from the date of approval of these financial statements. They do not believe that there are concerns regarding the trust's ability to continue as a going concern.

Signed on behalf of the board of trustees:

Peter Hansen

Approved by the board of trustees on: 2 October 2021

Independent auditor's report to the trustees of Brown University Charitable Trust

Opinion

We have audited the accounts of Brown University Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity.
- We understood how the charity is complying with these legal and regulatory frameworks by making enquiries to those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of the minutes of trustees' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
 - Enquiries with the trustees, whether they have any knowledge of any actual, suspected or alleged fraud;
 - Challenging assumptions and judgements made by trustees in its significant accounting estimates.
 - Identifying and testing journal entries.
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

Auditor's responsibilities for the audit of the accounts (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 13 October 2021

Statement of financial activities Year to 31 December 2020
(including income and expenditure account)

	Notes	Unrestricted funds	
		2020 £	2019 £
Income from:			
Donations (including tax reclaim under Gift Aid)		3,813,735	2,030,320
Other sources		—	676
Foreign exchange gains		—	10,703
Total income		3,813,735	2,041,699
Expenditure on:			
Charitable activities	1	3,807,574	2,013,522
Other			
. Foreign exchange losses		11,418	—
		3,818,992	2,013,522
Net (expenditure) income for the year and net movement in funds		(5,257)	28,177
Reconciliation of funds:			
Fund balances brought forward at 1 January 2020		39,333	11,156
Fund balances carried forward at 31 December 2020		34,076	39,333

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities and all activities were unrestricted in nature in both financial periods.

Balance sheet 31 December 2020

	Notes	2020 £	2019 £
Current assets			
Debtors	5	11,249	7,309
Cash at bank and in hand		46,701	36,758
		<u>57,950</u>	<u>44,067</u>
Current liabilities:			
Creditors: amounts falling due within one year			
	6	(23,874)	(4,734)
Net current assets		<u>34,076</u>	<u>39,333</u>
Total net assets		<u>34,076</u>	<u>39,333</u>
The funds of the charity:			
Unrestricted funds			
. General funds		34,076	2,362
. Designated fund	7	—	36,971
		<u>34,076</u>	<u>39,333</u>

Approved by the board of trustees
and signed on its behalf by:

Peter Hansen

Approved by the board of trustees on: 2 October 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	9,943	15,675
Change in cash and cash equivalents in the year		9,943	15,675
Cash and cash equivalents at 1 January 2020	B	36,758	21,083
Cash and cash equivalents at 31 December 2020	B	46,701	36,758

Notes to the statement of cash flows for the year to 31 December 2020

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(5,257)	28,177
Adjustments for:		
Decrease in debtors	(3,940)	(429)
Decrease (increase) in creditors	19,140	(12,073)
Net cash provided by operating activities	9,943	15,675

B Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	46,701	36,758
Total	46,701	36,758

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

There are no significant areas of adjustment of key assumptions that affect items in the financial statements.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment with respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have determined that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the trust to continue as a going concern.

The trustees are of the opinion, based on available information, despite the global uncertainty in relation to COVID-19, that the trust will have sufficient resources to meet its liabilities as they fall due and made this assessment. They do not believe that there are concerns regarding the trust's ability to continue as a going concern. This determination was reached by reviewing the constancy in gift and grant activity in 2020 compared to previous years and there being sufficient reserve to meet the trust's liabilities.

Principal accounting policies 31 December 2020

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured with reasonable certainty and it is probable that the funds will be received.

Donations and the gift aid thereon is recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Expenditure is on charitable activities which comprise grants payable in promoting charitable work, the cost of administering the grant programme and governance costs. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

Governance costs include costs which are directly attributable to the organisational procedures and the necessary legal procedures for compliance with statutory requirements. They are included as a constituent part of charitable activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Principal accounting policies 31 December 2020

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Fund accounting

The designated fund represents funds set aside by the trustees out of unrestricted general funds for a specific purpose.

The unrestricted general funds represent funds available for the general charitable purposes of the trust at the discretion of the trustees.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Assets denominated in foreign currency held at the balance sheet date are translated at the exchange rate at the year end date.

Notes to the financial statements 31 December 2020

1 Charitable expenditure

	2020 £	2019 £
Grants payable (see below)	3,800,253	2,003,490
Bank charges	461	357
Governance		
. Audit and accountancy	1,860	1,867
. Administrative support	5,000	6,000
. Other	—	1,808
	3,807,574	2,013,522

During the year, the trust made the following grants:

Recipient	2020 £	2019 £
Brown University, Providence, Rhode Island, USA	3,800,253	2,003,490

A reconciliation of the grants payable and grant commitments figures shown in these financial statements is as follows:

	2020 £	2019 £
Grants commitments at 1 January 2020	—	12,000
Grants payable for the year (see above)	3,800,253	2,003,490
Grants paid during the year	(3,780,253)	(2,015,490)
Grant commitments at 31 December 2020 (note 6)	20,000	—

2 Net movement in funds

This is stated after charging:

	2020 £	2019 £
Amounts payable to the auditor in respect of:		
External audit	1,860	1,867
	1,860	1,867

3 Staff costs, trustees' remuneration and the remuneration of key management personnel

The charity employed no members of staff during the year ended 31 December 2020 (2019 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprises the trustees. No trustees received any remuneration or expenses in respect of their services as trustees or reimbursed expenses during the year (2019 – none).

Notes to the financial statements 31 December 2020

4 Taxation

Brown University Charitable Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

5 Debtors

	2020 £	2019 £
Tax recoverable under Gift Aid	11,249	7,309

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Grant commitments (note 1)	20,000	—
Accruals	3,874	4,734
	23,874	4,734

7 Designated funds

The funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the charity's trustees:

	At 1 January 2020 £	New designations £	Utilised £	At 31 December 2020 £
Administration fund	36,971	—	(36,971)	—

	At 1 January 2019 £	New designations £	Utilised £	At 31 December 2019 £
Administration fund	9,092	37,911	(10,032)	36,971

The administration fund represents monies set aside to cover the future administrative support costs of the charity. In the year ended 31 December 2020, the trustees have transferred all remaining designated funds into the general funds.

8 Related party transactions

In the year ended 31 December 2020 the charity received £8,500 in donations from two trustees (2019 –£7,500 donation was received from one trustee).