

# ANNUAL REPORT

2022/23

COMPANY NUMBER: 867944

CHARITY NUMBER: 270901

## INTRODUCTION

The report and accounts for the 12 months ended 31 August 2023 have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2019 (Financial Reporting Standard 102), and the Companies Act 2006.

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## CHAIR'S REPORT

I am delighted to introduce this annual report, which describes the financial results and educational impact of EDT's global portfolio of activities in the period 2022/23. As an organisation, we seek to improve life chances wherever we work, and this report is testimony to our success in making a measurable positive difference to millions of young people and adults. We achieved income of £91.2m in 2022/23, an increase of £2.1m on 2021/22, exceeding our net income targets for the year by £1.5m and delivering a year-on-year increase in Charity and Group reserves. Our strong financial performance and reserves position provides a foundation for future impact.

The report documents our 'reach' and the remarkable number of people who have been involved in our programmes. Just as importantly, we present here some rich data about the changes for the better that have resulted from our interventions.

EDT is unusual in that we work in so many contrasting contexts including the UK, the Middle East and Asia, and countries in Sub-Saharan Africa. Regardless of the setting, we seek to provide evidence-based solutions to educational problems. There have been so many notable success stories this year: transforming the climate for learning in England's government schools through the Behaviour Hubs programme, completing the highly successful Girls Education Challenge project in some of the most disadvantaged neighbourhoods in Kenya, improving outcomes in core subjects across all the primary schools of Rwanda, exceeding national targets for our adult careers guidance service in several UK regions, and providing cutting edge thought leadership support for education reform in several countries through the What Works Hub project. This just a selection of this year's achievements and I could have chosen several others.

What is particularly heartening about the stories of impact presented in the strategic report is the way that our impact is underpinned by hard numbers. We need to prove that we are making a difference, and to do this properly we need robust measurement and we need to listen to our partners and beneficiaries.

As we look ahead to 2024, I am incredibly excited about the opportunities we have to grow EDT's impact still further, with huge potential to transform more lives, reduce social inequality and build brighter futures across the globe. We are always keen to hear from governments and other organisations around the world who share our passion for improving lives through education and look forward to continuing working with like-minded partners in the year ahead. I can't wait to see what we will achieve next.

I hope you enjoy reading this report and thanks to everyone who made the inspiring stories of change described here possible.



Ilse Howling  
Chair of Trustees, Education Development Trust

# 1 OBJECTIVES AND ACTIVITIES IN 2022/23

## 1.1 VISION, PURPOSE AND VALUES

Our principal objective, as defined in our Articles of Association, is to *advance education for the public benefit*.

### Our vision

A world where everyone's life is transformed through excellent education.

### Our purpose

We strive to change education for good around the world, supporting leaders to raise standards, improve school performance, develop great teachers and open career pathways.

### Our values

- » **Excellence** in learning outcomes, our people, our solutions and our delivery
- » **Integrity** in the way we build trust in and bring purpose to our work
- » **Accountability** through rigorous and transparent assessment of our performance
- » **Collaboration** by working together across teams and in partnership with clients and customers to build capacity
- » **Inclusion** both by encouraging diversity in our organisation and by serving those for whom education can have the most transformative impact

## 1.2 ORGANISATIONAL OBJECTIVES 2022/23

In 2022/23, the second year of our strategy, we focused on three core priorities for the successful management of a commercial contracts business: winning work, delivering effectively and ensuring commercial success, underpinned by the two key supporting functions of technology and people. Achievements during the period under review are summarised against each objective.

- » We will win **new business** generating £10m income in 2022/23 from an increasingly diverse client base. *We surpassed our income targets for the year but fell short of contribution and diversification targets. This is due to the mix of contracts won being more from our existing client base and at lower average margins than planned.*
- » We will be highly effective in **delivery** to ensure high-quality programmes with a focus on delivering measurable educational impact. *We improved our impact measurement, achieved our reach targets and achieved 'good' or better in all external evaluation reports. We met or exceeded 81% of our programme impact targets.*
- » Our **commercial** target is to deliver a net surplus before investment, delivering on our business model of full cost recovery in all business areas. *We delivered a net surplus before investment. All business areas except Research & Consultancy exceeded business model targets.*
- » We will initiate a **technology transformation** programme to realise our strategic objective to be seen as leaders at blending technology into education improvement and careers guidance. *We completed all transformation design outputs but encountered significant challenges implementing them. Tech change delivery is ongoing.*
- » We will support our **people** through a challenging cost of living crisis, continue to progress our ambitions for greater inclusion and diversity (I&D), and implement new systems to enhance personal and team development. *We provided targeted support to staff with a one-off cost of*

living payment. We made significant progress on our I&D ambitions but fell short of our target for the year. We implemented a new global learning and development platform. We did not achieve our target for employee satisfaction, but we implemented a new methodology for scoring employee satisfaction in 2022/23 using an external provider, Gallup. We are developing action plans to implement in 2023/24 to address the challenges arising from the survey.

Results for the year were tracked in our balanced scorecard, presented below.

| <b>NEW BUSINESS</b> |  |  |                  |                  |
|---------------------|--|--|------------------|------------------|
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b>    | <b>Actual</b>    |
| 1.1                 | We achieve our new business targets (current year)                           | New business income/contribution contributing to 2022/23           | £10m/<br>£1.9m   | £10.2m/<br>£1.2m |
| 1.2                 | We achieve our new business targets (next year)                              | New business income/contribution contributing to 2023/24           | £24.3m/<br>£4.8m | £25.9m/<br>£1.9m |
| 1.3                 | We achieve our client diversification targets                                | Value of contracts won considered client diversification           | £8.3m            | £4.2m            |
| <b>COMMERCIAL</b>   |  |  |                  |                  |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b>    | <b>Actual</b>    |
| 2.1                 | We achieve our income targets  | 2022/23 income from charitable activities                          | £93.0m           | £90.3m           |
| 2.2                 | We achieve our financial model targets                                       | 2022/23 net contribution from charitable activities                | 2.0%             | 1.7%             |
| 2.3                 | We achieve our financial reserves targets                                    | End of year UK free reserves cover (projected minus min. reserves) | £5.8m            | £7.6m            |
| <b>DELIVERY</b>     |  |  |                  |                  |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b>    | <b>Actual</b>    |
| 3.1                 | We achieve our reach targets   | 2021-24 Corporate Strategy targets                                 | 100%             | 100%             |
| 3.2                 | Delivery is good or better according to client/ independent evaluation       | External evaluation reports grade delivery as good or better       | 100%             | 100%             |
| 3.3                 | We achieve our impact targets  | Impact metrics for major contracts meet or exceed targets          | 100%             | 81%              |
| <b>TECHNOLOGY</b>   |  |  |                  |                  |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b>    | <b>Actual</b>    |
| 4.1                 | We have the capability to manage our tech                                    | Complete Transformation Design Outputs                             | 100%             | 100%             |
| <b>PEOPLE</b>       |  |  |                  |                  |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b>    | <b>Actual</b>    |
| 5.1                 | Colleagues are motivated and productive                                      | Employee satisfaction score  | 4.1              | 3.8              |
| 5.2                 | We have a safe working environment that supports the wellbeing of colleagues | Sick days absence  | 2.6%             | 1.5%             |
| 5.3                 | Improving our employer brand   | Number of followers on LinkedIn                                    | 110,000          | 122,000          |
| 5.4                 | We have a diverse and inclusive working environment                          | I&D strategy targets   | 85%              | 72%              |

### 1.3 PUBLIC BENEFIT

Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and are satisfied that all of our work is for the public benefit. Our educational performance is summarised in the Strategic Report, and particularly in section 2.3.

## 2 STRATEGIC REPORT

### 2.1 STRATEGY

This was the second year of our three-year strategy for 2021–24. The strategy articulates our intent to be world-leading in the design and delivery of high-impact, large-scale education change programmes and identifies the key areas for action for the three years starting in 2021/22.

Over the 3 years, we will work with education ministries to make education systems better, support school leaders to enhance school performance at scale, work with individuals to improve their career prospects, and contribute to the body of global evidence and insight into what works in education – and how, as a global community, we can reduce inequities in education around the world. Internally, as we emerge from the pandemic, we will take the best of what we have learnt from the crisis, and feature more adaptive working, closer collaboration with clients, geographically agnostic team-working, and more focus on our wellbeing.

We are working on our next strategy for the period 2024–2030, which we aim to publish in August 2024.

### 2.2 HOW WE WORK

We are organised in four operating activities. We deliver programmes at scale in the UK ('UK') and in Africa, Middle East and Asia ('AMEA'); we conduct research and provide education consultancy services ('Research and Consultancy'); and we manage private schools ('Independent Schools').

We have been researching and delivering programmes to improve education around the world, from early years to post-school careers, since 1968. We develop evidence-informed solutions that draw on our continuous research to bring about real change, raise educational standards, support global efforts to address learning crises and reduce inequalities of opportunity.

### 2.3 EDUCATIONAL IMPACT

Full information on the impact of all of the programmes listed here is available in our [Annual Impact report 2022/23](#).

#### Lives we touched this year

- » 12.3 million school-age learners (35% increase)
- » 89,000 adult learners and jobseekers (15% increase)
- » 300,000 teachers and 10,200 other education practitioners (71% increase)
- » 48,000 school leaders (14% increase)
- » 40,500 schools, colleges and TVET providers (91% increase)
- » 1,300 employers (88% increase)

### **Our impact in UK education, developing teachers and leaders**

Across the UK, we empower teachers by providing high-quality professional development opportunities for educators at all levels – from those in pre-reception settings right through to those working with school leavers. We support teachers and leaders at all stages of their professional lives to improve teaching and learning outcomes and transform school cultures.

Our programmes offer teachers evidence-based, flexible training, helping them to thrive. This year, through our delivery of the National Professional Qualifications programme, funded by the UK Department for Education (DfE), we provided targeted support to 4,200 educators, helping leaders and aspiring leaders create positive change and improve pupil outcomes. Participants' feedback has been consistently positive: 96% of participants on our first specialist programme reported satisfaction.

Meanwhile, we have been working on our DfE-funded National Tutoring Programme, through which we deliver specialist training in tutoring best practice to educators, working to help children catch up after the Covid-19 pandemic. 93% of participants who responded to our survey told us they intend to apply what they have learnt from the training with their students. Among pupils, increased self-efficacy, increased engagement and increased motivation were observed.

We have expertise in supporting new and early careers teachers through the DfE-funded Early Career Professional Development Programme, delivered to 16,000 teachers and mentors across 3,000 schools this year. The programme delivers the Early Career Framework that builds the confidence and skills of early careers teachers, leading to higher retention and better outcomes for pupils. The framework also enables mentors to strengthen skills they can use throughout their careers. 92% of surveyed respondents in our second-year cohort felt that their learning had impacted positively on pupils' progress, motivation and engagement or closing the gap for disadvantaged students. School leaders reported that participating teachers are resilient, confident and ready earlier for positions of responsibility as a result of the quality of the programme.

This year, our flagship Schools Partnership Programme (SPP) supported 9,000 senior and middle leaders in UK schools. The programme provides continuous professional development training to these leaders within clusters of partnership schools to help them engage in a continuous cycle of self-review, peer review and school improvement. In a three-year evaluation of the programme, released by the Education Endowment Foundation in March 2023, 91% of participants rated the SPP resources as being of very high quality and 77% said that participating in SPP has increased confidence in their leadership team's capacity to make improvements within their school.

Meanwhile, our DfE-funded Behaviour Hubs teams worked with 474 schools this year, reaching 1,700 leaders at various levels, and facilitating connections between Lead Schools and Partner Schools to share their experiences and successes. The programme seeks to improve student outcomes, teacher wellbeing and retention, and national inspection ratings for schools experiencing challenging behaviour. Since joining the programme (although not exclusively because of it), 15 Partner Schools have gone from a 'requires improvement' to a 'good' Ofsted judgement. 100% of participating schools surveyed agreed that the programme had led to positive change and a positive impact on pupil behaviour.

Our DfE-funded Early Years Professional Development Programme (EYPDP) supports early years practitioners working with children in pre-Reception settings, helping them to improve their practice



and children's outcomes in communication and language, mathematics and personal, social and emotional development. In October 2022, we were awarded a contract by the DfE to continue to deliver the EYPDP, now moving into its third phase and available throughout England. Since then, we have reached 4,400 practitioners and 2,800 leaders of early years settings. 90% of surveyed practitioners who completed the first module of the programme agreed that the programme had helped to improve their everyday practice and 93% felt more confident in supporting children's communication and language development.

### **Our impact in UK employability and careers**

We know how important it is that young people receive expert, informed advice and guidance as they make the critical transition from school to further learning and employment. This year, our employability and careers teams have worked with 100,000 young people, alongside 3,500 educators to support them as they make critical decisions about their lives and futures.

The Inspiring Careers programme has this year worked with the largest number of schools and colleges in its history, working directly with 18,700 secondary school and college students. 99% of the young people we worked with agreed that they were happy with the support they had received from their careers advisor.

Meanwhile, we continued to raise awareness of and encourage the uptake of apprenticeships among young people through our Apprenticeship Support and Knowledge programme, which provided 100,000 students with a greater understanding of the options available to them through apprenticeships, traineeships and T-levels. As a result of the programme, the percentage of students rating their knowledge of apprenticeships as 'excellent' or 'good' rose from 26% to 73%.

In addition to helping young people to plan their career trajectories, we also work with adult learners and jobseekers in many parts of the UK through other elements of our employability and careers portfolio. Through our work with the DfE-funded National Careers Service, for example, we support increased social mobility, by empowering thousands of customers with the skills and information they need to navigate the learning, employment and skills landscape and become aware of the wide range of learning and work opportunities available to them. This year, we have worked with 82,000 individuals through the NCS. From October 2022 to August 2023, our conversion rate of moving our customers into jobs and/or learning increased to an average of 60% combined across the regions we work in. This is 15% higher than the national 45% target.

In addition, through our North East Ambition programme we have been supporting and advising small and medium-sized enterprises (SMEs) in the northeast of England who are experiencing skills gaps and shortages. The programme is also helping women to enter sectors where they are currently under-represented and supporting SMEs whose work aims to benefit certain groups, such as ex-offenders and families with special educational needs and disability (SEND).

Several of our programme have also specifically supported refugees in the UK. The Making a Difference Programme has been providing onsite employability support for Afghan refugees. In addition, in September 2022, we launched our Ukrainian support team to help those who had been granted the right to live and work in the UK into employment.



### **Our impact in the Middle East and Asia**

In 2022/23, we worked with system-level partners including the UAE Ministry of Education, Dubai's Knowledge and Human Development Authority, the Qatar Foundation and the UK Department for Education (for British Schools Overseas) to provide inspection services to 300 schools, impacting 400,000 students and 18,500 teachers. These inspections are designed to help improve teaching and outcomes for students, but this year, there was also a focus on improved care guidance and support. These schools have shown improvement in recent years: this year, 77% of students in Dubai attended private schools rated 'good' or better, compared to 70% in 2018/19.

We have also seen improvements in schools thanks to our British Schools Overseas (BSO) and International Schools Quality Mark (ISQM) inspections. Schools reported a high level of satisfaction during inspection: 91% of schools agreed or strongly agreed that the inspection had a positive impact on school improvement three months after the inspection.

Our Alexandria Schools Trust (AST) programme builds the capacity of English teachers and supervisors in Lebanon, Jordan and Egypt to efficiently use English as a medium of instruction and implement the best evidence-based English teaching strategies. This year we worked with the Jordanian and Lebanese Ministries of Education, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and three Syrian refugee organisations in Lebanon.

We have also conducted evidence-based supervision training with teachers of Syrian refugees in Lebanon, with a view to improving the quality of English-language education available to 8,100 Syrian refugee children. This is crucial to helping refugee learners to enter the mainstream education system in Lebanon, where English is the language of instruction. In Jordan, 96% of participants reported being satisfied with the training they received. 99% reported acting on the strategies agreed with supervisors and all reported a positive change in learning outcomes as a result.

Meanwhile, in Brunei, we continue to work across 85% of government schools, helping to enhance the English language proficiency of all learners and improve the quality of English language teaching among Bruneian teachers. We have worked closely with the Brunei Ministry of Education to develop curricula, resources and practices that are used on a national level, as well as running national-level training events and programmes. Our 198 teachers have worked directly in classrooms with approximately 17,000 primary, secondary and Sixth Form learners. Learning outcomes for Bruneian students have improved, with the lexile level (measuring students' reading abilities) rising from 35% to 60% among primary-aged students.

### **Our impact in Sub-Saharan Africa (SSA)**

Across SSA we have supported teachers' and leaders' development and connected education professionals across schools and communities to improve learning outcomes for all of their students – including some of the most marginalised. This year, we have worked at scale in Ethiopia, Sierra Leone, and Zimbabwe, in addition to completing large-scale programmes in Rwanda and Kenya, impacting millions of learners.

Teachers are central to improving learning outcomes: high-quality teaching is the single biggest factor in students' learning and attainment. In all of our programmes across SSA, improving support, training and development opportunities for teachers is a key priority. Our Building Learning Foundations Programme in Rwanda, reached 1,700 teachers with continuous professional

development courses and 32,000 through our communities of practice, impacting 2.5 million learners this year and 5 million over the lifetime of the programme.

By the end of the programme in 2023 – despite the disruption of the Covid-19 pandemic in preceding years – we had seen a 47 percentage point increase in the number of teachers reaching benchmark competency in English, and a corresponding 63 percentage point increase for mathematics. 59% of Primary 3 pupils were achieving grade-level proficiency in English by endline in 2023 (up from just 17% at baseline) and 46% were achieving this proficiency in mathematics (up from 22% at baseline).

Meanwhile, in Zimbabwe, we have been delivering the teacher development component of the UK Aid-funded Teacher Effectiveness and Equitable Access for All Children programme. In the past year, we have facilitated training for 22,000 teachers and school leaders, who were trained at cluster level to cascade training in their schools to coach and mentor other teachers on foundational literacy, numeracy and pedagogical techniques, reaching one million learners.

In Sierra Leone, we have also been working to improve foundational skills through teacher training, through our Early Grade Reading and Mathematics programme, delivered in partnership with United Nations Children's Fund (UNICEF). This year, 5,600 teachers were trained. Marginalised communities are now showing promising improvements in grade proficiency levels. In grade one, 69% of girls and 67% of boys are performing at grade-proficient level in numeracy, and in literacy, these results are higher at 85% of girls and 72% of boys.

In Kenya, our Wachisana Wetu Wafaulu (Let our Girls Succeed) programme, part of the UK Aid-funded Girls' Education Challenge, engaged with 2,000 teachers to provide professional development designed to improve learning outcomes. Following the training, pupil assessment scores have improved in literacy and numeracy – endline reports from spring 2023 showed there was an overall increase of 11% in average literacy scores in the intervention group, alongside an increase of 12% in mathematics.

In Ethiopia, our UK Aid-funded programme, Technical Assistance to Reinforce the General Education Quality Improvement Program for Equity (TARGET), has provided leadership support to 97% of the country's school leaders through its National School Leadership Training. This has included face-to-face training, peer learning communities and specialised coaching provided to 92,800 school leaders. The TARGET team has also supported a national drive to increase the proportion of female school leaders, co-creating a strategy with the Ethiopia Ministry of Education.

In Rwanda, our UK Aid-funded Building Learning Foundations programme has also provided school leadership training, both through continuous professional development and professional learning communities for school leaders, facilitating collaboration and peer learning across schools and districts. As a result, the percentage of school leaders meeting expected levels for head teacher competency has increased from 45% at baseline to 90% at endline in August 2023.

### **Putting our knowledge into practice: Global consultancy**

Our global research and consultancy team has continued to provide high-quality support, expertise, guidance and capacity building in many countries for a range of clients this year, including the UK Foreign, Commonwealth and Development Office (FCDO), UNICEF, Dubai Cares, the European Union, the DfE and the Tatweer Company for Educational Services. Beneficiaries of our consultancy work include our direct clients, governments, system-level decision-makers, education organisations,

non-governmental organisations, donor organisations, members of the education workforce, schools, and learners around the world. Our support to clients in 2022/23 focused on impact reviews, evaluation, research outputs, material development, quality assurance and improvement, and knowledge and skills development.

One of our key projects was on the What Works Hub for Global Education pilot, which received an 'A' rating in FCDO's annual review. Along with our partners, we produced 65 new evidence products which can be used by governments and civil society organisations to improve programming, develop policies and increase evidence uptake around foundational learning issues.

### **Putting our knowledge into practice: Key research partnerships**

This year, we have continued to work with key partners to produce impactful, influential research on pressing issues facing education systems around the world. We worked especially closely with our partner, the International Institute for Educational Planning United Nations Educational, Scientific and Cultural Organization (IIEP-UNESCO), this year to produce a further report, a research brief and a series of documentaries in our project on 'Teacher management in refugee settings', in close collaboration with UN Refugee Agency (UNHCR) and Dubai Cares. This research has seen strong engagement from government ministers, with several Kenyan MoE officials seconded to the project. We also had strong government participation at a regional knowledge-sharing event in Uganda.

### **Putting our knowledge into practice: Our independent schools**

We put our knowledge – gained from work in teacher development – into practice through our ownership and management of independent schools: St Andrew's School and Oakfield Preparatory School in England, and the International School of Cape Town, South Africa.

St Andrew's School has been ranked 29<sup>th</sup> in the annual Sunday Times 'Parent Power' survey of the top 100 UK independent schools and was the winner of the 'Best Educational Environment 2023 (Kent) Award' at the Lux Life Education Awards. The school once again achieved excellent results: Year 6 pupils' results in Key Stage 2 Standardised Assessment Tests were 20% higher in reading, 22% higher in maths and 23% higher in spelling, punctuation and grammar than the national average. Meanwhile, Oakfield School was rated as 'excellent' by the Independent Schools Inspectorate. The quality of teaching has been reflected in pupils' achievement – including for those of varying abilities or who face additional challenges. Most of the school's SEND pupils and all English as an additional language pupils have met or exceeded age-related expectations. Moreover, most pupils between Year 2 and Year 6 demonstrated higher or significantly higher performance than average: between 8% and 18% of pupils scored in the 'very high achievement' band against the Standard Age Score.

### **How we do business: Inclusion and Diversity (I&D)**

This year, we have maintained our focus as an organisation on inclusion and diversity. Throughout the year, we have had additional focus on our efforts to be an anti-racist organisation, including by offering anti-racism training to colleagues at all tiers of the organisation. The course focused on what it means to be an anti-racist ally and on the impact of unconscious biases. We also provided training on micro-aggression, its impact on individuals, and how we can all become more self-aware and mindful of our attitudes and behaviours.

All awareness-raising activities have been well received and membership of our Inclusion & Diversity taskforce continues to grow. Our inclusion and diversity groups – with a focus on gender, disability,

neurodiversity, LGBTQ+ issues, and race, respectively – ran throughout the year, with good levels of membership and participation from across the organisation. Outputs from the groups include changes to recruitment procedures and an increasing awareness and understanding of colleagues' lived experiences.

This year, we were awarded Disability Confident Employer status (level two in the three-part scheme) and are actively working towards reaching Disability Confident Leader status (level 3).

Our UK gender pay gap for this reporting period is a mean of 12.6%, or a median of 7.2%, compared to the education sector averages of 16.1% and 22.2%, respectively (ONS 2022). Although we have seen the gap grow slightly in our schools (reflecting the higher level of female staff in our support roles), our data from the past five years shows an overall trend towards closing our gender pay gap. Across our major delivery areas in the UK – in Employability, Careers Guidance and Education Programme Delivery – we have seen a significant decrease in the gender pay gap.

### **How we do business: Staff morale and wellbeing**

The wellbeing of our colleagues remains a key focus area for us. We utilise the PERMA (Positive emotions, Engagement, Relationships, Meaning, Accomplishment) model of wellbeing, which takes a proactive, holistic approach to maintaining positive wellbeing. For example, this year we have achieved Flexa accreditation as a flexible employer, hosted external subject matter expert-led seminars on financial wellbeing and menopause awareness, and provided access to more than 80 wellbeing-focused resources (videos, eLearning, articles, podcasts etc.) via our internal learning platform.

We also provide access to a number of Employee Assistance Programmes to all colleagues globally, and continue to provide membership of the leading wellbeing app Headspace to all colleagues. Mental health first aiders are regularly trained and are located globally so that employees can access mental health support and signposting to other professionals as relevant to their individual needs. We have partnered with Gallup to benchmark our employee engagement and develop action plans at team and organisational level to ensure that we are responding to feedback and creating a working environment in which all colleagues can thrive and achieve their full potential.

## **2.4 SAFEGUARDING**

Safeguarding underpins all that we do at EDT, ensuring that everyone who comes into contact with us feels safe and respected. This year, our safeguarding work has had an impact on several areas in particular.

Firstly, the International Schools Quality Marker (ISQM) framework safeguarding requirements were strengthened to assist participating international schools in their commitments to improving safeguarding arrangements. This includes the safer recruitment of staff, responses to mental health and wellbeing concerns of pupils and the training of school staff in responding to child protection concerns.

Meanwhile, our TARGET programme in Ethiopia assisted local delivery partners working in schools to develop and implement safeguarding and child protection policies, which on one occasion, enabled a young female pupil to disclose that she was to be married to an older man and removed from

school. The pupil felt safe in sharing this with the school, which worked with relevant agencies to ensure that she was able to remain unmarried with her family and continue with her education.

Throughout the year, the continuous safeguarding training and enablement provision for EDT staff ensures that we are confident and competent in responding to concerns and disclosures raised with us by pupils and programme participants in a prompt and effective manner.

## 2.5 STAKEHOLDER ENGAGEMENT

Trustees as directors of the company have a duty to promote the success of the Charity and, in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to various specific factors including:

- » The likely consequences of decisions in the long-term;
- » The interests of employees;
- » The need to foster relationships with third party stakeholders which, in the case of EDT, include clients and funders, partners, employees, suppliers, school pupils and their parents or carers, programme participants and communities on which we rely or that we affect;
- » The impact of the organisation's operations on the community and the environment;
- » The desirability of the organisation maintaining a reputation for high standards of business conduct;
- » The need to act fairly as between members of the Charity.

Day-to-day management and decision-making is delegated to the Chief Executive and Executive Team who are required to act to further EDT's strategy and to ensure that activities are carried out in compliance with plans and policies approved by the trustees. The trustees receive updates on EDT's performance and plans at each board meeting. Policies are reviewed periodically by the board or on its behalf by board committees. By ensuring that management act in accordance with the strategy and in compliance with specific policies, the board and its committees obtain assurance that in promoting the success of the charity, due regard is given to the factors set out in Section 172.

We have outlined the key decisions taken by the Board of Trustees in the year that demonstrate how we understand and engage with stakeholders and consider the external impact of our activities:

- » Approved the outputs of the first stage of the technology transformation project, considering the interests of employees and programme participants.
- » Approved measures to enhance safeguarding of programme participants and school pupils.
- » Approved the 2022/23 balanced scorecard, considering the interests of clients, employees and programme participants.
- » Approved an enhanced approach to how we measure and assess educational impact, considering the interests of programme participants and wider society.
- » Approved the introduction of an ESG requirement to our ethical investment policy, considering the impact of environmental, social and governance responsibility on wider society.
- » Approved EDT's anti-slavery statement, considering the impact on suppliers, partners and wider society.
- » Commissioned Gallup to conduct a staff survey, considering the interests of employees.
- » The executive and trustees participated in EDT's Annual General Meeting and provided quarterly updates to members.

## 2.6 FINANCIAL OVERVIEW

EDT is an international organisation with 1,271 staff worldwide, income of £91.2m, net assets of £32.2m and group free reserves of £21.4m.

Our income is generated by winning education-related contracts from governments and public or private bodies. Our business model is built on the principle of full cost recovery: any activity must recover all its attributable cost. This enables us to be financially sustainable and generate sufficient funds to invest in our sustainability through research and development, innovation and business development, brand building, enabling infrastructure – and in particular our public research.

The year-on-year increase in income of £2.1m was primarily due to new contracts from the UK Government in the UK. We were £1.8m below our target for income from charitable activities and £0.3m below our financial model target for net contribution from charitable activities. However, we delivered a year-on-year increase in Charity and Group reserves.

The Group results for the period show net income before investment, pension and exchange gains and losses of £0.8m (2021/22: £3.3m). Total income is £91.2m, an increase of £2.1m from 2021/22. After gains on investments of £7,000 (2021/22: losses of £0.5m), actuarial losses on defined benefit pension schemes of £5.4m (2021/22: gains of £4.7m) and exchange losses on conversion of subsidiaries of £0.7m (2021/22: gains of £1.1m), and after eliminating the net surplus attributable to minority interests of £0.1m (2021/22: £0.6m) the net decrease in funds for the year is £5.4m (2021/22: net increase of £8.0m).

The actuarial losses on defined benefit pension schemes are due to the derecognition of net pension assets for all defined benefit schemes on the basis that recoverability of the assets in the future is too remote.

The total assets less current liabilities of the Group amount to £32.8m (2021/22: £33.4m). The net assets of the Group are £32.2m (2021/22: £37.9m). For the Charity, net assets of £23.7m are reported (2021/22: £29.1m). After accounting for actuarial losses, the defined benefit pension scheme accounting balance is £Nil (2021/22: an asset of £5.2m).

The Charity and its subsidiaries do not rely on the contribution of unpaid general volunteers and are not dependent on donations in kind or any other intangible income not evaluated or explained in the accounts.

## 2.7 RESERVES POLICY

Free reserves are defined as unrestricted financial investments plus working capital. They exclude restricted and designated funds, tangible fixed assets and defined benefit pension assets/liabilities; and include minority interests (for the Group). It is the policy of the Board to hold adequate reserves for the following purposes:

- » To manage foreseeable working capital requirements
- » To absorb a risk-based assessment of the impact of trading volatility
- » To make reasonable allowance for other risks on a contingency basis
- » To finance investment in the strategic development of the Charity



As a charity whose expenditure is driven by contractual delivery requirements, the level of reserves we are able to hold is dependent on our ability to generate a net surplus from our trading activities. In the long run we regulate the level of reserves and remain sustainable by optimising those surpluses and investing amounts not planned to cover minimum working capital and risk requirements in strategic development and / or charitable activities.

The Board of Trustees reviews the reserves policy each year to ensure it remains fit for purpose. The Board reviews actual and planned reserves levels at least twice a year, as part of long-term financial planning, to ensure the level of funds in reserves will remain adequate. The level of reserves required for each purpose fluctuates dynamically in line with changes in composition and performance of our portfolio of contracts and changes to the nature and assessment of the risks we face. Accordingly, our monitoring approach is designed to ensure that throughout our planning horizon reserves will remain adequate and that we have plans to deploy reserves appropriately.

We set a budget and a 3-year plan annually, with the last 3-year plan set to August 2026. The Board of Trustees and the Executive actively monitor financial results against the budget on a monthly basis. Regular forecasts with associated risks and opportunities are produced for the current financial year, to identify actions to optimise financial performance by mitigating risks and realising opportunities.

We monitor solvency by projecting income, net income, free reserves and cash to August 2025. We have reviewed this analysis on a regular basis up to the date of signing the report. We use a range of scenarios to stress test cash and reserves. This testing shows that we have adequate headroom for cash and a strong balance sheet. On this basis, while an amount of uncertainty about the volume and timing of new business exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern.

On 31 August 2023 free reserves were £13.9m for the Charity (2021/22: £13.3m) and £21.4m for the Group (2021/22: £21.1m). These amounts compare with budget figures set at the beginning of the financial year of £12.8m and £19.5m respectively. They were in line with our dynamic financial planning, and so were at a level that is adequate to meet continuously evolving requirements, including a £5m investment in technology planned for 2022/23 to 2024/25. The increase in Charity reserves during the year was driven by proceeds from the sale of shares in Waverley School (Waverley Way) Limited and dividends from subsidiaries.

## 2.8 INVESTMENT POLICY AND RETURNS

Our investment policy is to align with our reserves policy by balancing the portfolio between capital maintenance with low- to medium-risk returns over the medium term. We manage investment risk by pooling financial investments in two tiers. Tier 1 aims to represent the general funds minimum reserves requirement and is held in cash and cash equivalents. Tier 2 aims to represent the balance of financial resources in general and restricted funds and is held in balanced investment funds.

The Board of Trustees has wide investment powers and has delegated responsibility for the management of the portfolio, within the agreed risk profile, to selected investment managers. Our policy has an ethical component under which, while having regard to the requirements of charity law to maximise returns, we seek to avoid investing in activities contradictory to our objectives. Trustees periodically review implementation of the policy in consultation with the investment



managers. The financial performance component of return on investment is measured against benchmark weighted indices. Historic performance against benchmarks is shown in the following table.

| Investment manager   | 1 Year |           | 3 Years |           | 5 Years |           |
|----------------------|--------|-----------|---------|-----------|---------|-----------|
|                      | Actual | Benchmark | Actual  | Benchmark | Actual  | Benchmark |
| Newton (to 31/08/23) | 3.3%   | 2.7%      | 7.5%    | 5.8%      | 6.3%    | 4.4%      |
| HSBC (to 31/08/23)   | 1.6%   | 0.6%      | 4.2%    | 3.9%      | 2.6%    | 3.1%      |

## 2.9 ENERGY AND CARBON REPORTING

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 require us to disclose our annual UK energy use, greenhouse gas (GHG) emissions, energy efficiency measures undertaken and an energy efficiency ratio.

### Energy Use and Carbon Emissions Disclosure

Primary Statement for 2022/23

|                                    | 2022/23 Energy Consumption (KWh) | 2022/23 Emissions (tCO <sub>2</sub> e) | 2021/22 Emissions (tCO <sub>2</sub> e) | % Change    |
|------------------------------------|----------------------------------|--|--|-------------|
| Electricity                        | 413,729                          | 85.67                                  | 86.64                                  | -1%         |
| Gas                                | 453,060                          | 82.88                                  | 128.76                                 | -36%        |
| Transport Fuels                    | 198,665                          | 45.42                                  | 52.00                                  | -13%        |
| <b>Gross Annual Total</b>          | <b>1,065,454</b>                 | <b>213.97</b>                          | <b>267.40</b>                          | <b>20%</b>  |
| Intensity Metric (Headcount)       | 780                              |  | 725                                    | 8%          |
| <b>Total tCO<sub>2</sub>e/head</b> |                                  | <b>0.27</b>                            | <b>0.37</b>                            | <b>-26%</b> |
| Qualifying Green Tariffs           | 408,908                          | 84.67                                  | 85.09                                  | 0%          |
| <b>Net Annual Total</b>            | <b>656,546</b>                   | <b>129.30</b>                          | <b>182.31</b>                          | <b>-29%</b> |

These emissions translate to Scope 1, 2 and 3 emissions as follows:

| GHG Emissions                 | 2022/23 Energy Consumption (KWh) | 2022/23 Emissions (tCO <sub>2</sub> e) | 2021/22 Emissions (tCO <sub>2</sub> e) | % Change    |
|-------------------------------|----------------------------------|--|--|-------------|
| Scope 1*                      | 466,461                          | 86.08                                  | 132.96                                 | -35%        |
| Scope 2 (location based)      | 413,729                          | 85.67                                  | 86.64                                  | -1%         |
| Scope 2 (market based)        | 4,821                            | 1.00                                   | 1.55                                   | -36%        |
| Scope 3                       | 185,264                          | 42.24                                  | 47.80                                  | -12%        |
| <b>Total (location based)</b> | <b>1,065,454</b>                 | <b>213.99</b>                          | <b>267.40</b>                          | <b>-20%</b> |
| <b>Total (market based)</b>   | <b>656,546</b>                   | <b>129.30</b>                          | <b>182.31</b>                          | <b>-29%</b> |

\* Transport fuel consumption and mains gas included, no fugitive emissions recorded

This is the fourth year of GHG reporting and is aligned with the 2022/23 financial year. The first year's report in 2019/20 forms the baseline year. The baseline year was formed during the Covid-19 pandemic and as such comparisons to this and future years may be skewed. We may re-baseline once operations are less volatile.

We have not developed any carbon targets for the current reporting period. However, a carbon reduction plan to achieve carbon net-zero by 2040 has been developed. The intensity metric chosen is employee numbers (taken as a monthly average). This was chosen as the most suitable metric as the organisation has both schools and offices within the UK and relates well to any changes in the energy consumption and associated carbon emissions.

We have no qualifying carbon offsets during this financial period. Within the UK, all directly sourced electricity that the organisation procures is from REGO-backed or 100% Carbon offset (Kyoto Protocol). We have also taken account of any landlord procured electricity from renewable sources. This has reduced gross emissions from the consumption of purchased electricity via a qualifying green electricity tariff by over 98%, equating to a carbon saving of 84.67 tonnes of CO<sub>2</sub>e for this financial year.

### **Energy Efficiency Narrative**

During the course of the reporting year we have undertaken the following activity which has or will have a direct Impact on the energy efficiency of the organisation.

- » Appointed a dedicated Environmental Lead to our Property Services team.
- » Continued to rationalise the real estate portfolio disposing of a further two serviced office spaces at the beginning of the financial year.
- » Continued to develop our Carbon Reduction Plan with a commitment to Net Zero, promoting awareness through newsletter articles.
- » Held a Sustainability awareness event for all staff, bringing together Information on our research into climate change, how our North East Ambition team support SME's with sustainability plans, and details of how our carbon reduction plan supports our aim of Net Zero by 2040.
- » Our Employability and Careers Sustainability Working Group continued to share good practice on promoting sustainability with employers and partners.
- » Ongoing implementation of energy efficiency measures within our schools portfolio through upgrades to LED lighting upgrades, thermal improvements, and window upgrades.
- » Disposal of a school in 2021/22 with high gas consumption due in part to its swimming pool.

Our Research and Consultancy team have continued to research the impact of climate change on education, and the potential role education can play in increasing adaption, resilience and mitigation. This research has been extended from Kenya, where the impact of climate change is more significantly felt than Rwanda.

Preparation for Energy Savings Opportunities Scheme (ESOS) Phase 3 is underway and building energy audits have been during this reporting period. The surveys and associated reports completed as part of Phase 3 ESOS should provide a route map for which energy conservation measures can be implemented cost effectively. To reduce energy consumption, cost and carbon emissions, we will continue our existing good practices and implement further energy conservation measures in the next 12-month period, in line with our Carbon Reduction Plan.

## 2.10 FUNDRAISING

Section 162a of the Charities Act 2011 requires us to make a statement on fundraising activities. We do not undertake fundraising activities. Therefore:

- » We do not use professional fundraisers or 'commercial participators' to solicit donations.
- » We are not subject to any fundraising regulatory scheme or relevant codes of practice.
- » We have not received any complaints in relation to fundraising.
- » We do not require procedures to monitor fundraising activities.

## 2.11 PRINCIPAL RISKS

The top corporate risks facing the Group, and associated measures for managing those, are:

| <b>Risk identified</b>  | <b>Further managing actions</b>  |
|---|--|
| Challenges arising from structural inefficiency of UK Directorate | » Integration of UK Directorate with streamlined leadership and a single business improvement function                                       |
| Necessity of positive Ofsted outcomes on all programmes           | » Continuous improvement process embedded in Ofsted-inspected programmes   |
| Over-reliance on UK government for funding                        | » Market analysis of diversified client opportunities<br>» Go to market opportunities identified; exploring scalability and market potential |
| Impact of the challenging economic context in the UK on staff     | » Monitor staff wellbeing and opportunities for efficiency savings   |
| Potential change of UK government in 2024                         | » Deeper engagement with all parties<br>» Programme of CEO led events to cultivate key stakeholder relationships                             |
| Potential for introduction of VAT on UK independent schools       | » Market analysis of price sensitivity of fees   |
| Major safeguarding incident                                       | » Continuous focus on safeguarding monitoring and enhancement  |
| IT security breach  | » Continued implementation of the IT Security and Disaster Recovery Action Plans   |

## 2.12 FINANCIAL RISKS

The following sets out the risk management principles applied to certain types of financial risks.

### Liquidity

The Group retains sufficient cash funds to meet the day-to-day needs of the organisation and invests its remaining reserves in longer-term investments to maximise returns. The Group's financing objective is to locate funds that are surplus to operational requirements in the Charity (the parent entity). Subsidiaries provide regular financing plans and proposals for repatriation of surplus funds for approval by the Charity.

### Financial market

The Group's exposure to market risk arises primarily from the Group's fixed asset investments: an investment portfolio of stocks and shares managed by two asset management companies and investment properties. The Group's policy for the investment portfolio is to ensure the investment portfolio is spread between equities and bonds, both in the UK and overseas, and is invested ethically. There are no investments in unquoted stocks, derivatives or unregulated collective investment schemes. The investment managers are also limited on how much they can invest in any one foreign currency or country.

### Credit

The Group is mainly exposed to credit risk from credit sales. A significant amount of income is derived from major institutional, government and donor funding agencies and so the associated credit risk is modest. However, where it works for private sector clients it assesses the credit risk of new customers and factors the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

### Foreign exchange

Due to the international nature of its activities, the Group's reported reserves, net assets and gearing are all affected by foreign exchange movements. By default, currency exposures are minimised by denominating transactions in GBP and / or denominating cash in- and out-flows in the same currency. Net exposures are identified, and appropriate management approaches are put in place on a case-by-case basis. The Group does not currently have any currency derivative instruments in place.

### Procurement

Third-party expenditure is governed by a procurement policy and purchases of goods and services of more than a defined amount are subject to a tender process and contracts are put in place.

## 2.13 OPERATIONAL PLAN 2023/24

As we enter the final year of our 3-year strategic period (2021-24), our ambition is to be world-leading in the design and delivery of high-impact, large-scale educational change programmes, transforming even more lives through the power of education and careers advice and guidance – delivering more and delivering better.

In 2023/24, the final year of our strategy, we aim to:

- » **New business:** Secure £24m income in 2023/24 from an increasingly diverse client base.
- » **Commercial:** Deliver income of £86.4m and a net surplus before investment.
- » **Delivery:** Achieve 100% of the reach targets in our strategy, 100% good grades in external evaluations and meet or exceed impact targets for all our major contracts.
- » **People:** Ensure staff are motivated and productive and have a safe, diverse and inclusive working environment.
- » **Stakeholders:** Ensure our key stakeholders know who we are and what we do, our clients and partners believe we are effective in delivering for them and our communications are engaging.

**Balanced scorecard 2023/24**

| <b>NEW BUSINESS</b> |  |  |               |
|---------------------|--|--|---------------|
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b> |
| 1.1                 | We achieve our new business targets (current year)                           | New business income contributing to 2023/24                        | £24.3m        |
| 1.2                 | We achieve our new business targets (next year)                              | New business income contributing to 2024/25                        | £32.4m        |
| 1.3                 | We achieve our client diversification targets                                | Value of contracts won considered client diversification           | £7.7m         |
| <b>COMMERCIAL</b>   |  |  |               |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b> |
| 2.1                 | We achieve our income targets  | 2023/24 income from charitable activities                          | £86.4m        |
| 2.2                 | We achieve our financial model targets                                       | 2023/24 net contribution from charitable activities                | 2.0%          |
| 2.3                 | We achieve our financial reserves targets                                    | End of year UK free reserves cover (projected minus min. reserves) | £4.7m         |
| <b>DELIVERY</b>     |  |  |               |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b> |
| 3.1                 | We achieve our reach targets   | 2021-24 Corporate Strategy targets                                 | 100%          |
| 3.2                 | Delivery is good or better according to client/independent evaluation        | External evaluation reports grade delivery as good or better       | 100%          |
| 3.3                 | We achieve our impact targets  | Impact metrics for major contracts meet or exceed targets          | 100%          |
| <b>PEOPLE</b>       |  |  |               |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b> |
| 4.1                 | Colleagues are motivated and productive                                      | Employee engagement score  | 4.1           |
| 4.2                 | We have a safe working environment that supports the wellbeing of colleagues | Sick days absence  | 2.60%         |
| 4.3                 | Improving our employer brand   | Number of followers on LinkedIn                                    | 134,200       |
| 4.4                 | We have a diverse and inclusive working environment                          | Score on question: 'I am treated with fairness and respect'        | 4.3           |
| <b>STAKEHOLDERS</b> |  |  |               |
|                     | <b>Critical success factor</b>   | <b>KPI</b>   | <b>Target</b> |
| 5.1                 | Our key stakeholders have a good knowledge of who we are and what we do      | Average stakeholder familiarity                                    | 4.0           |
| 5.2                 | Our clients and partners believe we are effective in delivering for them     | Perception of organisational effectiveness                         | 4.2           |
| 5.3                 | Our brand communications are engaging and persuasive                         | Web visits per month / Perception as thought leaders               | 30,000 / 8.0  |

## 3 STRUCTURE, GOVERNANCE AND MANAGEMENT

### 3.1 STRUCTURE

Education Development Trust is a charity registered in England and Wales and a company limited by guarantee. It has international and UK trading subsidiaries. We deliver education programmes to governments and donor agencies, provide education reform consultancy services, run a small group of independent (private) schools and invest in a programme of education research.

In Brunei, CfBT Education Services (B) Sdn Bhd, a majority-owned subsidiary, is engaged in the supply of education system reform services and English language teachers to the Sultanate's public school system. The principal activities of the EDT Middle East Educational Consultancy LLC, registered in Abu Dhabi, are to provide educational consultancy and support for schools. The principal objective of Education Development Zimbabwe (Private) Ltd, registered in Harare, is to advance education for the public benefit throughout Zimbabwe. The principal activity of the International School of Cape Town (Pty) Ltd, registered in South Africa is to run an independent school in Cape Town. The principal activity of Waverley School (Waverley Way) Ltd, registered in the UK, is the ownership of a property used as a school.

During the year, we closed a subsidiary in Malaysia. We aim to complete the sale of Waverley School (Waverley Way) Limited in February 2024.

### 3.2 GOVERNANCE

Education Development Trust was incorporated on 31 December 1965 and received charitable status on 20 February 1976. The Charity is governed by its Articles of Association, last amended in September 2021.

#### Board structure

The Board of Trustees meets at least 6 times per year to determine strategy and policies and review performance. It is responsible for the approval of budgets, financial statements and new investments, delegating specific responsibilities to its committees. Details of the trustees who served throughout the year (except as noted) are set out in Section 4.

There are four permanent committees of the Board of Trustees which report to the Board on their meetings and activities.

- » The **Audit and Finance Committee** meets four times a year as a minimum. The committee provides an independent oversight of the Group's systems of internal control, risk management and compliance. It also monitors the Group's financial policies and financial management.
- » The **Education Impact Committee** meets three times a year as a minimum to review the educational impact of the organisation's activities. It also has the remit to commission educational research.
- » The **People, Culture and Remuneration Committee** meets three times a year. It has responsibility for reviewing people and culture matters across the organisation, including approaches to employee engagement, staff morale and wellbeing, corporate talent and development initiatives and inclusion. It determines the remuneration and benefits strategy for the Executive, commissioning external salary benchmarking data on a bi-annual basis.

- » The **Corporate Safeguarding Committee** meets four times a year. It provides strategic direction and policy for EDT in relation to safeguarding children, young adults and other direct and indirect beneficiaries globally. It also provides the Board of Trustees with assurance and evidence that we are meeting the applicable core regulations and exercising a duty of care. The Corporate Safeguarding Committee is advised immediately of any emerging safeguarding cases by the Corporate Safeguarding Adviser through our Chief Executive and is kept informed throughout the case management process.

Each of these committees is comprised of trustees and is attended by executive directors and senior members of staff, as required.

There are two membership committees. The members of these committees, the majority of which must be members who are not also trustees, are appointed by the President:

- » The **Nominations Committee** meets twice a year to identify, nominate and make recommendations on the recruitment and appointment of trustees and members.
- » The **Trustee Remuneration Committee**, meets as required (at least once a year) to review Board performance and provide independent oversight of the remuneration of the Board.

Current trustee membership of Board committees is indicated against each trustee's name, as listed in Section 4.

### **Appointment and role of trustees**

Applications for new trustees are sought by public advertisement including the internet, through external advisers and through personal contact. The Nominations Committee interviews all potential trustees and successful applicants are put forward for election by the membership of the charitable company. Trustees serve up to two terms of four years. All new trustees are supported through an induction process, which includes meetings with the Chief Executive, Corporate Governance team and operational Directors, as well as written induction materials and relevant training. Trustees are subject to a performance management process where individual training needs are identified, and the Board carries out a self-evaluation periodically and in line with best practice. Trustees are also encouraged to engage with our operational activities through visits to programmes or knowledge-sharing events.

### **Trustee indemnity insurance**

Trustee indemnity insurance provides insurance cover for charity trustees against claims which may arise from their legitimate actions as trustees. As a matter of law, charities require authority to purchase this type of insurance. In the case of EDT, that authority is obtained from our Articles of Association.

### **Charity Governance Code**

The Charity continues to review and apply the principles of the Charity Governance Code. The three-year Board Development Plan for the period 2022–24 has been further refined by the outcomes of a Board self-evaluation undertaken in 2023 which was structured around the key principles of the Code. Key areas of focus have been as follows:

- » The Board convened a subgroup to lead the appointment process for the new CEO whilst also ensuring that there was appropriate oversight of arrangements for the other senior leadership appointments during the transition period. (Principle 2: Leadership)



- » Specialist committees review organisational performance ahead of review and full decision making by the Board. A temporary trustee-chaired Transformation Steering Committee was established, resulting in the recruitment and appointment of a Director of Data, Digital and Technology. The structure and performance of all sub-committees are currently being reviewed as part of a committee self-evaluation process. (Principle 4: Decision making, risk and control)
- » A recent self-evaluation identified areas to further strengthen the Board's strategic and stakeholder focus, in preparation for working with the newly appointed CEO to set the organisation's five-year strategy from 2024. Trustees' understanding of the Charity and its context continues to be enhanced through a robust induction programme which now includes a 'buddying' system for new trustees to strengthen their understanding across disciplines and share of expertise. Annual safeguarding training has been established and is in its fourth year. (Principle 5: Board Effectiveness)
- » There is a sustained focus on inclusion and diversity with tracking of strategic targets that were previously agreed by the Board. The People, Culture and Remuneration Committee provides support and challenge to the delivery of an organisation-wide 3-year Inclusion and Diversity strategy. (Principle 6: Equality, diversity, and inclusion)
- » As part of the Charity's stakeholder stewardship programme, a new programme of events will run from late 2023 onwards and seek to harness inputs from trustees in terms of networking and opening new relationships to support income diversification. (Principle 7: Openness and accountability)

### **UN Global Compact**

We submitted our latest Communication on Engagement in August 2023. We were able to demonstrate our commitment to the ten principles of the UN Global through our work, examples of which are detailed in our Impact Report. We ensure that the UN Global Compact and Sustainable Development Goals form part of our strategy, culture and day-to-day operations. Our Letter of Commitment and Communication on Engagement are both available on [unglobalcompact.org](http://unglobalcompact.org).

### **3.3 RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Board of Trustees is also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In considering its responsibilities, the Board has had regard to the Charity Governance Code.

Charity and company law requires the Board of 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 surplus or deficit of the Charity for that year. As noted above, in preparing those financial statements, the Board of Trustees is required to:

- » Select suitable accounting policies and then apply them consistently.
- » 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.
- » Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Board of Trustees has overall responsibility for keeping proper accounting records that show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Companies Act 2006.

Financial statements are published on the Charity's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Board of Trustees is 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.

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

### **3.4 MANAGEMENT**

During the period, the activity of the Charity was organised in four operational areas:

- » UK: This activity brings together our large-scale UK programmes. The key components of this area are UK Education Services and Employability and Careers.
- » Africa, Middle East & Asia: This activity brings together our large-scale programmes outside the UK. The key components of this area are the Middle East and Asia region and the Sub-Saharan Africa region.
- » Research & Consultancy: This activity incorporates our consultancy business and our research. This area also manages the Alexandria Schools Trust restricted fund.
- » Independent Schools: This area includes our three independent (private) schools: two in the UK and one in South Africa.

### **3.5 STAFF**

During the period under review, we employed an average of approximately 1,271 staff worldwide, and experienced considerable organisational change as we managed transition within our portfolio of contracts. Considerable attention was given to support staff in the face of significant cost-of-living increases, pay awards took into consideration high rates of inflation, with additional targeted one-off payments made and signposting to advice given where required.

We are a Disability Confident employer which reinforces our full commitment to undertaking activities that make a real difference to people with disabilities. This includes giving full and fair consideration to applications for employment made by people with disabilities in line with our inclusion and diversity strategy, having regard to their aptitudes and abilities; continuing the employment of, and arranging training for employees who have become disabled while employed; and focusing on the training, career development and promotion of people with disabilities.

We take a proactive position on employee engagement; this year we have worked in partnership with Gallup to benchmark our employee engagement and develop action plans at team and organisational level to ensure that we are responding to feedback and creating a working environment in which all colleagues can thrive and achieve their full potential. In response to feedback, we have strengthened our continual performance management process and increased staff development opportunities with the launch of a new learning management system.

### **3.6 RISK MANAGEMENT AND INTERNAL CONTROL**

Our Board of Trustees has responsibility for ensuring the appropriate financial and non-financial controls are in place to provide reasonable, but not absolute, assurance against inappropriate use of resources and against the risk of errors or fraud. It also supports the achievement of the organisation's policies, aims and objectives.

#### **Risk management**

The Audit and Finance Committee oversees our risk management framework on behalf of the trustees. Due to the complexity of the organisation, the Board considers risk tolerance in relation to specific areas of sensitivity, rather than setting a generic risk tolerance framework. In our risk management policy, we have set risk tolerance levels for safeguarding risk (very low) compliance risk (low), security risk (medium), and commercial risk (medium).

We operate a formal risk management process which is incorporated within our system of internal control. This is integrated into the organisation, with clear risk ownership at every level to enable management of the risk profile. Operating at all levels of the organisation from individual programmes up to Group level, exposure to risk is regularly reviewed and escalated. Exposures are assessed before and after existing controls, and where these are regarded as inadequate further measures are devised and implemented.

Risks are escalated to the appropriate organisational level based on their scope and significance. Risk management is considered at business review meetings. Reports are made to the Audit and Finance Committee which reviews and provides further challenge. The Board receives reports on strategic risks four times per year.

#### **Internal control**

The Audit and Finance Committee provides independent oversight of the effectiveness of the systems of internal control and is responsible for reviewing and approving the annual internal audit programme, reviewing the key findings of the internal audit reports as well as monitoring the implementation of accepted recommendations. The committee also meets at least twice a year with the external auditors, both with and without management, to discuss the annual statutory audit and any internal control weaknesses identified in the management letter.

The key components of our internal control and risk management environment include:

- » A three-year strategic plan approved by the Board of Trustees against which performance is monitored.
- » An annual plan and budget approved by the Board of Trustees.

- » Consideration of the financial results of the Group by the Board of Trustees and executive management based on monthly management reports with variances to budget and/or forecast.
- » Consideration of organisational performance – educational impact, contractual delivery, financial performance and risk management – through business review meetings.
- » Delegation of authority and segregation of duties.
- » Processes for identifying and managing compliance with relevant legislation and with the requirements of regulatory bodies.
- » Operational policies and procedures for staff, including policies on safeguarding, whistleblowing, health and safety, and serious incident reporting.
- » An outsourced internal audit function which is responsible for a rolling programme of risk-based audits designed to review the effectiveness of internal control processes across the Group and to provide recommendations to strengthen the control environment, the results of which are reported to management and the Audit and Finance Committee.

In particular, we are committed to safeguarding and have zero tolerance for any form of harm, abuse, neglect or exploitation of beneficiaries, staff and all who come into contact with EDT. This accountability rests with the trustees, who have delegated operational responsibility through the Executive and the Corporate Safeguarding Committee.

The Trustees' Annual Report and Strategic Report was approved by the Board of Trustees on 1 February 2024 and signed on its behalf by:



Ilse Howling  
Chair  
1 February 2024

## 4 REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

### 4.1 CHARITY DETAILS

|                                      |  |
|--------------------------------------|--|
| Name                                 | Education Development Trust                              |
| Registered Charity                   | Charity Number 270901                                    |
| Private Company Limited by Guarantee | Company Number 867944                                    |
| Country of incorporation             | England and Wales  |
| Registered & Principal Office        | Highbridge House, 16–18 Duke Street, Reading<br>RG1 4RU  |
| Website                              | <a href="http://www.edt.org">www.edt.org</a>             |
| Email                                | <a href="mailto:enquiries@edt.org">enquiries@edt.org</a> |
| Telephone                            | 0118 902 1000  |

### 4.2 TRUSTEES

The following trustees served throughout the period to which this report relates unless otherwise indicated. Current membership of Board sub-committees is also indicated.

- » Ilse Howling – Chair; Chair of Nominations Committee; People, Culture and Remuneration Committee
- » Tanya Barron – Chair of Corporate Safeguarding Committee; Audit and Finance Committee; People, Culture and Remuneration Committee
- » Timothy Coulson (from May 2023)
- » Christine Gilbert (to May 2023)
- » Julia Grant
- » Nimal Hemelge – Audit and Finance Committee
- » Robert Humphreys – Chair of Audit and Finance Committee
- » Joy Hutcheon – Chair of People, Culture and Remuneration Committee; Audit and Finance Committee; Nominations Committee
- » Angela McFarlane – Chair of Education Impact Committee
- » Jonathan Simons – Education Impact Committee
- » Muchemi Wambugu – Education Impact Committee

### 4.3 MEMBERS

Currently Education Development Trust has 35 members. The members take an active role in our work and share their educational experience and expertise for the benefit of EDT. The membership appoints the trustees and is responsible for reviewing the work of EDT, principally at the Annual General Meeting.

#### 4.4 PRESIDENT AND VICE PRESIDENT

Sir Jim Rose acted as EDT's President until he sadly passed away on 9 February 2023. Sara Hodson acted as Vice President throughout the period. She was appointed on 30 April 2015 and re-appointed on 21 May 2020 for a second term of five years.

#### 4.5 EXECUTIVE

The Executive is responsible for the operational management of the organisation and, through the Chief Executive, reports to the Board of Trustees or its committees. Current membership of the Executive is below, with dates indicating members joining within the year or since the year end:

- » Dan Sandhu (Chief Executive) from 4 September 2023
- » Tarek Alami (Director Africa, Middle East and Asia)
- » Ross Anderson (Director UK) from 4 December 2023
- » Mick Dyson (Director Finance and Corporate Services)
- » Sarah Farquhar (Director People) from 31 October 2022
- » Tony McAleavy (Director Education)
- » Cheryl McGeachie (Director Marketing and Business Development)
- » Anna Riggall (Director Research and Consultancy)
- » Kurt Weideling (Chief Digital and Information Officer) from 20 November 2023

The following were members of the Executive during the year with dates indicating members leaving during the year:

- » Patrick Brazier (Chief Executive) to 1 September 2023
- » Steve Cutts (Interim Director UK) from 15 May 2023 to 22 December 2023
- » Bob Miles (Director Corporate Services; Company Secretary) to 31 August 2023
- » Anna Searle (Director UK) to 19 May 2023

#### 4.6 BANKERS AND PROFESSIONAL ADVISERS

|                                   |   |         |  |
|-----------------------------------|---|---------|--|
| Bankers                           | Lloyds Bank Plc<br>24 Broad Street<br>Reading RG1 2BT                                   | Auditor | Crowe U.K. LLP<br>4 <sup>th</sup> Floor, St James House<br>St James' Square<br>Cheltenham GL50 3PR |
| Investment<br>Managers            | Newton Investment<br>Management Limited<br>160 Queen Victoria Street<br>London EC4V 4LA |         | HSBC Private Bank (UK)<br>Limited<br>8 Cork Street<br>London W1S 3LJ                               |
| Legal Advisers                    | Clarkslegal LLP<br>5th Floor, Thames Tower<br>Station Road<br>Reading RG1 1LX           |         | Muckle LLP<br>Time Central<br>32 Gallowgate<br>Newcastle upon Tyne<br>NE1 4BF                      |
| Legal Advisers<br>(International) | Eversheds Sutherland<br>One Wood Street<br>London EC2V 7WS                              |         |  |

## 5 INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF EDUCATION DEVELOPMENT TRUST

### Opinion

We have audited the financial statements of Education Development Trust (the "charitable company") and its subsidiaries (the "group") for the year ended 31 August 2023 which comprise Consolidated and Charity Statement of Financial Activities, Consolidated and Charity Balance Sheets and Consolidated Cash Flow Statement and notes to the financial statements, including 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 our opinion the financial statements:

- » give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's incoming resources and application of resources, including 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 Companies Act 2006.

### 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 financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustee's 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 charitable company'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.

### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial



statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- » the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- » the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- » the parent company has not kept adequate accounting records; or
- » the parent company financial statements are not in agreement with the accounting records and returns; or
- » certain disclosures of trustees' remuneration specified by law are not made; 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 set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit & Finance Committee about their own identification and assessment of the risks of irregularities, performing sample testing on grant and contract income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
**Cheltenham**

Date: 07 February 2024

## 6 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2023

|   |           |                |                | Year to        | Year to        |
|---|-----------|----------------|----------------|----------------|----------------|
|   |           | Unrestricted   | Restricted     | 31 August 2023 | 31 August 2022 |
|   | Notes     | Funds<br>£'000 | Funds<br>£'000 | Total<br>£'000 | Total<br>£'000 |
| <b>INCOME</b>   |           |                |                |                |                |
| <b><u>Income from investments</u></b>                       | <b>1d</b> |                |                |                |                |
| Dividends receivable  |           | 94             | 140            | 234            | 207            |
| Rental income   |           | 407            | -              | 407            | 410            |
| Interest income   |           | 213            | -              | 213            | 50             |
| <b><u>Income from charitable activities</u></b>             | <b>1d</b> |                |                |                |                |
| UK  |           | 27,586         | 9,301          | 36,887         | 32,850         |
| Africa, Middle East and Asia                                |           | 39,052         | -              | 39,052         | 40,477         |
| Research and Consultancy                                    |           | 3,894          | 112            | 4,006          | 4,923          |
| Independent Schools   |           | 10,378         | -              | 10,378         | 10,153         |
| <b>Total income</b>   | <b>2a</b> | <b>81,624</b>  | <b>9,553</b>   | <b>91,177</b>  | <b>89,070</b>  |
| <b>EXPENDITURE</b>  |           |                |                |                |                |
| <b><u>Expenditure on raising funds</u></b>                  |           |                |                |                |                |
| Investment managers' fees                                   | <b>1e</b> | 20             | 31             | 51             | 44             |
| Other costs   |           | 408            | -              | 408            | 409            |
| <b><u>Expenditure on charitable activities</u></b>          | <b>1e</b> |                |                |                |                |
| UK  |           | 25,905         | 9,301          | 35,206         | 30,024         |
| Africa, Middle East and Asia                                |           | 40,120         | -              | 40,120         | 41,100         |
| Research and Consultancy                                    |           | 4,127          | 370            | 4,497          | 4,438          |
| Independent Schools   |           | 10,111         | -              | 10,111         | 9,782          |
| <b>Total expenditure</b>                                    | <b>5</b>  | <b>80,691</b>  | <b>9,702</b>   | <b>90,393</b>  | <b>85,797</b>  |
| <b>Total income less total expenditure</b>                  |           | <b>933</b>     | <b>(149)</b>   | <b>784</b>     | <b>3,273</b>   |
| Net gain / (loss) on investments                            | <b>8</b>  | 4              | 3              | 7              | (458)          |
| <b>Net income / (expenditure)</b>                           | <b>2b</b> | <b>937</b>     | <b>(146)</b>   | <b>791</b>     | <b>2,815</b>   |
| <b>Other recognised gains and losses</b>                    |           |                |                |                |                |
| Actuarial (loss) / gain on defined benefit pension schemes  | <b>14</b> | (5,445)        | -              | (5,445)        | 4,650          |
| Exchange (loss) / gain on conversion of subsidiaries        |           | (650)          | -              | (650)          | 1,064          |
| <b>Total recognised (losses) / gains for current period</b> |           | <b>(6,095)</b> | <b>-</b>       | <b>(6,095)</b> | <b>5,714</b>   |
| <b>Net movement in funds before minority interest</b>       |           | <b>(5,158)</b> | <b>(146)</b>   | <b>(5,304)</b> | <b>8,529</b>   |
| Less: Minority interest                                     |           | (54)           | -              | (54)           | (554)          |
| <b>Net movement in funds after minority interest</b>        |           | <b>(5,212)</b> | <b>(146)</b>   | <b>(5,358)</b> | <b>7,975</b>   |
| <b>Balance brought forward at 1 September</b>               |           | <b>28,926</b>  | <b>5,769</b>   | <b>34,695</b>  | <b>26,720</b>  |
| <b>Balance carried forward at 31 August</b>                 |           | <b>23,714</b>  | <b>5,623</b>   | <b>29,337</b>  | <b>34,695</b>  |

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

The notes on pages 37 to 59 form an integral part of these financial statements.

**STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY**  
**For the year ended 31 August 2023**

|   |           |                |              | Year to        | Year to        |
|---|-----------|----------------|--------------|----------------|----------------|
|   |           | Unrestricted   | Restricted   | 31 August 2023 | 31 August 2022 |
|   | Notes     | Funds          | Funds        | Total          | Total          |
|   |           | £'000          | £'000        | £'000          | £'000          |
| <b>INCOME</b>   |           |                |              |                |                |
| <b><u>Income from investments</u></b>                   |           |                |              |                |                |
|   | <b>1d</b> |                |              |                |                |
| Dividends receivable                                    |           | 586            | 140          | 726            | 510            |
| Rental income   |           | 398            | -            | 398            | 403            |
| Interest income   |           | 116            | -            | 116            | 16             |
| <b><u>Income from charitable activities</u></b>         |           |                |              |                |                |
|   | <b>1d</b> |                |              |                |                |
| UK  |           | 27,586         | 9,301        | 36,887         | 32,851         |
| Africa, Middle East and Asia                            |           | 18,832         | -            | 18,832         | 23,763         |
| Research and Consultancy                                |           | 3,894          | 112          | 4,006          | 4,924          |
| Independent Schools                                     |           | 8,089          | -            | 8,089          | 7,895          |
| <b>Total income</b>                                     |           | <b>59,501</b>  | <b>9,553</b> | <b>69,054</b>  | <b>70,362</b>  |
| <b>EXPENDITURE</b>                                      |           |                |              |                |                |
| <b><u>Expenditure on raising funds</u></b>              |           |                |              |                |                |
|   | <b>1e</b> |                |              |                |                |
| Investment managers' fees                               |           | 20             | 31           | 51             | 44             |
| Other costs   |           | 408            | -            | 408            | 409            |
| <b><u>Expenditure on charitable activities</u></b>      |           |                |              |                |                |
|   | <b>1e</b> |                |              |                |                |
| UK  |           | 27,327         | 9,301        | 36,628         | 30,825         |
| Africa, Middle East and Asia                            |           | 19,013         | -            | 19,013         | 23,777         |
| Research and Consultancy                                |           | 4,281          | 370          | 4,651          | 4,559          |
| Independent Schools                                     |           | 7,970          | -            | 7,970          | 7,709          |
| <b>Total expenditure</b>                                |           | <b>59,019</b>  | <b>9,702</b> | <b>68,721</b>  | <b>67,323</b>  |
| <b>Total income less total expenditure</b>              |           | <b>482</b>     | <b>(149)</b> | <b>333</b>     | <b>3,039</b>   |
| Net gain / (loss) on investments                        | <b>8</b>  | 4              | 3            | 7              | (458)          |
| <b>Net income / (expenditure)</b>                       |           | <b>486</b>     | <b>(146)</b> | <b>340</b>     | <b>2,581</b>   |
| <b>Other recognised gains and losses</b>                |           |                |              |                |                |
| Actuarial (loss) / gain defined benefit pension schemes | <b>14</b> | (5,445)        | -            | (5,445)        | 4,650          |
| <b>Total recognised (losses) / gains</b>                |           | <b>(5,445)</b> | <b>-</b>     | <b>(5,445)</b> | <b>4,650</b>   |
| <b>Net movement in funds</b>                            |           | <b>(4,959)</b> | <b>(146)</b> | <b>(5,105)</b> | <b>7,231</b>   |
| <b>Balance brought forward at 1 September</b>           |           | <b>23,304</b>  | <b>5,769</b> | <b>29,073</b>  | <b>21,842</b>  |
| <b>Balance carried forward at 31 August</b>             |           | <b>18,345</b>  | <b>5,623</b> | <b>23,968</b>  | <b>29,073</b>  |

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

The notes on pages 37 to 59 form an integral part of these financial statements.

**BALANCE SHEETS**  
**As at 31 August 2023**

|   | Notes | -----GROUP-----            |                            | -----CHARITY-----          |                            |
|---|-------|----------------------------|----------------------------|----------------------------|----------------------------|
|   |       | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 |
| <b>FIXED ASSETS</b>                                     |       |                            |                            |                            |                            |
| Tangible assets   | 1f, 7 | 5,242                      | 5,883                      | 4,216                      | 4,606                      |
| Investments   | 1h, 8 | 9,444                      | 9,476                      | 9,444                      | 9,476                      |
| Investments in Group undertakings                       | 9     | -                          | -                          | 203                        | 203                        |
| <b>Total fixed assets</b>                               |       | <b>14,686</b>              | <b>15,359</b>              | <b>13,863</b>              | <b>14,285</b>              |
| <b>CURRENT ASSETS</b>                                   |       |                            |                            |                            |                            |
| Debtors: Amounts falling due within one year            | 10    | 18,226                     | 17,081                     | 14,833                     | 13,575                     |
| Cash at bank and in hand                                |       | 21,961                     | 21,666                     | 14,583                     | 13,662                     |
|   |       | <b>40,187</b>              | <b>38,747</b>              | <b>29,416</b>              | <b>27,237</b>              |
| <b>CURRENT LIABILITIES</b>                              |       |                            |                            |                            |                            |
| Creditors: Amounts falling due within one year          | 11    | (22,058)                   | (20,742)                   | (18,735)                   | (17,038)                   |
| <b>Net current assets</b>                               |       | <b>18,129</b>              | <b>18,005</b>              | <b>10,681</b>              | <b>10,199</b>              |
| <b>Total assets less current liabilities</b>            |       | <b>32,815</b>              | <b>33,364</b>              | <b>24,544</b>              | <b>24,484</b>              |
| Provision for liabilities and charges                   | 13    | (596)                      | (614)                      | (576)                      | (593)                      |
| Defined benefit pension schemes                         | 14    | -                          | 5,182                      | -                          | 5,182                      |
| <b>NET ASSETS</b>                                       |       | <b>32,219</b>              | <b>37,932</b>              | <b>23,968</b>              | <b>29,073</b>              |
| <b>CHARITABLE FUNDS</b>                                 |       |                            |                            |                            |                            |
| Unrestricted funds (excluding defined benefit pensions) |       | 23,714                     | 23,744                     | 18,345                     | 18,122                     |
| Restricted funds  | 12    | 5,623                      | 5,769                      | 5,623                      | 5,769                      |
| <b>SUB TOTAL FUNDS (excluding pension liabilities)</b>  |       | <b>29,337</b>              | <b>29,513</b>              | <b>23,968</b>              | <b>23,891</b>              |
| Defined benefit pension asset                           | 14    | -                          | 5,182                      | -                          | 5,182                      |
| <b>TOTAL FUNDS (excluding minority interest)</b>        |       | <b>29,337</b>              | <b>34,695</b>              | <b>23,968</b>              | <b>29,073</b>              |
| Minority interests                                      |       | 2,882                      | 3,237                      | -                          | -                          |
| <b>TOTAL FUNDS</b>                                      |       | <b>32,219</b>              | <b>37,932</b>              | <b>23,968</b>              | <b>29,073</b>              |

The notes on pages 37 to 59 form an integral part of these financial statements.

The financial statements were approved by the Board and signed on its behalf by:



Ilse Howling  
 Chair  
 Dated: 1 February 2024



**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 31 August 2023**

|  | Year to<br>31 August 2023<br>£'000 | Year to<br>31 August 2022<br>£'000 |
|--|------------------------------------|------------------------------------|
| <b><u>Cash flows from operating activities</u></b>                               |                                    |                                    |
| <b>Net income for the year</b>   | <b>791</b>                         | <b>2,815</b>                       |
| <b>Adjustments for:</b>  |                                    |                                    |
| Depreciation on tangible fixed assets  | 1,097                              | 1,149                              |
| Loss on sale of tangible fixed assets  | 5                                  | 188                                |
| Sale of shares in subsidiary   | (585)                              | (585)                              |
| Increase in debtors  | (1,145)                            | (2,028)                            |
| Increase / (decrease) in creditors   | 1,316                              | (5,288)                            |
| Decrease in provisions   | (18)                               | (466)                              |
| Less dividends receivable  | (234)                              | (207)                              |
| Less interest receivable   | (213)                              | (50)                               |
| Post-retirement benefits adjustment  | (263)                              | 179                                |
| Dividends paid to minority interest  | (409)                              | (243)                              |
| (Gain) / loss on investments   | (7)                                | 458                                |
| Exchange loss / (gain) on fixed assets   | 250                                | (22)                               |
| Exchange loss / (gain) on conversion of cash                                     | 23                                 | (1)                                |
| Exchange (loss) / gain on conversion of opening reserves of foreign subsidiaries | (650)                              | 1,064                              |
| <b>Net cash used in from operating activities</b>                                | <b>(42)</b>                        | <b>(3,037)</b>                     |
| <b><u>Cash flows from investing activities</u></b>                               |                                    |                                    |
| Interest received  | 213                                | 50                                 |
| Dividends received from investments  | 234                                | 207                                |
| Sale of shares in subsidiary   | 585                                | 585                                |
| Purchase of tangible fixed assets  | (711)                              | (718)                              |
| Sale of tangible fixed assets  | -                                  | -                                  |
| Purchase of fixed asset investments  | (2,403)                            | (3,912)                            |
| Sale of fixed asset investments  | 2,299                              | 4,089                              |
| <b>Net cash generated from investing activities</b>                              | <b>217</b>                         | <b>301</b>                         |
| <b>Net increase / (decrease) in cash and cash equivalents in the year</b>        | <b>175</b>                         | <b>(2,736)</b>                     |
| Cash and cash equivalents at the beginning of the year                           | 21,843                             | 24,578                             |
| Change in cash and cash equivalents due to exchange rate movements               | (23)                               | 1                                  |
| <b>Total cash and cash equivalents at the end of the year</b>                    | <b>21,995</b>                      | <b>21,843</b>                      |
| <b><u>Cash and cash equivalents:</u></b>   |                                    |                                    |
| Cash at bank and in hand   | 21,961                             | 21,666                             |
| Cash at investments managers – money market deposits                             | 34                                 | 177                                |
| <b>Total cash and cash equivalents</b>   | <b>21,995</b>                      | <b>21,843</b>                      |

The notes on pages 37 to 59 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 August 2023

#### 1. PRINCIPAL ACCOUNTING POLICIES

##### a. Basis of accounting and consolidation

Education Development Trust is a charitable company limited by guarantee, incorporated in England and Wales (Charity Number 270901 / Company Number 867944). The address of its registered office is Highbridge House, 16-18 Duke Street, Reading, RG1 4RU. The financial statements have been prepared under the historical cost convention, except for investments which are included at market value. The financial statements have been prepared in accordance with the 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounts of the Charity have been prepared on a going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in applying the Group's accounting policies (see note 1c).

In preparing the separate financial statements of the Charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been prepared for the Charity;
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Charity because their remuneration is included in the totals for the Group as a whole.

All branches are consolidated fully within the Charity. The results and balance sheet of Education Development Trust and its subsidiaries have been consolidated on a line-by-line basis.

The Consolidated Statement of Financial Activities includes the financial activities of the Charity and its subsidiaries up to 31 August. The results of subsidiaries acquired or sold are included in the Consolidated Statement of Financial Activities from, or up to, the date control passes. Intra-group transactions are eliminated fully on consolidation.

On acquisition of subsidiaries, all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities and the resulting surpluses or deficits that arise after the Group has gained control of the subsidiary are charged to the post-acquisition Statement of Financial Activities.

The Charity meets the definition of a public benefit entity under FRS 102.

A summary of the accounting policies, which have been applied consistently, is set out below.

##### b. Going Concern

We set a budget and a 3-year plan annually, with the last 3-year plan set to August 2026. The Board of Trustees and the Executive actively monitor financial results against the budget on a monthly basis. Regular forecasts with associated risks and opportunities are produced for the current financial year, to identify actions to optimise financial performance by mitigating risks and realising opportunities.

We monitor solvency by projecting income, net income, free reserves and cash to August 2025. We have reviewed this analysis on a regular basis up to the date of signing the report. We use a range of scenarios to stress test cash and reserves. This testing shows that we have adequate headroom for cash and a strong balance sheet. On this basis, while an amount of uncertainty about the volume and timing of new business exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Board of Trustees therefore considers it appropriate for the accounts to be prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023****1. PRINCIPAL ACCOUNTING POLICIES (continued)****c. Critical accounting judgements and estimations**

In preparing the financial statements, the Board of Trustees is required to make estimates and judgements. The items in the financial statements where these judgements and estimates have been made include:

(i) Actuarial assumptions in respect of defined benefit pension schemes – Actuarial valuations of defined benefit pension schemes are incorporated in the financial statements in accordance with FRS 102. The actuarial valuation process involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In applying FRS 102, advice is taken from independent qualified actuaries.

(ii) Recognition of pension scheme asset – in line with FRS102, the Charity only recognises a defined benefit asset to the extent it is considered recoverable through reduced contributions in the future, or through refunds from the scheme. The appropriate accounting treatment is determined for each scheme separately based on review and interpretation of the scheme rules.

(iii) Pension scheme deficit reduction payments – There is a deficit reduction plan in place in respect of our membership of the Pension Trust's Growth Plan (see note 14). FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in several areas, including the selection of an appropriate discount rate.

(iv) Bad debts – The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

(v) Tangible Fixed Assets – A review is performed annually for indicators of impairment.

**d. Income**

In the Statement of Financial Activities, income is split between income received from investments and income received from charitable activities.

Income from investments includes dividend income, rental income and interest income, and is included in the Statement of Financial Activities on a receivable basis.

Income from charitable activities represents amounts receivable for goods and services provided in the UK and overseas, net of taxes levied on sales.

Income from charitable activities has been split under the four key activities identified to meet the Charity's objectives: UK, Africa, Middle East and Asia, Research and Consultancy and Independent Schools.

Income is included in the Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified, and receipt is probable. Specifically:

- income from tuition and nursery fees is recognised to the extent that the related services have been provided;
- income from contracts is recognised using the stage of completion method which is equivalent to the aggregate of related expenditure incurred plus a portion of estimated surplus. Anticipated losses on contracts are charged to the Statement of Financial Activities in their entirety when losses become evident;
- grants receivable income, where related to performance and specific deliverables, is accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**1. PRINCIPAL ACCOUNTING POLICIES (continued)**
**d. Income (continued)**

Any associated expenditure is accounted for according to the accruals concept.

**e. Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds includes charges made by the investment managers, Newton Investment Management Limited and HSBC Global Asset Management (UK) Limited for the Group's portfolio management.

Expenditure on charitable activities has been split under the four key activities identified namely: UK, Africa, Middle East and Asia, Research and Consultancy and Independent Schools. Further detail of the work within each of these areas is detailed in the Strategic Report.

Expenditure incurred by subsidiaries is deemed to be direct operating expenditure.

Support, development and governance cost are either directly attributable to charitable activities or where they are not directly attributable they are allocated to activities on a proportion of income basis.

Development expenses, which include marketing expenses, both those of a promotional nature and those specific to negotiating and obtaining future projects, are written off in the period in which the expenses are incurred.

Redundancy, termination, and ex gratia payments are accounted for in full in the year that the departure is agreed.

Where input VAT is not recoverable on work undertaken by the Group it is treated as a cost of that project and reflected in the Statement of Financial Activities.

**f. Tangible fixed assets**

Tangible fixed assets are stated at cost, less depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

|  |   |
|--|---|
| Freehold land  | Not depreciated   |
| Freehold and long-term leasehold buildings               | 30 years or lease term, whichever is shorter                            |
| Building improvements                                    | 30 years or lease term, whichever is shorter                            |
| Freehold and leasehold improvements                      | 10 years, lease term or remaining contract period, whichever is shorter |
| Office furniture and equipment                           | 5 years   |
| Motor vehicles   | 4 years   |
| Enterprise Resource Planning (ERP) system                | 10 years  |
| Other computer equipment, software and IT infrastructure | 3-5 years   |

Assets under construction are not depreciated until they are brought into use.

For office furniture, equipment and computer equipment purchased second-hand, the depreciation rate is 2 years straight-line.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023****1. PRINCIPAL ACCOUNTING POLICIES (continued)****f. Tangible fixed assets (continued)**

Where assets are held for a specific contract, those assets are written off over the shorter of the estimated life of the asset and the underlying contract.

Where assets are purchased by the Group but are to be handed back to the funder at the end of the contract, ownership is deemed not to have transferred from the funder and the cost is expensed immediately.

The Group policy is not to capitalise items costing under £1,000. VAT is excluded in the cost of the capital item unless it is irrecoverable, in which case it is treated as part of the cost of that asset.

**g. Impairment of fixed assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**h. Investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Other fixed asset investments comprise investment portfolios. The valuations of the investment portfolios at balance sheet bid price were performed by the Group's investment managers, Newton Investment Management Limited and HSBC Global Asset Management (UK) Limited. Gains and losses are recognised in net income/expenditure in the Statement of Financial Activities. All investment income is derived from quoted investments and recorded in the books of the Charity when received.

**i. Financial instruments**

The Charity only has financial assets and liabilities of a kind which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

Cash at bank and cash 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.

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023****1. PRINCIPAL ACCOUNTING POLICIES (continued)****j. Pension scheme arrangements****(i) Defined contribution scheme**

The Charity and its subsidiaries operate defined contribution pension schemes whereby contributions are charged against revenue as they are made.

**(ii) Defined benefit scheme**

The Charity contributed to defined benefit pension schemes.

Pension assets and liabilities are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities.

Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the Statement of Financial Activities.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities.

The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members, is recognised in the Statement of Financial Activities within actuarial gains/losses on defined benefit pension schemes.

The resulting defined benefit asset or liability is presented separately on the face of the Balance Sheet. The Charity recognises assets for its defined benefit pension schemes to the extent that they are considered recoverable through reduced contributions in the future, or through refunds from the scheme.

**k. Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

**l. Operating leases**

Rentals paid under leases are charged against income on a straight-line basis over the lease term.

**m. Foreign currency translation****(i) Functional and presentation currency**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling, which is the Charity's and the Group's presentation currency.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023****1. PRINCIPAL ACCOUNTING POLICIES (continued)****m. Foreign currency translation (continued)**

## (ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entity are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences that arise are recognised within 'Net income/expenditure' in the Statement of Financial Activities.

## (iii) Translation of group entities

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to Sterling using the exchange rate ruling on the balance sheet date. Income and expenses are translated using an average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation of group companies are recognised within 'Other recognised gains/losses' in the Statement of Financial Activities.

**n. Restricted funds**

The Charity and Group reserves are allocated to two separate types or funds: restricted funds and unrestricted funds. Restricted funds are those relating to income which may only be used for specific purposes. All other funds, including designated funds, are unrestricted.

The Board of Trustees may approve the transfer of funds from unrestricted to restricted funds if operating losses would otherwise result in negative restricted funds being carried forward and it is not anticipated that future operating profits will cover those losses.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**2. SEGMENTAL ANALYSIS**

| <b>(a) Group income relating to operating activities</b>              | <b>Year to<br/>31 August 2023<br/>£'000</b> | <b>Year to<br/>31 August 2022<br/>£'000</b> |
|---|---|---|
| An analysis of Group turnover by geographical segment is given below: |   |   |
| United Kingdom  | 48,649                                      | 43,335                                      |
| South Asia and South East Asia  | 16,493                                      | 15,471                                      |
| Middle East   | 6,620                                       | 3,745                                       |
| Africa  | 19,386                                      | 26,435                                      |
| Europe and other  | 29  | 84  |
|   | <b>91,177</b>                               | <b>89,070</b>                               |

Within Africa, income of £1.3m (2021/22: £3.8m) relates to the FCDO Girls' Education Challenge contract.

**(b) Net income**

|  | <b>£'000</b> | <b>£'000</b> |
|--|--------------|--------------|
| An analysis of the net (deficit) / surplus by geographical segment is given below: |              |              |
| United Kingdom   | (2,273)      | (1,206)      |
| South Asia and South East Asia   | 1,471        | 1,389        |
| Middle East  | 143          | 95           |
| Africa   | 1,460        | 2,471        |
| Europe and other   | (10)         | 66           |
|  | <b>791</b>   | <b>2,815</b> |

**3. STAFF AND TEACHER COSTS**

|   | <b>Year to<br/>31 August 2023<br/>£'000</b> | <b>Year to<br/>31 August 2022<br/>£'000</b> |
|---|---|---|
| Wages and salaries                            | 41,856                                      | 37,878                                      |
| Redundancy, termination or ex gratia payments | 695   | 200   |
| Social security costs                         | 2,472                                       | 2,196                                       |
| Pensions                                      | 1,786                                       | 1,818                                       |
| Temporary staff                               | 423   | 275   |
|   | <b>47,232</b>                               | <b>42,367</b>                               |

Redundancy, termination, and ex gratia payments were incurred as part of the ongoing evolution of the business and were accounted for in full in the year that the departure was agreed. The amount payable at 31 August 2023 was £130,279 (2022: £nil) and is included within Creditors.

Details of the amount payable to defined contribution pension schemes in respect of staff are shown in pensions note 14a.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**3. STAFF AND TEACHER COSTS (continued)**

| Staff members whose total annual remuneration was in the ranges: | Year to<br>31 August 2023<br>No. of Staff | Year to<br>31 August 2022<br>No. of Staff |
|--|---|---|
| £60,000 – £69,999  | 26  | 25  |
| £70,000 – £79,999  | 21  | 16  |
| £80,000 – £89,999  | 11  | 7   |
| £90,000 – £99,999  | 2   | 4   |
| £100,000 – £109,999  | 3   | 3   |
| £110,000 – £119,999  | 2   | -   |
| £120,000 – £129,999  | 3   | 3   |
| £130,000 – £139,999  | 1   | 1   |
| £140,000 – £149,999  | -   | 2   |
| £150,000 – £159,999  | -   | 1   |
| £170,000 – £179,999  | 1   | -   |
| £180,000 – £189,999  | 1   | 1   |
| £200,000 – £209,999  | -   | 1   |
| £210,000 – £219,999  | 1   | -   |
| £230,000 – £239,999  | 1   | -   |
|  | <b>73</b>                                 | <b>64</b>                                 |

Total annual remuneration includes redundancy, termination and ex gratia payments.

For certain roles involved in major programmes in specific overseas territories, total remuneration includes accommodation, travel, medical and life insurance, schooling, taxes and other relevant allowances.

The Chief Executive had total annual remuneration in the £180,000 – £189,999 range (2021/22: £180,000-£189,999 range).

Total employer pension contributions for the provision of money purchase schemes totalled £284,807 (2021/22: £234,204) for those staff whose total remuneration was more than £60,000.

|  | Year to<br>31 August 2023<br>No. of Staff | Year to<br>31 August 2022<br>No. of Staff |
|--|---|---|
| The number of staff whose remuneration was more than £60,000 to whom retirement benefits are accruing under: |   |   |
| - money purchase schemes   | 48  | 39  |
| - defined benefit schemes  | 2   | 3   |
| The average monthly number of persons employed by the Group during the period was:                           | 1,271                                     | 1,218                                     |

**Key management personnel**

The total employment benefits of the key management personnel was £1,541,671 (2021/22: £1,045,484) and total employer pension contributions for eight people was £105,225 (2021/22: £76,707 for four people). The Executive team was expanded from 5 to 9 members from 1 March 2022 and this is reflected within the key management personnel figure. Redundancy pay of £260,365 (2021/22: £0) was paid to key management personnel.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

| <b>4. NET INCOME</b>                                     | <b>Year to</b>        | <b>Year to</b>        |
|--|-----------------------|-----------------------|
| <b>is stated after charging / (crediting)</b>            | <b>31 August 2023</b> | <b>31 August 2022</b> |
|  | <b>£'000</b>          | <b>£'000</b>          |
| Auditors' remuneration:                                  |                       |                       |
| Group audit (Charity 2022/23: £58,500, 2021/22: £64,000) | 64                    | 67                    |
| Other  | -                     | 4                     |
| Audits of international subsidiaries                     | 27                    | 20                    |
| Internal audit   | 36                    | 67                    |
| Depreciation (note 7)                                    | 1,097                 | 1,149                 |
| Remuneration of the Board of Trustees (note 6)           | 142                   | 129                   |
| Exchange differences                                     | 72                    | 174                   |
| Operating lease rentals: Property                        | 1,151                 | 1,205                 |
| Loss on sale of tangible fixed assets                    | 5                     | 188                   |

**5. ANALYSIS OF TOTAL EXPENDITURE – GROUP**

|   | <b>Direct Staff Costs</b> | <b>Support Staff</b> | <b>Materials</b>    | <b>Premises</b> | <b>Other Project</b> | <b>Other</b>       | <b>Year to</b>        | <b>Year to</b>        |
|---|---------------------------|----------------------|---------------------|-----------------|----------------------|--------------------|-----------------------|-----------------------|
|   | <b>£'000</b>              | <b>Costs</b>         | <b>Production</b>   | <b>£'000</b>    | <b>Expenditure</b>   | <b>Support</b>     | <b>31 August 2023</b> | <b>31 August 2022</b> |
|   |                           | <b>£'000</b>         | <b>and Training</b> |                 | <b>(including</b>    | <b>Expenditure</b> |                       |                       |
|   |                           |                      | <b>Delivery</b>     |                 | <b>depreciation)</b> | <b>£'000</b>       | <b>£'000</b>          | <b>£'000</b>          |
| <b>Expenditure on charitable activities</b> |                           |                      |                     |                 |                      |                    |                       |                       |
| UK  | 17,609                    | 2,650                | 304                 | 167             | 12,918               | 1,558              | 35,206                | 30,024                |
| Africa, Middle East and Asia                | 15,530                    | 2,709                | 2,937               | 443             | 16,557               | 1,944              | 40,120                | 41,100                |
| Research and Consultancy                    | 1,739                     | 278                  | 189                 | -               | 2,104                | 187                | 4,497                 | 4,438                 |
| Independent Schools                         | 5,997                     | 720                  | 26                  | 1,171           | 2,189                | 8                  | 10,111                | 9,782                 |
|   | <b>40,875</b>             | <b>6,357</b>         | <b>3,456</b>        | <b>1,781</b>    | <b>33,768</b>        | <b>3,697</b>       | <b>89,934</b>         | <b>85,344</b>         |
| Investment manager's fees                   | -                         | -                    | -                   | -               | -                    | 51                 | 51                    | 44                    |
| Other costs                                 | -                         | -                    | -                   | -               | -                    | 408                | 408                   | 409                   |
| <b>Total expenditure</b>                    | <b>40,875</b>             | <b>6,357</b>         | <b>3,456</b>        | <b>1,781</b>    | <b>33,768</b>        | <b>4,156</b>       | <b>90,393</b>         | <b>85,797</b>         |

All direct expenditure is charged to the relevant charitable activity on an accruals basis.

Expenditure has been shown under the main categories and split between direct and indirect costs. Other project expenditure includes consultancy fees and other costs incurred in order to meet the Charity's contractual obligations. Other support expenditure includes central finance, human resources, information technology, marketing & communication and governance costs.

Support, governance and development expenditure which is not directly attributable to a charitable activity has been allocated based on the income of that activity as a proportion of the Group income. Governance costs are reported in note 4.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**6. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES**

| Recipient                                   | Nature       | Year to        | Year to        |
|---|--------------|----------------|----------------|
|   |              | 31 August 2023 | 31 August 2022 |
|   |              | £              | £              |
| (a) Trustees' remuneration and transactions |              |                |                |
| I Howling                                   | Remuneration | 29,167         | 25,000         |
| R Humphreys                                 | Remuneration | 15,625         | 15,500         |
| C Gilbert to 18 May 2023                    | Remuneration | 11,083         | 15,500         |
| A McFarlane                                 | Remuneration | 15,625         | 15,500         |
| J Hutcheon                                  | Remuneration | 15,625         | 15,500         |
| J Grant                                     | Remuneration | 10,125         | 10,000         |
| T Barron                                    | Remuneration | 11,707         | 10,000         |
| J Simons                                    | Remuneration | 10,125         | 10,000         |
| N Hemelge from 24 January 2022              | Remuneration | 10,125         | 6,048          |
| M Wambugu from 26 January 2022              | Remuneration | 10,271         | 6,013          |
| T Coulson from 18 May 2023                  | Remuneration | 3,001          | -              |
|   |              | <b>142,479</b> | <b>129,061</b> |

The trustees were appointed under clauses 14.1 and 14.2 of the Memorandum and Articles of Association.

Trustees are remunerated monthly based on their role as trustee. Trustees with additional responsibilities such as chair to a committee are remunerated at a higher level. The levels of remuneration were approved by the Charity Commission in 2014/15. Trustees do not receive pension contributions or other benefits.

| Nature of expense  | Number of Board Members |         | Year to        | Year to        |
|--|-------------------------|---------|----------------|----------------|
|  | 2022/23                 | 2021/22 | 31 August 2023 | 31 August 2022 |
|  |                         |         | £              | £              |
| (b) Expenses reimbursed to, and paid on behalf of, the Board of Trustees |                         |         |                |                |
| Travel expenses  | 6                       | 2       | 7,265          | 2,417          |
| Subsistence / meals / hospitality  | 10                      | 10      | 1,327          | 375            |
| Hotels / accommodation   | 3                       | 8       | 1,082          | 2,163          |
| Other expenses   | 10                      | 10      | 650            | 2,995          |
|  |                         |         | <b>10,324</b>  | <b>7,950</b>   |

**(c) Transactions with connected parties**
**(i) Subsidiary undertakings**

The following management and other fees were charged by the Charity to its subsidiaries:

|   | Year to        | Year to        |
|---|----------------|----------------|
|   | 31 August 2023 | 31 August 2022 |
|   | £'000          | £'000          |
| CfBT Education Services (B) Sdn Bhd         | 1,306          | 1,152          |
| EDT Middle East Educational Consultancy LLC | 398            | 183            |
| International School of Cape Town (Pty) Ltd | 31             | 12             |

During the year Education Development Zimbabwe (Private) Ltd charged the Charity £3,205,948 (2021/22: £nil) in relation to work performed for the Charity.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**6. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES (continued)**

The following balances were owed to / (owed by) the Charity at the year-end date:

|  | Year to<br>31 August 2023<br>£'000 | Year to<br>31 August 2022<br>£'000 |
|--|------------------------------------|------------------------------------|
| CfBT Education Services (B) Sdn Bhd          | 801                                | 801                                |
| EDT Middle East Educational Consultancy LLC  | (140)                              | (140)                              |
| International School of Cape Town (Pty) Ltd  | 920                                | 920                                |
| Education Development Zimbabwe (Private) Ltd | (157)                              | -                                  |

The above balances are repayable to the Charity; however, provisions have been made against balances where repayment is doubtful.

(ii) Other connected parties

Education Development Trust stepped down as a sponsor and member of Anthem from 9 May 2022. Prior to that EDT appointed two trustees to the Board of Anthem Schools Trust and services purchased and agreed prior to that date are treated as related party transactions of the Charity. All transactions between the parties were made on an arms-length basis.

The related party transactions during the period were:

|  | Year to<br>31 August 2023<br>£'000 | Year to<br>31 August 2022<br>£'000 |
|--|------------------------------------|------------------------------------|
| Charge for Education Development Trust services supporting Anthem Schools Trust                      | -                                  | 9                                  |
| Services provided to Anthem Schools Trust Schools within normal Education Development Trust business | -                                  | 11                                 |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**7. TANGIBLE FIXED ASSETS**

| Group                                       | Freehold<br>Property<br>£'000 | Long term<br>Leasehold<br>Property<br>£'000 | Leasehold<br>Improvement<br>£'000 | Motor<br>Vehicles<br>£'000 | Office<br>Fixtures<br>£'000 | IT Systems<br>&<br>Computers<br>£'000 | Assets Under<br>Construction<br>£'000 | Total<br>£'000 |
|---|-------------------------------|---|-----------------------------------|----------------------------|-----------------------------|---------------------------------------|---------------------------------------|----------------|
| <b>Cost</b>                                 |                               |   |                                   |                            |                             |                                       |                                       |                |
| As at 1 September 2022                      | 3,373                         | 1,196                                       | 4,898                             | 426                        | 1,741                       | 5,063                                 | 336                                   | 17,033         |
| Additions                                   | 32                            | -   | 7                                 | -                          | 78                          | 258                                   | 336                                   | 711            |
| Transfer                                    | -                             | -   | 282                               | -                          | 188                         | -                                     | (470)                                 | -              |
| Disposals                                   | (39)                          | -   | (18)                              | -                          | (294)                       | (936)                                 | -                                     | (1,287)        |
| Exchange adjustment                         | (233)                         | -   | (48)                              | (41)                       | (35)                        | (62)                                  | -                                     | (419)          |
| <b>As at 31 August 2023</b>                 | <b>3,133</b>                  | <b>1,196</b>                                | <b>5,121</b>                      | <b>385</b>                 | <b>1,678</b>                | <b>4,323</b>                          | <b>202</b>                            | <b>16,038</b>  |
| <b>Depreciation</b>                         |                               |   |                                   |                            |                             |                                       |                                       |                |
| As at 1 September 2022                      | 1,252                         | 986   | 3,068                             | 407                        | 1,332                       | 4,105                                 | -                                     | 11,150         |
| Charge for year                             | 22                            | 40  | 304                               | 8                          | 184                         | 539                                   | -                                     | 1,097          |
| Eliminated on disposal                      | (38)                          | -   | (18)                              | -                          | (294)                       | (932)                                 | -                                     | (1,282)        |
| Exchange adjustment                         | (22)                          | -   | (28)                              | (36)                       | (33)                        | (50)                                  | -                                     | (169)          |
| <b>As at 31 August 2023</b>                 | <b>1,214</b>                  | <b>1,026</b>                                | <b>3,326</b>                      | <b>379</b>                 | <b>1,189</b>                | <b>3,662</b>                          | <b>-</b>                              | <b>10,796</b>  |
| <b>Net book value at<br/>31 August 2023</b> | <b>1,919</b>                  | <b>170</b>                                  | <b>1,795</b>                      | <b>6</b>                   | <b>489</b>                  | <b>661</b>                            | <b>202</b>                            | <b>5,242</b>   |
| Net book value at<br>31 August 2022         | 2,121                         | 210   | 1,830                             | 19                         | 409                         | 958                                   | 336                                   | 5,883          |
| <b>Charity</b>                              |                               |   |                                   |                            |                             |                                       |                                       |                |
|   |                               | Freehold<br>Property<br>£'000               | Leasehold<br>Improvement<br>£'000 | Motor<br>Vehicles<br>£'000 | Office<br>Fixtures<br>£'000 | IT Systems<br>&<br>Computers<br>£'000 | Assets Under<br>Construction<br>£'000 | Total<br>£'000 |
| <b>Cost</b>                                 |                               |   |                                   |                            |                             |                                       |                                       |                |
| As at 1 September 2022                      |                               | 2,349                                       | 4,653                             | 105                        | 1,420                       | 4,607                                 | 336                                   | 13,470         |
| Additions                                   |                               | -   | -                                 | -                          | 55                          | 238                                   | 336                                   | 629            |
| Transfer                                    |                               | -   | 282                               | -                          | 188                         | -                                     | (470)                                 | -              |
| Disposals                                   |                               | (39)  | (13)                              | -                          | (109)                       | (783)                                 | -                                     | (944)          |
| Exchange adjustment                         |                               | -   | (7)                               | (15)                       | (3)                         | (9)                                   | -                                     | (34)           |
| <b>As at 31 August 2023</b>                 |                               | <b>2,310</b>                                | <b>4,915</b>                      | <b>90</b>                  | <b>1,551</b>                | <b>4,053</b>                          | <b>202</b>                            | <b>13,121</b>  |
| <b>Depreciation</b>                         |                               |   |                                   |                            |                             |                                       |                                       |                |
| As at 1 September 2022                      |                               | 1,069                                       | 2,940                             | 87                         | 1,048                       | 3,720                                 | -                                     | 8,864          |
| Charge for year                             |                               | 49  | 283                               | 6                          | 166                         | 503                                   | -                                     | 1,007          |
| Eliminated on disposal                      |                               | (38)  | (13)                              | -                          | (109)                       | (779)                                 | -                                     | (939)          |
| Exchange adjustment                         |                               | -   | (7)                               | (11)                       | (3)                         | (6)                                   | -                                     | (27)           |
| <b>As at 31 August 2023</b>                 |                               | <b>1,080</b>                                | <b>3,203</b>                      | <b>82</b>                  | <b>1,102</b>                | <b>3,438</b>                          | <b>-</b>                              | <b>8,905</b>   |
| <b>Net book value at 31 August 2023</b>     |                               | <b>1,230</b>                                | <b>1,712</b>                      | <b>8</b>                   | <b>449</b>                  | <b>615</b>                            | <b>202</b>                            | <b>4,216</b>   |
| Net book value at 31 August 2022            |                               | 1,280                                       | 1,713                             | 18                         | 372                         | 887                                   | 336                                   | 4,606          |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**8. FIXED ASSET INVESTMENTS**
**Portfolio structure**

|                                     | -----Group and Charity----- |              |                          |              |
|-------------------------------------|-----------------------------|--------------|--------------------------|--------------|
|                                     | -----31 August 2023-----    |              | -----31 August 2022----- |              |
|                                     | %                           | £'000        | %                        | £'000        |
| Fixed income                        | 12.6%                       | 1,188        | 12.6%                    | 1,194        |
| Equities                            | 31.1%                       | 2,941        | 29.3%                    | 2,781        |
| Multi Asset Funds                   | 51.5%                       | 4,862        | 51.2%                    | 4,853        |
| Other                               | 4.4%                        | 419          | 5.0%                     | 471          |
| Cash held by investment managers    | 0.4%                        | 34           | 1.9%                     | 177          |
| <b>Market value as at 31 August</b> | <b>100%</b>                 | <b>9,444</b> | <b>100%</b>              | <b>9,476</b> |

**Movement in market value of investments**

|   | 2022/23<br>£'000 | 2021/22<br>£'000 |
|---|------------------|------------------|
| <b>Opening market value as at 1 September</b> | 9,476            | 9,979            |
| Additions                                     | 2,403            | 3,912            |
| Disposals                                     | (2,299)          | (4,089)          |
| Gains / (losses)                              | 7                | (458)            |
| (Decrease) / increase in cash                 | (143)            | 132              |
| <b>Closing market value as at 31 August</b>   | <b>9,444</b>     | <b>9,476</b>     |

**Historical cost of investment portfolio**

|                       | -----Group and Charity----- |               |
|-----------------------|-----------------------------|---------------|
|                       | 2023<br>£'000               | 2022<br>£'000 |
| Costs as at 31 August | 7,180                       | 7,348         |



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**9. INVESTMENTS IN SUBSIDIARIES**

The Charity holds investments in principal undertakings as follows:

|   | Address /Country of<br>Registration   | Company No     | % Holding of<br>Issued Share<br>Capital | Turnover<br>£'000 | Expenditure<br>£'000 | Net Assets<br>£'000 |
|---|---|----------------|---|-------------------|----------------------|---------------------|
| <b>Africa, Middle East and Asia</b>             |   |                |   |                   |                      |                     |
| CfBT Education Services (B)<br>Sdn Bhd          | Unit 5-6, Block D, Kiarong Complex,<br>Lebuhraya Sultan Haji Hassanal Bolkiah,<br>Bandar Seri Begawan BE1318<br>Brunei Darussalam | n/a            | 55%                                     | 16,230            | 15,845               | 5,515               |
| EDT Middle East Educational<br>Consultancy LLC  | 603, Shk. Rashid Bin Saeed St.<br>Al Nahyan, Post Box No. 22229<br>Abu Dhabi, UAE   | n/a            | 49%                                     | 5,504             | 5,280                | 2,003               |
| Education Development<br>Zimbabwe (Private) Ltd | 99 Churchill Avenue, Gunhill<br>Harare, Zimbabwe  | 11145/2022     | 100%                                    | 3,206             | 3,057                | 149                 |
| <b>Independent Schools</b>                      |   |                |   |                   |                      |                     |
| International School of Cape<br>Town (Pty) Ltd  | Woodland Heights, 4 Edinburgh Close,<br>Claremont, 7806, South Africa   | 2002/026764/07 | 100%                                    | 2,377             | 2,314                | 985                 |
| Waverley School (Waverley<br>Way) Ltd           | Highbridge House, 16-18 Duke Street,<br>Reading, RG1 4RU, UK  | 3181579        | 100%                                    | -                 | 40                   | 170                 |

The Charity has a 49% shareholding in EDT Middle East Educational Consultancy LLC, a company which delivers education and training services in the United Arab Emirates. The Charity has effective control of the subsidiary and as such the subsidiary is fully consolidated within the Group.

On 28th June 2022, a UK subsidiary of the Charity, League for the Exchange of Commonwealth Teachers, was dissolved.

On 18 February 2022, Education Development Trust entered into an arrangement to sell its shares in Waverley School (Waverley Way) Limited in three stages over a period of two years. The second stage of the sale completed during the current financial year. As at 31 August 2023 the Charity still has effective control of the subsidiary and as such the subsidiary is fully consolidated within the Group.

On 19th May 2022, Education Development Zimbabwe (Private) Ltd was incorporated in Zimbabwe.

On 25th May 2023, a subsidiary of the Charity based in Malaysia, CfBT Multimedia Education Sdn Bhd, was dissolved.

Transactions with subsidiaries are detailed in the related parties note 6c.

**INVESTMENTS**
**CHARITY**

**Subsidiary  
Investment Total  
£'000**

|  |            |
|--|------------|
| Cost as at 1 September 2022 and 31 August 2023 | <b>203</b> |
|--|------------|

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**10. DEBTORS**

|  | Group                      |                            | Charity                    |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 |
| <b>Amounts falling due within one year</b> |                            |                            |                            |                            |
| Trade debtors                              | 6,793                      | 7,539                      | 5,405                      | 5,106                      |
| Amounts owed by Group undertakings         | -                          | -                          | 1,583                      | 1,721                      |
| Other debtors                              | 1,925                      | 1,704                      | 532                        | 566                        |
| Prepayments                                | 1,362                      | 747                        | 472                        | 454                        |
| Accrued income                             | 8,146                      | 7,091                      | 6,841                      | 5,728                      |
|  | <b>18,226</b>              | <b>17,081</b>              | <b>14,833</b>              | <b>13,575</b>              |

**11. CREDITORS**

|  | Group                      |                            | Charity                    |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 |
| <b>Amounts falling due within one year</b> |                            |                            |                            |                            |
| Trade creditors                            | 1,788                      | 3,892                      | 1,755                      | 3,849                      |
| Amounts owed to Group undertakings         | -                          | -                          | 372                        | 195                        |
| Monies held on behalf of third parties     | 713                        | 708                        | 713                        | 708                        |
| Taxation and social security               | 1,587                      | 1,289                      | 1,369                      | 1,034                      |
| Other creditors                            | 2,503                      | 2,600                      | 453                        | 507                        |
| Accruals                                   | 4,480                      | 4,324                      | 3,509                      | 3,346                      |
| Deferred income                            | 10,987                     | 7,929                      | 10,564                     | 7,399                      |
|  | <b>22,058</b>              | <b>20,742</b>              | <b>18,735</b>              | <b>17,038</b>              |

|                                    | Group                      |                            | Charity                    |                            |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                    | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 |
| <b>Movement in deferred income</b> |                            |                            |                            |                            |
| Opening balance at 1 September     | 7,929                      | 8,276                      | 7,399                      | 7,819                      |
| Utilised in the year               | (7,929)                    | (7,418)                    | (7,399)                    | (6,961)                    |
| Income deferred in the year        | 10,987                     | 7,071                      | 10,564                     | 6,541                      |
| Closing balance at 31 August       | <b>10,987</b>              | <b>7,929</b>               | <b>10,564</b>              | <b>7,399</b>               |

Deferred income relates to tuition fee and contract income received in advance of related services being provided and to performance related grants where income is received in advance of entitlement.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**12. RESTRICTED FUNDS**

|   | European<br>Social Fund<br>Grants<br>£'000 | Grants from<br>the UK<br>Department<br>for Education<br>£'000 | Other<br>Restricted<br>Grants<br>£'000 | Alexandria<br>Schools<br>Trust<br>£'000 | League for the<br>Exchange of<br>Commonwealth<br>Teachers<br>£'000 | Total<br>Restricted<br>Funds<br>£'000 |
|---|--|---|--|---|--|---------------------------------------|
| <b>Balance at 31 August 2021</b>                          | -  | -   | <b>30</b>                              | <b>6,134</b>                            | <b>3</b>   | <b>6,167</b>                          |
| Income  | 5,716                                      | 736   | -                                      | 126                                     | -  | 6,578                                 |
| Expenditure   | (5,716)                                    | (736)   | (30)                                   | (210)                                   | (3)  | (6,695)                               |
| Net losses on investments                                 | -  | -   | -                                      | (281)                                   | -  | (281)                                 |
| <b>Balance at 31 August 2022</b>                          | -  | -   | -                                      | <b>5,769</b>                            | -  | <b>5,769</b>                          |
| Income  | 7,306                                      | 1,995   | 112                                    | 140                                     | -  | 9,553                                 |
| Expenditure   | (7,306)                                    | (1,995)   | (112)                                  | (289)                                   | -  | (9,702)                               |
| Net gains on investments                                  | -  | -   | -                                      | 3                                       | -  | 3                                     |
| <b>Balance at 31 August 2023</b>                          | -  | -   | -                                      | <b>5,623</b>                            | -  | <b>5,623</b>                          |
| <b>Restricted Fund Balance Sheet as at 31 August 2023</b> |  |   |  |   |  |                                       |
| Investments   | -  | -   | -                                      | 5,655                                   | -  | 5,655                                 |
| Current Liabilities                                       | -  | -   | -                                      | (32)                                    | -  | (32)                                  |
| <b>Net assets as at 31 August 2023</b>                    | -  | -   | -                                      | <b>5,623</b>                            | -  | <b>5,623</b>                          |
| <b>Restricted Fund Balance Sheet as at 31 August 2022</b> |  |   |  |   |  |                                       |
| Investments   | -  | -   | -                                      | 5,773                                   | -  | 5,773                                 |
| Current Liabilities                                       | -  | -   | -                                      | (4)                                     | -  | (4)                                   |
| <b>Net assets as at 31 August 2022</b>                    | -  | -   | -                                      | <b>5,769</b>                            | -  | <b>5,769</b>                          |

Grants from the UK Department for Education relate to the Behaviour Hubs programme.

Restricted grants are used for specific purposes as stipulated by the donor.

The assets of Alexandria Schools Trust were transferred to Education Development Trust on 1 April 2014. As part of the transfer agreement the former trustees of Alexandria Schools Trust placed restrictions on the use of the funds and therefore the fund is still treated as restricted in the Charity.

The charitable objectives of the League for the Exchange of Commonwealth Teachers are narrower than those of Education Development Trust.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**13. PROVISION FOR LIABILITIES AND CHARGES**
**GROUP**

|                                 | Dilapidations<br>£'000 | Other<br>payments<br>£'000 | Pension deficit<br>reduction<br>£'000 | Total<br>£'000 |
|---------------------------------|------------------------|----------------------------|---------------------------------------|----------------|
| As at 1 September 2022          | 561                    | 41                         | 12                                    | 614            |
| Utilised during the year        | -                      | -                          | (5)                                   | (5)            |
| Charge / (release) for the year | 8                      | (21)                       | -                                     | (13)           |
| <b>As at 31 August 2023</b>     | <b>569</b>             | <b>20</b>                  | <b>7</b>                              | <b>596</b>     |

**CHARITY**

|                                 |            |          |          |            |
|---------------------------------|------------|----------|----------|------------|
| As at 1 September 2022          | 561        | 20       | 12       | 593        |
| Utilised during the year        | -          | -        | (5)      | (5)        |
| Charge / (release) for the year | 8          | (20)     | -        | (12)       |
| <b>As at 31 August 2023</b>     | <b>569</b> | <b>-</b> | <b>7</b> | <b>576</b> |

**Provisions due in over one year**

Within the figures reported for both the Group and the Charity the following provisions are due after one year:

|                           | Dilapidations<br>£'000 | Other<br>payments<br>£'000 | Pension deficit<br>reduction<br>payments<br>£'000 | Total<br>£'000 |
|---------------------------|------------------------|----------------------------|---|----------------|
| <b>Due after one year</b> | <b>533</b>             | <b>-</b>                   | <b>2</b>  | <b>535</b>     |

The provision for dilapidations is a best estimate of the Group's liability as tenant for the repair and redecoration of leased buildings on termination of the leases. The timing of potential payments will be in line with the exit dates from leasehold properties.

The provision for pension deficit reduction payments relates to membership of the Pension Trust's Growth Plan. The £7,000 provision as at 31 August 2023 (2022: £12,000) shown above represents the present value of contributions payable by Education Development Trust that result from the terms of the deficit recovery plan.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023****14. PENSIONS**

The Group operates both defined contribution and defined benefit pension schemes. All pension liabilities and costs relate to unrestricted funds in the current and prior years.

**a. Defined contribution schemes**

The assets of these schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,292,857 (2021/22: £1,150,347). Contributions totalling £231,510 (2021/22: £207,380) were payable to the fund at the year end and are included in creditors.

The Group also participates in the Pension Trust's Growth Plan. This is a funded, multi-employer scheme with defined benefit characteristics. As it is not possible to identify on a consistent basis the share of underlying assets and liabilities belonging to an individual employer, this scheme is treated as a defined contribution scheme. Contributions payable in the year, amounted to £4,682 (2021/22: £14,200). The results of the Growth Plan scheme valuation as at 30 September 2020 showed a deficit of £31.6m. A recovery plan has been established which aims to eliminate the funding deficit over a period of 2 years and 10 months from April 2022. The additional employer contributions required from Education Development Trust as part of this recovery plan are £0.005m per annum. In line with the requirements of the SORP and FRS 102, the present value of contributions payable under the terms of this recovery plan must be recognised as a liability and this is detailed at note 13 to the consolidated financial statements.

**b. Defined benefit scheme**

The Charity participates in a local government pension scheme (LGPS) operated by The London Pension Fund Authority providing benefits based on final pensionable salary. The Charity also participates in both the Prudential Platinum Pension and the Mercer DB Master Trust Plan (formerly the Federated Pension Plan) which are multi-employer schemes. In both schemes the assets of each employer are kept entirely separate. The Charity is the principal employer of the Educational Exchanges Pension Scheme which is a closed scheme.

The pension cost of each scheme is determined on the advice of independent qualified actuaries. As required by FRS 102, the defined benefit liabilities have been measured using the projected unit method.

The assets of the defined benefit schemes are held separately from those of the Group.

**Derivation of figures**

The figures disclosed below have been derived by approximate methods from the latest full actuarial valuation of the funds. Each actuarial valuation was carried out by a qualified actuary independent of the plan's sponsoring employer. The latest actuarial valuations were carried out as at 31 March 2022 for the LGPS, as at 1 April 2021 for the Educational Exchanges Pension Scheme, as at 31 December 2020 for the Prudential Platinum scheme and as at 5 April 2021 for Mercer DB Master Trust Plan.

There is no provision for unitising the assets of a fund under the LGPS. The assets of each fund as a whole are allocated to participating bodies on a consistent and reasonable basis. The assumptions used in calculating defined benefit assets and liabilities are shown in the following table:

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**14. PENSIONS (continued)**
**Derivation of figures (continued)**

| <u>Assumptions</u>           | 2022/23     | 2021/22     |
|------------------------------|-------------|-------------|
| RPI                          | 3.30%-3.50% | 3.20%-3.50% |
| CPI                          | 2.30%-3.10% | 2.20%-3.20% |
| Salary increases per annum   | 2.80%-3.85% | 2.70%-4.20% |
| Pensions increases per annum | 2.30%-3.10% | 2.20%-3.30% |
| Discount rate per annum      | 5.30%-5.50% | 4.20%-4.30% |

**Mortality assumptions**

Each fund uses assumptions appropriate to that fund. The LGPS uses Club Vita tables with a long cohort projection and 1.25% improvement. The Educational Exchanges Pension Scheme, Prudential Platinum Scheme and Mercer DB Trust Plan all use the S3PA tables, long cohort with a 1.25% improvement.

|   | Year to<br>31 August 2023<br>£'000 | Year to<br>31 August 2022<br>£'000 |
|---|------------------------------------|------------------------------------|
| <b><u>Composition of assets and liabilities</u></b> |                                    |                                    |
| Equities  | 6,320                              | 6,245                              |
| Gilts   | 4,103                              | 2,386                              |
| Other bonds / property                              | 2,982                              | 2,420                              |
| Cash / other  | 2,254                              | 2,862                              |
| <b>Plan assets at fair value</b>                    | <b>15,659</b>                      | <b>13,913</b>                      |
| Derecognition of surplus*                           | (6,125)                            | -                                  |
| <b>Asset value recognised</b>                       | <b>9,534</b>                       | <b>13,913</b>                      |
| Present value of funded liabilities                 | (9,534)                            | (8,731)                            |
| <b>Net asset recognised</b>                         | <b>-</b>                           | <b>5,182</b>                       |

\*The trustees believe that there is a significant uncertainty in the valuation of the pension scheme assets as many of the assumptions that are leading to the net asset position could quite plausibly unwind, which increases the uncertainty on whether the net asset will ever be recovered. Consequently, we consider the recoverability of a net pension asset to be uncertain and therefore falls below the recognition threshold required under FRS 102.

|  | Year to<br>31 August 2023<br>£'000 | Year to<br>31 August 2022<br>£'000 |
|--|------------------------------------|------------------------------------|
| <b><u>Reconciliation of the present value of liabilities</u></b> |                                    |                                    |
| Opening present value of liabilities                             | 8,731                              | 12,679                             |
| Current service cost   | 143                                | 279                                |
| Past Service costs, including curtailments                       | -                                  | 55                                 |
| Interest cost  | 367                                | 206                                |
| Contributions by participants                                    | 24                                 | 32                                 |
| Net benefits paid out  | (357)                              | (294)                              |
| Recognition of insured annuity                                   | 1,893                              | -                                  |
| Actuarial gains  | (1,267)                            | (4,226)                            |
| <b>Closing present value of liabilities</b>                      | <b>9,534</b>                       | <b>8,731</b>                       |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**14. PENSIONS (continued)**

|  | Year to<br>31 August 2023<br>£'000 | Year to<br>31 August 2022<br>£'000 |
|--|------------------------------------|------------------------------------|
| <b><u>Reconciliation of the fair value of assets</u></b> |                                    |                                    |
| Opening fair value of assets                             | 13,913                             | 13,390                             |
| Interest income  | 590                                | 217                                |
| Re-measurement (losses) / gains:                         |                                    |                                    |
| Return on scheme assets excluding interest income        | (531)                              | 424                                |
| Other actuarial losses                                   | (56)                               | -                                  |
| Contributions by employer                                | 256                                | 224                                |
| Contributions by participants                            | 24                                 | 32                                 |
| Net benefits paid out                                    | (357)                              | (294)                              |
| Recognition of insured annuity                           | 1,893                              | -                                  |
| Administration expenses                                  | (73)                               | (80)                               |
| <b>Closing fair value of assets</b>                      | <b>15,659</b>                      | <b>13,913</b>                      |

**Return on assets**

|                         |    |     |
|-------------------------|----|-----|
| Actual return on assets | 59 | 641 |
|-------------------------|----|-----|

**Amount recognised in the SOFA**

|  |            |            |
|--|------------|------------|
| Current service cost                       | 143        | 279        |
| Past service costs, including curtailments | -          | 55         |
| Administration expenses                    | 73         | 80         |
| Net interest income                        | (223)      | (11)       |
| <b>(Income) / expense recognised</b>       | <b>(7)</b> | <b>403</b> |

|  | Year to<br>31 August 2023<br>£'000 | Year to<br>31 August 2022<br>£'000 |
|--|------------------------------------|------------------------------------|
| <b><u>Analysis of actuarial (loss) / gain recognised within the SOFA gains and losses category</u></b> |                                    |                                    |
| Actual return less interest income included in net interest income                                     | (531)                              | 424                                |
| Other actuarial losses on assets   | (56)                               | -                                  |
| Experience gains and losses arising on the scheme liabilities  | (382)                              | 87                                 |
| Changes in assumptions underlying the present value of scheme liabilities                              | 1,649                              | 4,139                              |
| Derecognition of surplus   | (6,125)                            | -                                  |
| <b>Total actuarial (losses) / gains</b>  | <b>(5,445)</b>                     | <b>4,650</b>                       |



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**15. OPERATING LEASE COMMITMENTS**

At 31 August there were annual commitments under non-cancellable operating leases expiring as follows:

|                           | At 31 August<br>2023<br>£'000 | At 31 August<br>2022<br>£'000 |
|---------------------------|-------------------------------|-------------------------------|
| <b>Land and buildings</b> |                               |                               |
| <b>Group</b>              |                               |                               |
| Within one year           | 2,303                         | 2,299                         |
| Within two to five years  | 2,972                         | 3,079                         |
| After five years          | 7,791                         | 7,052                         |
|                           | <b>13,066</b>                 | <b>12,430</b>                 |
| <b>Charity</b>            |                               |                               |
| Within one year           | 783                           | 760                           |
| Within two to five years  | 2,512                         | 2,626                         |
| After five years          | 7,791                         | 7,052                         |
|                           | <b>11,086</b>                 | <b>10,438</b>                 |

The land and building lease commitment figure for both the Charity and the Group includes a total of £1.8m (2021/22: £2.2m) relating to properties which are sub-let to another organisation.

Future amounts receivable under non-cancellable subleases are as follows:

|                           | At 31 August<br>2023<br>£'000 | At 31 August<br>2022<br>£'000 |
|---------------------------|-------------------------------|-------------------------------|
| <b>Land and buildings</b> |                               |                               |
| <b>Group and Charity</b>  |                               |                               |
| Within one year           | 401                           | 389                           |
| Within two to five years  | 1,370                         | 1,604                         |
| After five years          | -                             | 167                           |
|                           | <b>1,771</b>                  | <b>2,160</b>                  |

**16. CONTINGENT LIABILITIES**

|   | At 31 August<br>2023<br>£'000 | At 31 August<br>2022<br>£'000 |
|---|-------------------------------|-------------------------------|
| <b>Guarantees</b>                           |                               |                               |
| CfBT Education Services (B) Sdn Bhd         | 482                           | 750                           |
| EDT Middle East Educational Consultancy LLC | 64                            | 54                            |
|   | <b>546</b>                    | <b>804</b>                    |

The bank guarantees are issued in favour of clients and overseas government departments based on the above group entities' contractual obligations and would crystallise only on default of these obligations.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**17. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

|   | -----GROUP-----                |                              |                           | -----CHARITY-----              |                              |                           |
|---|--------------------------------|------------------------------|---------------------------|--------------------------------|------------------------------|---------------------------|
|   | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>2021/22<br>£'000 | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>2021/22<br>£'000 |
| <b>INCOME</b>   |                                |                              |                           |                                |                              |                           |
| <b><u>Income from investments</u></b>                 |                                |                              |                           |                                |                              |                           |
| Dividends receivable                                  | 81                             | 126                          | 207                       | 384                            | 126                          | 510                       |
| Rental income   | 410                            | -                            | 410                       | 403                            | -                            | 403                       |
| Interest income                                       | 50                             | -                            | 50                        | 16                             | -                            | 16                        |
| <b><u>Income from charitable activities</u></b>       |                                |                              |                           |                                |                              |                           |
| UK  | 26,398                         | 6,452                        | 32,850                    | 26,399                         | 6,452                        | 32,851                    |
| Africa, Middle East and Asia                          | 40,477                         | -                            | 40,477                    | 23,763                         | -                            | 23,763                    |
| Research and Consultancy                              | 4,923                          | -                            | 4,923                     | 4,924                          | -                            | 4,924                     |
| Independent Schools                                   | 10,153                         | -                            | 10,153                    | 7,895                          | -                            | 7,895                     |
| <b>Total income</b>                                   | <b>82,492</b>                  | <b>6,578</b>                 | <b>89,070</b>             | <b>63,784</b>                  | <b>6,578</b>                 | <b>70,362</b>             |
| <b>EXPENDITURE</b>                                    |                                |                              |                           |                                |                              |                           |
| <b><u>Expenditure on raising funds</u></b>            |                                |                              |                           |                                |                              |                           |
| Investment managers' fees                             | 17                             | 27                           | 44                        | 17                             | 27                           | 44                        |
| Other costs   | 409                            | -                            | 409                       | 409                            | -                            | 409                       |
| <b><u>Expenditure on charitable activities</u></b>    |                                |                              |                           |                                |                              |                           |
| UK  | 23,539                         | 6,485                        | 30,024                    | 24,343                         | 6,482                        | 30,825                    |
| Africa, Middle East and Asia                          | 41,100                         | -                            | 41,100                    | 23,777                         | -                            | 23,777                    |
| Research and Consultancy                              | 4,255                          | 183                          | 4,438                     | 4,376                          | 183                          | 4,559                     |
| Independent Schools                                   | 9,782                          | -                            | 9,782                     | 7,709                          | -                            | 7,709                     |
| <b>Total expenditure</b>                              | <b>79,102</b>                  | <b>6,695</b>                 | <b>85,797</b>             | <b>60,631</b>                  | <b>6,692</b>                 | <b>67,323</b>             |
| <b>Total income less total expenditure</b>            | <b>3,390</b>                   | <b>(117)</b>                 | <b>3,273</b>              | <b>3,153</b>                   | <b>(114)</b>                 | <b>3,039</b>              |
| Net losses on investments                             | (177)                          | (281)                        | (458)                     | (177)                          | (281)                        | (458)                     |
| <b>Net income / (expenditure)</b>                     | <b>3,213</b>                   | <b>(398)</b>                 | <b>2,815</b>              | <b>2,976</b>                   | <b>(395)</b>                 | <b>2,581</b>              |
| <b><u>Other recognised gains and losses</u></b>       |                                |                              |                           |                                |                              |                           |
| Actuarial gain on defined benefit pension schemes     | 4,650                          | -                            | 4,650                     | 4,650                          | -                            | 4,650                     |
| Exchange gain on conversion of subsidiaries           | 1,064                          | -                            | 1,064                     | -                              | -                            | -                         |
| <b>Total recognised gains for period</b>              | <b>5,714</b>                   | <b>-</b>                     | <b>5,714</b>              | <b>4,650</b>                   | <b>-</b>                     | <b>4,650</b>              |
| <b>Net movement in funds before minority interest</b> | <b>8,927</b>                   | <b>(398)</b>                 | <b>8,529</b>              | <b>7,626</b>                   | <b>(395)</b>                 | <b>7,231</b>              |
| Less: minority interest                               | (554)                          | -                            | (554)                     | -                              | -                            | -                         |
| <b>Net movement in funds after minority interest</b>  | <b>8,373</b>                   | <b>(398)</b>                 | <b>7,975</b>              | <b>7,626</b>                   | <b>(395)</b>                 | <b>7,231</b>              |
| <b>Balance brought forward at 1 Sept 2021</b>         | <b>20,553</b>                  | <b>6,167</b>                 | <b>26,720</b>             | <b>15,678</b>                  | <b>6,164</b>                 | <b>21,842</b>             |
| <b>Balance carried forward at 31 Aug 2022</b>         | <b>28,926</b>                  | <b>5,769</b>                 | <b>34,695</b>             | <b>23,304</b>                  | <b>5,769</b>                 | <b>29,073</b>             |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**
**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|  | -----GROUP-----                |                              |                               |                | -----CHARITY-----              |                              |                |
|--|--------------------------------|------------------------------|-------------------------------|----------------|--------------------------------|------------------------------|----------------|
|  | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Minority<br>Interest<br>£'000 | Total<br>£'000 | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>£'000 |
| Tangible assets                        | 5,242                          | -                            | -                             | 5,242          | 4,216                          | -                            | 4,216          |
| Investments                            | 3,789                          | 5,655                        | -                             | 9,444          | 3,992                          | 5,655                        | 9,647          |
| Net current assets / (liabilities)     | 15,279                         | (32)                         | 2,882                         | 18,129         | 10,713                         | (32)                         | 10,681         |
| Provisions for liabilities and charges | (596)                          | -                            | -                             | (596)          | (576)                          | -                            | (576)          |
| Defined benefit pension schemes        | -                              | -                            | -                             | -              | -                              | -                            | -              |
| <b>Net Assets as 31 August 2023</b>    | <b>23,714</b>                  | <b>5,623</b>                 | <b>2,882</b>                  | <b>32,219</b>  | <b>18,345</b>                  | <b>5,623</b>                 | <b>23,968</b>  |
| Tangible assets                        | 5,883                          | -                            | -                             | 5,883          | 4,606                          | -                            | 4,606          |
| Investments                            | 3,703                          | 5,773                        | -                             | 9,476          | 3,906                          | 5,773                        | 9,679          |
| Net current assets / (liabilities)     | 14,772                         | (4)                          | 3,237                         | 18,005         | 10,203                         | (4)                          | 10,199         |
| Provisions for liabilities and charges | (614)                          | -                            | -                             | (614)          | (593)                          | -                            | (593)          |
| Defined benefit pension schemes        | 5,182                          | -                            | -                             | 5,182          | 5,182                          | -                            | 5,182          |
| <b>Net Assets as 31 August 2022</b>    | <b>28,926</b>                  | <b>5,769</b>                 | <b>3,237</b>                  | <b>37,932</b>  | <b>23,304</b>                  | <b>5,769</b>                 | <b>29,073</b>  |

**19. FINANCIAL INSTRUMENTS**

|  | Group                      |                            | Charity                    |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 | As at<br>31/08/23<br>£'000 | As at<br>31/08/22<br>£'000 |
| Financial assets held at amortised cost      | 38,825                     | 38,000                     | 28,944                     | 26,783                     |
| Financial assets held at fair value          | 9,444                      | 9,476                      | 9,444                      | 9,476                      |
| Financial liabilities held at amortised cost | 9,484                      | 11,524                     | 6,802                      | 8,605                      |

Financial assets held at amortised cost comprise cash and debtors excluding prepayments.

Financial assets held at fair value are investments.

Financial liabilities held at amortised cost comprise creditors excluding taxation and deferred income.