



AQA Education

A company limited by guarantee

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Registered company number 03644723

Registered charity number 1073334

www.aqa.org.uk

AQA Education

Directors' and Trustees' Report including Strategic Report

Contents

<u>Who we are</u>	3
<u>Our purpose</u>	3
<u>Public benefit</u>	3
<u>Our aims, activities and strategy</u>	3
<u>Achievements and Performance</u>	4
<u>Empowering learners and driving attainment</u>	4
<u>Supporting educators and professional growth</u>	6
<u>Pioneering future assessment and policy</u>	7
<u>Cultivating a thriving culture and sustainable operations</u>	8
<u>Looking ahead</u>	9
<u>Structure, governance and management</u>	9
<u>Legal Status</u>	9
<u>Group structure</u>	9
<u>Governance and leadership</u>	10
<u>Trustee recruitment and induction</u>	12
<u>Pay and Remuneration</u>	12
<u>Other Relationships</u>	13
<u>Reference and administrative details</u>	13
<u>The Charity Code of Governance – what it means to us</u>	14
<u>Section 172(1) reporting</u>	16
<u>Stakeholder engagement</u>	16
<u>Decision making</u>	17
<u>Environmental policy</u>	18
<u>Risk management</u>	20
<u>Financial review</u>	21
<u>Statement of Trustees' responsibilities</u>	26
<u>Independent auditors report</u>	28
<u>Statement of financial activities</u>	32
<u>Statement of financial position</u>	33
<u>Statement of cash flows</u>	35
<u>Notes to the financial statements</u>	36
<u>Legal and administrative details</u>	81

AQA Education

Directors' and Trustees' Report including Strategic Report

Who we are

The Trustees of AQA Education present their annual report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 March 2025. AQA is an education charity with more than 120 years of assessment expertise and knowledge. We are the most chosen general qualifications (GQ) awarding body in England.

We design and deliver rigorous and fair assessment to more than one million learners every year and believe that fair and inclusive assessment is at the heart of learning.

Our purpose

AQA exists solely to help learners succeed. This is reflected in our charitable purpose:

To advance education by enabling teachers and students to realise their potential

Our charitable object as described in our Governing Document is to advance education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of examinations for the award of general certificate of education, general certificate of secondary education and general national vocational qualification or such other certificates as may be substituted by them and any other tests, examinations or other systems of assessing and recording academic or other achievement.

Public benefit

We are confident in our role as a charity. We deliver services to the public and meet the Charity Commission's public benefit requirements, with specific attention to ensuring that our services benefit society through advancing education, increasing social mobility and promoting learning. We have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Our aims, activities and strategy

At AQA, our unwavering purpose is to advance education by enabling teachers and students to realise their full potential. As a leading education charity with more than 120 years of expertise, we firmly believe that fair, rigorous, and inclusive assessment is the cornerstone of effective learning and progression. Our charitable objects guide every aspect of our work, from the development and administration of examinations for general and vocational qualifications to pioneering new assessment systems, all for the public good. We aim to fulfil our charitable purpose by growing our activity across the full spectrum of educational assessment while also maintaining a broad portfolio of qualifications, including those that may not be commercially profitable but continue to hold significant educational value. We do this so that we can continue to raise the quality of teaching and learning for our customers and learners in the UK and internationally.

Our strategic framework is built upon six interconnected objectives, each designed to ensure we remain responsive and impactful at the forefront of educational advancement. These objectives are not merely internal targets; they are commitments to the educational community, guiding our investments in people, technology and partnerships to create a more equitable and effective assessment system for all.

- **To diversify and grow:** we will accelerate UK and international diversification so that we can reach more learners in both vocational and academic study.
- **To shape the future:** in support of our charitable purpose, our expertise and insights will actively inform policy so that we help shape the future of education for the benefit of learners and educators; our world-class research underpins this objective, enhancing assessment accessibility and informing best practice across the sector.
- **To lead digital change:** we will embrace digital transformation, leveraging the full capabilities of Artificial Intelligence (AI) and data while adhering to ethical guidelines, so that we can deliver more engaging, adaptable and accessible assessments; this involves working collaboratively with schools, colleges, our regulator (Ofqual), other assessment bodies and government to ensure the transition to digital assessments truly enhances the learning experience.

AQA Education

Directors' and Trustees' Report including Strategic Report

Our aims, activities and strategy (continued)

- **To be the customer's first choice:** we are customer focused in all that we do, going above and beyond to meet our customers' needs. This includes: actively engaging with government calls for evidence on topics such as the Curriculum & Assessment Review so that we continually improve outcomes for learners and educators; and by providing them with the precise support and resources they need to thrive.
- **To be AQA in all we do:** we will continue to build an environment where all colleagues feel valued and supported to learn and thrive, positioning us as a leader in fostering diversity, inclusion and fairness. Looking outward, we will play our part in protecting our environment and reducing the impact of climate change.
- **To be fit for the future:** we will optimise organisational efficiency and effectiveness to secure our future readiness for the benefit of customers, learners, colleagues and associates. This involves continuous refinement of our core processes to deliver high-quality assessments reliably and efficiently, safeguarding the integrity of the examination system for generations to come.

Achievements and Performance

Our commitment to advancing education is reflected in our achievements during financial year 2024/25. These accomplishments highlight our work and contributions to learners, educators, and the wider community. They demonstrate our dedication to public benefit, showing how our efforts deliver positive outcomes and contribute to strengthening the educational sector. Grouped by strategic impact, these achievements illustrate our ongoing work to build a fairer and more effective educational landscape.

1. Empowering learners and driving attainment

At the heart of AQA's mission is the learner. We strive for every individual to have access to high-quality, fair and relevant assessments that recognise their achievements and support their progression, regardless of their background. Throughout the year, our work has been driven by this commitment, evidenced by achievements such as:

- **Unrivalled qualification delivery:** in academic year 2023/24, AQA successfully issued **4,032,866 certificates** across GCSE, AS, and A-levels, supporting the progression of **1,210,401 learners** - more certificates than any other UK exam board. Our commitment ensures that more than a million young people each year receive their qualifications on time, supporting them to pursue their next steps in education, employment, or training, and contributing to national skills development.
- **Prioritising educational value across our qualifications:** we continued to offer qualifications that, while not commercially profitable, hold significant educational value and underline our charitable purpose. For academic year 2023/24, over 50 out of 115 products were unprofitable, representing a deficit of **£7.4m**, with a similar commitment for academic year 2024/25 where 63 out of 114 products are projected to incur an **£8.2m** deficit. This strategic approach to our portfolio ensures that vital subjects, which might otherwise be withdrawn due to market forces, remain available to students, fostering access to a wider range of qualifications.
- **Supporting diverse learners through the Unit Award Scheme (UAS):** our Unit Award Scheme continues to recognise and reward the achievements of all learners, regardless of their age, ability or interests. In the academic year 2023/24, we supported more than **50,000 learners** and completed **722 new organisation registrations** for UAS. This expansion has included traditional academic centres, football clubs, police youth initiatives, as well as supporting offenders in prison. A notable success story includes our partnership with the University of Southampton, where UAS provided tangible certification for young people involved as 'Youth Consultants' in outreach programmes, evidencing their employability skills. This initiative helped underrepresented students, such as young carers or learners from neighbourhoods with low university participation to recognise their potential.

AQA Education

Directors' and Trustees' Report including Strategic Report

Achievements and Performance (continued)

- **Expanding vocational opportunities with Training Qualifications UK:** TQUK has achieved record growth, significantly contributing to the UK's skills offer. With **190,913 total registrations** on regulated qualifications and **142,164 total certifications** in academic year 2023/24, we are supporting more individuals to gain industry-recognised skills. We also surpassed **1 million all time registrations** onto regulated qualifications, and further enriched the vocational market by adding four new End Point Assessment (EPA) standards to our portfolio, including our first-ever level 7 offering. The **total number of registrations on EPA standards was 17,786**, and **total completions of EPA reached 8,587**. This directly addresses industry needs and supports career progression for thousands of individuals.
- **Developing real-world numeracy skills:** AQA is developing an innovative numeracy qualification to help improve the numeracy of learners in England. The teaching and learning materials and assessments will be based on common, real-life scenarios and application of numeracy skills. Feedback from large-scale prototype trials has shown enthusiasm for a form of qualification assessing numeracy in real-life contexts. We are actively incorporating feedback from educators and learners, including under-represented learner voices from further education and alternative provision settings, to ensure the product's accessibility and functionality meet diverse needs. Learner participants in the trials were awarded Unit Award Scheme certificates to acknowledge their contribution, encouraging engagement with essential life skills.
- **Supporting learners with additional needs and inclusive assessment practices:** AQA is deeply committed to ensuring fair and equitable assessment for all students, especially the **more than 1.7 million with Special Educational Needs and Disabilities (SEND) in the UK**. We actively remove barriers by providing a range of reasonable adjustments, such as extra time or modified papers. We significantly advanced assessment accessibility through new projects with specialist organisations, and, in December 2024, we published a key research report on universal design for digital assessments, guiding our efforts to prioritise accessibility from the outset. Leveraging our widely recognised expertise in accessible assessment, AQA influenced national policy and training initiatives this year, working to ensure future assessment practices are more equitable for all learners.
- **Expanding global assessment services:** AQA is actively expanding its reach to advance education globally, offering comprehensive products and services to governments and awarding organisations. Our independent expertise in assessment design, delivery, and technology ensures that learners worldwide benefit from fair and rigorous evaluations. This includes leveraging cutting-edge platforms like e-Marker®, which digitally marks more than 12 million exams annually, and GradeMaker, which supports the efficient authoring of high-quality assessment items. Our education consultancy, AlphaPlus, has delivered cumulatively more than 6 million on-screen assessments, with 1.5 million technology-enhanced adaptive assessments this year alone, providing insights for learner interventions. Working with clients in more than 100 countries, AQA Global Assessment Services regularly engages in regions including the Middle East, Africa, and Asia, sharing best practices, providing training, and fostering collaboration to improve assessment validity and reliability. This encompasses diverse projects such as curriculum development, psychometric services, and large-scale trial tests.
- **OxfordAQA International Qualifications:** OxfordAQA, our joint venture with Oxford University Press, is dedicated to helping international learners achieve their full potential and access global university and career opportunities. We have seen significant year-on-year growth in both entries and centre approvals, demonstrating increased access to our rigorous and fair qualifications for learners worldwide. To provide international learners with broader and more relevant choices, OxfordAQA has expanded its product offer into Europe, Africa, and Asia. This expansion includes adding seven new specifications, such as the first and only International GCSE for Media Studies, and now offers 21 GCSEs and 14 AS/A-level specifications across 53 new countries, ensuring students globally are well-prepared for their next steps.
- **Securing standards for future cohorts:** AQA led vitally important work to ensure students taking GCSE exams in academic year 2025/26 are not disadvantaged by the absence of SATs data, due to Covid school closures. This proactive research and analysis will ensure that standards are consistent and fair for these learners, mitigating potential educational inequalities and safeguarding the integrity of future examination series.

AQA Education

Directors' and Trustees' Report including Strategic Report

Achievements and Performance (continued)

AQA impacts millions of learners through qualification delivery, expanded vocational and alternative pathways, and the development of future-focused, accessible qualifications. Our commitment to recognising diverse achievements and providing relevant, high-quality assessments ensures that every student has the opportunity to succeed and progress, directly fulfilling our charitable purpose.

2. Supporting educators and professional growth

Educators, schools and colleges are our primary customers, and their ability to effectively educate and prepare learners remains critical to our success. We are committed to offering innovative tools, comprehensive training and responsive support so that educators have the right resources to excel and enhance learner outcomes.

- **Revolutionising Maths Readiness with AQA Stride:** launched in June 2024, AQA Stride is our fully funded GCSE Maths readiness diagnostic tool. Developed from extensive research, this adaptive assessment provides educators with clarity on learners' understanding of fundamental GCSE mathematics concepts. By precisely identifying knowledge gaps, Stride supports targeted interventions, fostering learner independence and confidence. Offered at no cost to all schools, this resource reduces teacher workload through personalised insights, automated marking, and instant reports. As part of AQA's overall formative assessment and exam preparation offering, including Exampro, 92% of State Funded Secondary Schools now utilise these tools, impacting how students are prepared for assessments nationwide.
- **Data Insights:** In March 2025, we launched our new and improved exam results analysis platform, Data Insights. This platform provides customers at both centre and Multi-Academy Trust (MAT) level with the means to analyse exam results in more depth. User guidance was created to help educators gain valuable insights from the data available in the Data Insights dashboard. This directly assists schools in identifying areas for improvement, contributing to more effective teaching and improved learner outcomes.
- **Strengthening support for Exams Officers:** Exams Officers play a pivotal role in the seamless delivery of examinations, acting as the crucial link between exam boards and schools. Recognising this vital function, AQA has invested in a new Exams Officer Engagement Team, created in April 2024, to develop a stronger connection with this essential community. Every member of the team has been an Exams Officer before joining AQA, ensuring they fully understand customer demands and the support required. Since its formation, the training and support the team have delivered is generating results, for example, a **13% increase in right first time GCSE entries for Summer 2025**. This directly reduces administrative burden, and ensures a smoother, more accurate examination process for students.
- **Comprehensive professional development for educators:** our termly customer training programmes, directly linked to the national curriculum, enable our customers to be prepared, equipped, and informed to apply training content to their classrooms and seek opportunities to maximise learners' potential when undertaking AQA exams. During the academic year 2023/24, our national training programme delivered **380 events to more than 16,000 customers** and our communities programme, which includes 'curriculum connect' events, delivered more than **230 events to more than 19,000 customers** (an increase of 36% on the previous year).
- **Professionalising our Associates:** In 2024, AQA introduced digital badges for examiners and moderators to showcase their expertise on LinkedIn, email signatures, and CVs. Over **8,000 educators** have shared their badge, and following its success, the initiative will continue for those marking or moderating in 2025, enhancing their professional profiles and recognising their vital role in assessment quality.
- **High customer satisfaction:** our customer satisfaction (CSAT) score has significantly improved, showing a **10 percentage point increase** this year. Customer experience is of vital importance to AQA, as it directly impacts trust, loyalty and our ability to support educators and learners. We believe that when educators feel supported and valued, they are better equipped to help their learners succeed. Our new, modernised website and the introduction of our virtual assistant and live chat facility have helped educators to save time because they can quickly and easily find the information and support they need. Furthermore, our customer turnover data – which indicates the rate at which customers discontinue their relationship with us – remains consistently low. This sustained positive perception and low customer turnover demonstrate our success in putting customers first and provide a strong platform for future growth.

AQA Education

Directors' and Trustees' Report including Strategic Report

Achievements and Performance (continued)

AQA's investment in digital tools such as AQA Stride and Data Insights, coupled with enhanced customer service channels and tailored professional development, has strengthened the resources available to educators. Our engagement and responsiveness to feedback, alongside high customer satisfaction and low turnover, indicates that educators, schools, and colleges feel supported, reflecting our commitment to being the **'customer's first choice'**.

3. Pioneering future assessment and policy

As an organisation committed to educational advancement, we seek to use our expertise and insights to inform and influence educational policy. Our aim is for the future of assessment to best serve learners and educators. Our research and advocacy with policymakers contribute to fostering an education system that is responsive, equitable and forward-looking.

- **Influencing national policy for student benefit:** in November, we published our comprehensive response to the government's consultation on the Curriculum and Assessment Review. The response, informed by the views of young people and educators, welcomed an evolutionary approach to reform. Our feedback highlighted key areas where the government should focus to improve outcomes for all learners, including: areas where content and assessment time could be trimmed; suggestions for how to enhance numeracy and digital fluency skills; cautiously transitioning to digital assessment; addressing logistical challenges for access arrangements; and reforming vocational qualifications. Our continued engagement with policy makers ensures AQA's expertise, drawn directly from educators and learners, informs national policy decisions, leading to better outcomes for all learners.
- **Shaping Ethical AI in Assessment:** throughout 2024/25, AQA actively contributed to discussions on AI in education, recognising both its potential and responsibilities. We have led the development of a comprehensive AI ethical framework and principles, ensuring our activities align with AQA values. Our experts and leaders share insights through workshops, presentations at major educational events, academic publications, and directly with regulatory bodies like Ofqual's AI and Marking group, helping to inform sector-wide thinking.
- **Exploring AI for Classroom Support:** we have investigated AI's potential to support student learning and assist educators in the classroom. This includes research into how AI can provide efficient feedback, contribute to time savings for educators, and offer guidance on effective prompting skills. Our work also explores the practical benefits and considerations of various AI models for educational tasks, providing insights for future teaching practices.
- **Investing in AI for Assessment Quality:** AQA continues to invest in research focused on AI and marking explainability. This work aims to enhance how we use AI to support our operational processes, contributing to greater fairness and quality assurance in marking. It aligns with our AQA value to 'never let a learner down' and supports assessment integrity for the entire sector.
- **Developing digital qualifications for future needs:** to ensure AQA's portfolio remains innovative and prepares learners for an increasingly digital world, we are actively developing new digital-first qualifications. This includes the redevelopment of GCSE Computer Science as a digital product, targeting first teaching in 2028 and first examination in 2030 (subject to Ofqual timelines). Additionally, GCSE Italian and Polish (reading and listening components) and A-level Philosophy are being redeveloped as digital products, aiming for first teaching in 2026 and first examination in 2028 (subject to Ofqual accreditation processes). These strategic digital developments ensure our qualifications are responsive to future curriculum reform and provide enhanced learning experiences, directly contributing to learners' readiness for a digital-first future.

AQA's proactive engagement in national policy, coupled with its research in AI and digital assessment, demonstrates its unwavering commitment **'To shape the future'** of education. By influencing policy, developing ethical AI frameworks, and contributing expertise to the wider sector, AQA helps ensure that assessment practices are robust, fair and relevant for future generations of learners.

AQA Education

Directors' and Trustees' Report including Strategic Report

Achievements and Performance (continued)

4. Cultivating a thriving culture and sustainable operations

AQA's commitment extends beyond direct educational services to fostering an inclusive internal culture. We believe that a healthy organisation, dedicated to its people and the planet, is best positioned to deliver its charitable mission effectively and sustainably. This approach underpins our strategic objective '**To be AQA in all we do**', ensuring our internal practices reflect our external mission of public benefit.

- **Investing in Our People:** we actively develop a culture of accountability and continuous improvement by embedding our co-created organisational behaviours through initiatives such as the People Manager Expectations and line manager feedback. Our commitment to talent is evidenced by continued investment in colleague growth through Skill Up sessions, bitesize learning opportunities, and refreshed performance and development tools, expanding access to formal routes like qualifications and apprenticeships for long-term career progression. We have also progressed our Inclusive Recruitment work to ensure fairer, more transparent hiring practices. Furthermore, our strategic focus on internal mobility saw **42% of all vacancies filled internally** during the year, showcasing our dedication to colleague career development and retaining valuable talent. A significant investment has been made in the Employee Forum to amplify colleague voice.
- **Fostering an Inclusive and Supportive Workplace:** at AQA, championing diversity and inclusion is not just a strategic imperative; it is fundamental to our core values and reflects our unwavering belief that it is simply the right thing to do. We are committed to building a workplace where every colleague feels valued, respected, and equipped to reach their full potential, knowing that a diverse workforce better reflects the learners we serve. This year, we have made significant progress in embedding this commitment. We have mobilised our colleague networks and given them dedicated support, all having Executive Sponsors, and we've also introduced a working parents and carers group. We formally signed up as a member of Inclusive Employers, championing our commitment to building a workplace where all employees feel valued and supported. Our new diversity and inclusion strategy, developed with clear priorities and a roadmap, aims to develop a more inclusive workplace and addresses key challenges including our gender and ethnicity pay gaps. We are committed to the wellbeing of our colleagues, introducing new resources and campaigns that help normalise conversations around mental health, neurodiversity and caring responsibilities. We've introduced new networks and strengthened our approach to inclusive leadership through tailored development support for people managers. Additionally, we updated and relaunched our maternity, paternity and shared parental leave policies, improving flexibility and support for working parents and carers. These changes were informed by employee feedback and benchmarked against best practice, demonstrating our commitment to creating a truly supportive environment that enables our colleagues to thrive both professionally and personally.
- **Advancing environmental stewardship:** our commitment to the wider community includes significant strides in sustainability. We have undertaken emissions calculations from our top tier suppliers which is helping form a full carbon reduction plan. We have also formed a Sustainability Champions group whose members have been trained and accredited as carbon literate through the Carbon Literacy Project. This group works on sustainability projects within our local communities. Our Net Zero pre-strategy continues to evolve, with the full strategy and carbon reduction plan due to go to our Board of Trustees for approval in **September 2025**. This ambitious plan captures an enhanced reduction target for each of the Greenhouse Gas protocols, further demonstrating our commitment to achieve net zero emissions before 2050. We contribute to our wider communities through fundraising initiatives, IT equipment donations to local schools and by offering colleagues five days of paid leave annually for charitable activities. Furthermore, we monitor and maintain business travel at a minimum **25% reduction** compared to our 2018/19 baseline year and uphold our policy of not using domestic air travel. We have collaborated with our printing supply chain to test paper-based packaging alternatives and are nearing a live pilot with a selection of centres. We are also in the middle of a supplier review exercise to determine viable alternate options to single use plastic packaging for non-secure examination materials which is due for completion by **December 2025**.

AQA Education

Directors' and Trustees' Report including Strategic Report

Achievements and Performance (continued)

Robust commitment to our people and our environmental responsibilities is integral to our purpose as a leading charity. By fostering an inclusive and supportive workplace culture, investing in colleague development, and taking decisive action on sustainability, we are not only strengthening our organisation internally but also ensuring that our operations align with our broader mission of public benefit. These collective efforts powerfully embody our strategic objective **'To be AQA in all we do'**, demonstrating our commitment to excellence in all aspects of our work and strengthening our position as a global educational leader.

Looking ahead

AQA's priorities are firmly centred on understanding and meeting the needs of our customers. Building on the significant achievements of financial year 2024/25, we will continue to enhance the experience, assessments and services AQA offers, ensuring we remain a trusted partner.

A primary focus will be our commitment to supporting our customers through upcoming educational reforms, ensuring a smooth transition and providing clarity and confidence every step of the way. We will continue to diversify by growing our Vocational and Technical Qualifications (VTQ) portfolio, providing a broader range of valuable pathways and choices that meet the differing needs of learners and the skills requirements of the economy. We will also expand our global assessment services provision, extending our independent expertise to international education ministries and organisations. Our goal is to deliver rigorous and fair assessment solutions that enhance educational standards and outcomes for learners around the world.

Digital advance will remain a key enabler for our customers. We will continue to be at the forefront of digital adoption in assessment, building on successful platforms and tools to make interactions simpler and more efficient for educators and learners. Our research and development will further explore the transformative impact of AI, not just to enhance the quality and assurance of our core processes, but, crucially, to identify and develop new opportunities to support teaching and learning, providing richer insights and saving valuable time for educators. Our commitment to educators remains paramount: we will continue to explore and develop innovative tools and resources designed to enhance the support we provide to educators and learners, enriching their experience and improved outcomes.

Structure, governance and management

Legal Status

AQA's legal status is as a UK company limited by guarantee (Number: 3644723) and registered as a charity with the Charity Commission for England and Wales (Number 1073334). The role and duties of the Trustees are therefore governed by Charity law and Company law. As a charitable company, AQA is regulated by the Charity Commission for England and Wales and Companies House and therefore must comply with the policies and guidance of both regulators. AQA operates under a set of Articles and a Memorandum of Association. The Articles of Association are the rules which deal with the charity's status and regulate its internal management.

Group structure

AQA is an education charity and a leading provider of qualifications and support services for educators and learners. We also provide services through four wholly-owned trading subsidiary companies: Doublestruck Limited (Doublestruck), AQA Assessment Services Limited (AASL), AlphaPlus Consultancy Ltd (AlphaPlus), and Training Qualifications UK Limited (TQUK). Also part of the Group are the holding company AQA Commercial Services Limited (ACSL) and the dormant subsidiary company GradeMaker Limited (GradeMaker). Two wholly-owned dormant subsidiary companies, Blutick Limited (Blutick) and AC3 Solutions Limited (AC3), were dissolved after the year end. All eight legal entities are detailed below.

AQA Education

Directors' and Trustees' Report including Strategic Report

Structure, governance and management (continued)

- Doublestruck Limited (company number: 02373295) is a company incorporated in England and Wales and limited by shares. It operates as a provider of online databases of past paper questions for primary and secondary schools to support high quality, focused teaching and assessment for all ages.
- AQA Assessment Services Limited (formerly AQA Milton Keynes Limited) (company number: 05568337), is a company incorporated in England and Wales and limited by shares. It operates as a data capture bureau offering scanning services, and provides the online marking platform used by examiners and markers.
- AlphaPlus Consultancy Limited (company number: 04801609) is a company incorporated in England and Wales and limited by shares. It operates as an education service business that provides advisory, development and digital solutions for standards, assessment and certification.
- Training Qualifications UK Limited (TQUK) (company number: 07827508) is a company incorporated in England and Wales and limited by shares. It operates as an End-Point Assessment Organisation built on innovation and technology that is supporting the UK qualification and assessment sector. TQUK is an Ofqual recognised Awarding Organisation and provides regulated qualifications that sit on the Regulated Qualifications Framework (RQF).
- AQA Commercial Services Limited (company number: 1429239) is a company incorporated in England and Wales and limited by shares and wholly-owned by AQA. It was incorporated on 16 August 2022. It acts as an intermediate holding company with trading subsidiaries underneath. The trading subsidiaries of AQA Commercial Services Limited are Doublestruck Limited, AlphaPlus Consultancy Limited, Training Qualifications UK Limited and AQA Assessment Services Limited. Dormant subsidiaries are Blutick Limited and GradeMaker Limited.
- GradeMaker Limited (company number: 08936673) is a company incorporated in England and Wales and limited by shares. It was acquired on 1 April 2023. In November 2023, the trade and assets were transferred to AQA Assessment Services and GradeMaker became dormant. It provides assessment authoring and item banking technology, used around the world to create high stakes examination papers and other assessments.
- Blutick Limited (company number: 11318113) is a company incorporated in England and Wales and limited by shares. It was acquired on 8 November 2022. On 31 March 2024 the trade and assets were transferred to Doublestruck and Blutick became dormant. It operated as an AI-driven platform, which supported the teaching, learning and assessment of Key Stage 3, GCSE and A-level Mathematics. This company was dissolved in May 2025.
- AC3 Solutions Limited (company number: 08453864) is a company incorporated in England and Wales and limited by shares. It was acquired on 5 December 2022. It provides a project management and reporting tool designed for the Extended Project Qualification (EPQ) submissions. On 31 March 2024, the trade and assets were transferred to AQA Education. This company was dissolved in May 2025.

The financial statements of these subsidiaries are consolidated into this set of financial statements.

Governance and leadership

AQA is governed by the Board of Trustees who are responsible for our overall strategy, policy, educational initiatives and development, and for steering AQA to fulfil its educational and charitable objectives. The Chief Executive Officer is also a Trustee and member of the Board. Trustees meet at least five times a year. Each meeting agenda includes progress reports on major programmes, critical activities and strategy.

AQA's Executive Team is made up of ten individuals and led by the Chief Executive Officer. They are senior directors responsible for the day-to-day leadership and running of AQA, and the execution of its strategy and policies. Executive Team members may be invited to attend and present at Board meetings but do not have a vote in any decisions.

AQA Education

Directors' and Trustees' Report including Strategic Report

Structure, governance and management (continued)

The Board of Trustees is led by a Chair, supported by Vice Chair, and has established governance and advisory committees. These committees include Trustee members that carry out work on behalf of the Board of Trustees and report back on their activities, including any recommendations. All the committees, except the Research Committee and Malpractice and Appeals Committee, are chaired by Trustees. With the exceptions of Committee Chairs Group, Awarding Standards Committee, Nominations Committee, Commercial Oversight Committee and Remuneration Committee, include both Trustees and independent members within their membership.

Governance committees:

- Committee Chairs Group: meets as required and acts on behalf of the Board of Trustees as a clearing house for time-critical decisions. It is also a preliminary review group for strategic analysis and a special study group as required.
- Finance Committee: meets at least four times a year and is responsible for reporting to the Board of Trustees on all matters relating to AQA's financial strategy, financial management and investment management.
- Audit, Risk and Compliance Committee: meets at least five times a year and reports to the Board of Trustees on the integrity and regulatory compliance of AQA's annual financial statements; the independence and performance of the external and internal auditors; and the functioning of AQA's internal controls, risk management and regulatory compliance controls. The committee has oversight of, and the role to challenge, the effectiveness of AQA's compliance activity, including review of the annual compliance review plan, receipt of reports and activity relating to the annual Statement of Compliance process.
- Awarding Standards Committee: meets only if required, prior to publishing results for each exam series, for rapid consideration of the issues involved when there is a serious standards-related matter arising.
- Nominations Committee: meets at least twice a year and makes recommendations to the Board of Trustees on the appointment and tenure renewals of Trustees, ensuring that appropriate procedures are in place for their selection, training and evaluation. It also makes similar recommendations on the succession of independent members of the governance committees. The Committee also maintains oversight on the skills and experience areas of Trustees, recruitment planning and succession planning for the Board and Committees.
- Remuneration Committee: meets at least twice a year and acts on behalf of the Board of Trustees regarding appropriate remuneration and terms of service for the Chief Executive Officer, other members of the Executive Team and Trustees when required.
- Commercial Oversight Committee: meets at least four times a year and reports to the Board of Trustees on the effective operation of AQA Commercial Services Limited, an intermediate holding company wholly owned by AQA Education, and the subsidiaries that sit within it to further the organisation's charitable and educational aims. The committee was disbanded on 18 July 2024, with its oversight responsibilities having been retained by the Board of Trustees, and its role in providing advice delegated to ad hoc sub-groups of Trustees when required.

Advisory committees:

- Curriculum and Assessment Quality Committee: meets three times a year and advises the Executive Team on all educational matters relating to the curriculum, assessment, and wider educational topics. Includes a broad range of educationalists, including teachers, lecturers, senior leaders and MAT CEOs.
- Research Committee: meets twice a year and advises the Chief Executive Officer on all matters relating to research and technical aspects of assessment so as to ensure that AQA maintains its leading place nationally in assessment research.
- Student Advisory Group: meets three times a year and comprises students who have recently taken or are studying for AQA qualifications. The group is advisory to the Board of Trustees. The Group provides AQA with students' insights and

AQA Education

Directors' and Trustees' Report including Strategic Report

Structure, governance and management (continued)

perspectives on key areas of assessment, such as the use of technology and the design of question papers - helping us to make important decisions about the future of exams.

- Malpractice and Appeals Committee: meets at least twice a year and provides advice to the Chief Executive Officer. It decides on appropriate action in all serious alleged cases of educator and learner malpractice relating to AQA's exams and oversees and contributes to the operation of AQA's appeals procedures.
- Higher Education Advisory Group: meets three times a year and advises the Chief Executive Officer on matters relating to all shared aspects of the educational and practical work that AQA and Higher Education Institutions do to recognise student achievement and support progression. The Group was dissolved on 4 February 2025, while our engagement with the Higher Education sector continues through other meetings and well-established contact.

Trustee recruitment and induction

Our Trustees are dedicated volunteers, each bringing extensive experience from distinguished careers spanning education and diverse other sectors. They generously commit their time to champion AQA's mission, supporting educators, learners, and the wider educational community. The Board of Trustees, which includes our Chief Executive Officer, is fully apprised of its legal responsibilities, exercising meticulous oversight in decision-making to ensure the organisation operates with the highest standards of governance.

We conduct a regular assessment of Board effectiveness to pinpoint any evolving skills requirements within the Trusteeship or upon the conclusion of a Trustee's term. When such needs are identified, advertising of roles is overseen by the Nominations Committee. Candidates undergo a rigorous selection process, including shortlisting by our internal recruitment team and interviews conducted by a panel that may comprise Executive Directors and existing Trustees. This panel then forwards its recommendation to the Nominations Committee, which, in turn, endorses candidates for final approval by the full Board of Trustees.

Collectively, our Board members are expected to provide expert guidance on the education sector, as well as on AQA's operational management and the fulfilment of our charitable objectives. To cultivate a truly representative Board, we may strategically collaborate with specialist search firms known for identifying diverse talent for Trustee-level appointments. This approach has yielded success in recent years, resulting in several appointments to both the Board of Trustees and our various committees that help to reflect the diversity of the educators and learners we serve.

To ensure continuous development, Trustees participate in ongoing training and learning. Annual induction sessions are provided for new members, with existing Trustees also encouraged to attend for networking and knowledge refreshment. Open dialogue is fostered between Trustees and Executive Team members, and bespoke information sessions are arranged to deepen understanding in specific areas as required.

Pay and Remuneration

The key management personnel of AQA, responsible for directing, controlling, and operating the organisation, consist of the Board of Trustees and the Executive Team. Comprehensive details regarding Trustees' expenses, related party transactions, and remuneration paid to the Chair of the Board of Trustees are fully disclosed in Note 10 to the financial statements.

The Remuneration Committee, a standing governance committee of the Board of Trustees, is tasked with advising the Board on appropriate remuneration and terms of service for the Chief Executive Officer and the Executive Team, as well as for Trustees when applicable. Specifically, this Committee annually reviews and determines any proposed increase to the CEO's remuneration and approves the Executive Team's compensation, basing its decisions on detailed data and clear criteria.

It is formally affirmed that the Chief Executive Officer's remuneration is solely for services rendered in their executive capacity, and no additional payment is made or has been paid as a result of their appointment as a Trustee.

AQA Education

Directors' and Trustees' Report including Strategic Report

Structure, governance and management (continued)

Other Relationships

- **Oxford International AQA Examinations Limited (OxfordAQA)** – in May 2015, AQA formed a 50/50 joint venture company with Oxford University Press, Oxford International AQA Examinations Limited. The company offers a suite of international GCSE, AS and A-level qualifications to schools outside the UK that teach a British curriculum. The qualifications are designed and delivered by AQA and externally validated to ensure they are comparable to UK qualifications. The equity method of accounting is used as the accounting treatment for the joint venture (Note 3 to the financial statements).
- **Joint Council for Qualifications** – JCQ is the membership organisation for AQA and other large UK qualification providers. It is funded by its members and acts in support of their interests. It enables its members to reach a common position on national issues and speak to its stakeholders with a collective voice. We regularly engage through a formal committee structure and through various working groups.

Reference and administrative details

The Board of Trustees is, for company law purposes, also the Board of Directors and has ultimate responsibility for the Charity's activities. It exercises its powers through the Chief Executive Officer (CEO) who is also a Trustee. AQA's directors during the reporting year and up to the date of this report were:

Mr M Allen
Mr J Dahl
Dr A Hadawi (tenure concluded 30 June 2024)
Mr T Hall
Mr C Hughes (CEO)
Ms E Kitcatt
Professor J Knowles (tenure concluded 21 April 2025)
Mr David Laws (Chair) (appointed 10 December 2024)
Mr M Nicholson (tenure concluded 31 July 2025)
Ms D O'Donoghue
Mr M Ojja (tenure concluded 5 December 2024)
Mr M Orr
Ms V Rhodes
Ms P Smith
Ms A Spackman (Chair) (tenure concluded 3 December 2024)
Ms I Sutcliffe
Mr M Turner
Mr T Jackson
Dr H A Ewing
Ms A Frost

A number of the Trustees also served as chairs of governance and advisory committees during the reporting year, as follows:

Governance committees:

Committee Chairs Group

Ms A Spackman (from 1 April 2024 – 3 December 2024)

Mr David Laws (from 10 December 2024)

Finance Committee

Ms P Smith

Audit, Risk and Compliance Committee

Mr M Turner

AQA Education

Directors' and Trustees' Report including Strategic Report

Reference and administrative details (continued)

Awarding Standards Committee This is an ad hoc committee, with Trustees to be convened by AQA's Responsible Officer if ever an awarding matter could not otherwise be resolved.

Nominations Committee	Ms A Spackman (from 1 April 2024 – 3 December 2024) Mr David Laws (from 10 December 2024)
Remuneration Committee	Mr M Allen
Commercial Oversight Committee*	Mr M Orr

Advisory committees;

Curriculum and Assessment Quality Committee	Ms E Kitcatt
Research Committee	Dr A Ahmed (non-Trustee, Acting Chair)
Student Advisory Group	Ms E Kitcatt
Irregularities and Appeals Committee	Dame Joan McVittie (non-Trustee)
Higher Education Advisory Group**	Mr M Nicholson

*Disbanded 18 July 2024

** Disbanded 4 February 2025

All Trustees are required to complete a Register of Interests and to declare any potential conflicts of interest annually and declare conflicts of interest at the start of each meeting. This also applies to governance and advisory committee members who are not Trustees.

AQA's day-to-day business is carried out by the CEO, Colin Hughes, and the Executive Team:

Alex Scharaschkin (Executive Director of Assessment Research & Innovation)

Anna Trethewey (Executive Director of Corporate Affairs and Strategy)

Claire Thomson (Responsible Officer and Executive Director of Regulation and Compliance)

Derek Richardson (Managing Director, AQA Assessment Services Ltd)

Isabelle Perrett (Executive Director of People)

Justin Coombs (Executive Director of Assessment Technology)

Mark Bedlow (Chief Operating Officer)

Michael Turner (Executive Director of Customer and Product)

Nick Stevens (Chief Finance and Corporate Services Officer)

Information on our external advisors can be found at the end of this report.

The Charity Code of Governance – what it means to us

AQA takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. In 2017, the Charity Code of Governance (the Code) was launched, with a recommendation that charities review the extent to which they apply the Code and explain any aspects of the Code they are not applying. In our review we carried out a detailed examination of each element of the Code:

- **Organisational purpose** – AQA's organisational purpose is our public benefit which is to help students and teachers to realise their potential.
- **Leadership** – Find out how we are applying the Charity Code of Governance to leadership on page 10.
- **Integrity** – Maintaining our integrity is critical to how AQA operates; it is about doing what is right and being open and honest. We aim always to uphold the values and behaviours we have set. Our Board of Trustees scrutinise our decision making to ensure we adhere to this, as well as the requirements set by regulators such as the Charity Commission and Ofqual.

AQA Education

Directors' and Trustees' Report including Strategic Report

The Charity Code of Governance – what it means to us (continued)

AQA operates a conflict-of-interest policy for all employees, Trustees and independent members, subcontractors and all third parties who work with us and act on our behalf. Conflicts of interest are collated at the start of each exam series. Declarations of interest are made and recorded at the start of every formal meeting.

We ensure that we report any issues or problems in a timely and transparent way as needed (whether to Ofqual or the Charity Commission) and work hard to put things right for our stakeholders.

We have a Modern Slavery Statement which is available on our website. We are committed to making ethical choices in our supply chain and we conduct full due diligence checks when onboarding new suppliers. Key strategic and critical suppliers are monitored on a continual basis for commercial, financial and supply chain risk, including compliance with regulatory, policy and legal requirements.

- **Decision making, risk and control** – AQA strives to make decisions that are evidence based and informed by a good understanding of risk. Effective risk management is key to successfully delivering our strategy and developing AQA for a sustainable future. We have a centrally held range of policies and procedures to help ensure consistent control measures are put in place to manage our work efficiently.
- **Board effectiveness** – Find out how we are applying the Charity Code of Governance to Board effectiveness on page 12.
- **Diversity and inclusion** – at AQA, our commitment to Diversity and Inclusion (D&I) is fundamental to our charitable purpose and underpins everything we do. We believe that embracing and valuing the diversity of thoughts, ideas, experiences, and identities is not only the right thing to do, but it is also essential for driving innovation, achieving excellence, and effectively serving the broad spectrum of learners and educators across the UK and internationally.

Our strategic approach to D&I is deeply embedded across our operations, influencing both how we work internally and the impact we deliver externally:

- **Our Workforce and Culture:** we are dedicated to building a truly inclusive workplace where all colleagues feel valued, supported, and empowered to reach their full potential. This commitment is reflected in our proactive efforts to foster a diverse talent pipeline, enhance career progression opportunities, and cultivate a culture of belonging. We actively promote inclusive recruitment practices and support a range of colleague networks, championing an environment where every voice is heard and respected.
- **Our Qualifications and Assessments:** we ensure our qualifications and assessment practices are inherently accessible and relevant for all learners. This includes extensive research into inclusive assessment design, providing comprehensive support for students with additional needs, and continually reviewing our offerings to meet the diverse requirements of the educational landscape.
- **Our Support for Educators and Learners:** D&I principles guide the development of our resources and support services, ensuring they are equitable and responsive to the varied backgrounds and needs of Educators and their learners.

We are transparent about our progress and the challenges that remain. As part of this commitment, we voluntarily publish our Gender and Ethnicity Pay Gap Report annually. This report provides detailed figures and outlines the comprehensive strategy and action plan we are implementing to address pay disparities and increase representation across all levels of our organisation. Further information on our pay gaps and the steps we are taking can be found in AQA's annual Pay Gap Report 2024.

Our dedication to D&I is unwavering, as we strive to create an organisation that not only reflects the diversity of the working population but also champions fairness and equity in every aspect of our work, ultimately benefiting the learners we serve.

- **Openness and accountability** – AQA strives to be open in its charitable work and is accountable for its actions.

AQA Education

Directors' and Trustees' Report including Strategic Report

The Charity Code of Governance – what it means to us (continued)

We recognise the value and importance of having engaged and enquiring employees. We know high levels of engagement have a positive influence on the performance of our teams as they engage with the educators, learners and others in the field of education.

During the year we have held a wide range of staff engagement sessions for colleagues to hear updates from the Executive Team and others on how organisational and strategic programmes are progressing.

We also encourage openness with all our colleagues, and AQA associates and examiners, through our 'Speak Out' facility. This is designed to encourage people (anonymously if they prefer) to give feedback or raise an issue, including anything that does not 'feel right'. We have 'Speak Out' representatives that can be approached directly, a webpage for submitting anonymous comments, and a designated email mailbox. This scheme is operated alongside a formal Whistleblowing process.

Corporately, we engage fully with our regulators to report incidents when they occur, and to update the regulators on the progress of putting these right. We have a dedicated Incident Management process to examine any incidents that occur in day-to-day business, with decision making functions sitting independently from operational areas. All colleagues involved work together to ensure that our focus remains on our stakeholders and getting the best results for them.

AQA has a designated Safeguarding Lead who sits within our Exams Integrity Team and holds responsibility for all safeguarding activity across the organisation. A Safeguarding Strategy is regularly updated and presented to our Trustees for approval; this strategy shapes the organisation's response to safeguarding issues, including training for Trustees, staff, associates and examiners who may undertake visits to schools, training on dealing with safeguarding issues presented in students' exam responses, and being responsible for the organisation's safeguarding policy and procedures.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a charitable company limited by guarantee to act in the way they consider, in good faith, would be most likely to promote the success of the Charity. In doing this, section 172 requires a director to think ahead to numerous factors including:

- The likely consequences of any decision in the long term.
- The interests of the Charity's employees.
- The need to foster the Charity's business relationships with suppliers, customers and associates.
- The impact of the Charity's operations on the community and the environment.
- The desirability of the Charity maintaining a reputation for high standards of business conduct.
- The need to act fairly.

Below we outline how the Board of Trustees has considered these factors in its strategic decision-making and oversight throughout the year.

Stakeholder Engagement

Our stakeholders are our customers, the students we support, the people who work with us (employees, Associates), organisations that help us deliver our key services (suppliers), and our regulators and governmental bodies.

The Board of Trustees is deeply committed to effective engagement with all stakeholders, recognising that strong relationships are integral to delivering our strategy in line with our purpose and values. While the Board retains ultimate oversight, it delegates responsibility for day-to-day engagement to the CEO and the Executive Team.

The Board of Trustees receives regular updates from the Executive Team on issues concerning all stakeholder groups. Some of the key ways in which the Executive Team has engaged with stakeholders over the year include:

- **Customers (Educators, schools, colleges):** The Executive Team has driven a comprehensive customer engagement strategy, prioritising the launch of our new website and the introduction of digital tools such as AQA Stride and Data

AQA Education

Directors' and Trustees' Report including Strategic Report

Section 172(1) statement (continued)

Insights to enhance educator experience and efficiency. The Executive has overseen the investment in our Exams Officer Engagement Team and ongoing professional development opportunities are aligned with customer needs. Feedback from customer satisfaction surveys, including the 10 percentage point CSAT increase, directly informs Executive-level decision making.

- **Associates:** The Executive Team has championed initiatives to improve the Associate experience, including the launch of digital badges for professional recognition. AQA leaders and Executive members actively participated in events where Associates were invited to hear about AQA's strategy and provide direct feedback on important topics such as educator wellbeing and AI, fostering open dialogue and valuing their vital contributions.
- **Students:** The Executive Team directly engages with the Student Advisory Group, amplifying the student voice to gain invaluable insights that inform assessment design and support services. This includes events such as the annual youth voice parliamentary reception, meetings with MPs and youth panels at party conferences and The Festival of Education. Executive members participate in meetings and events with the Group, ensuring student perspectives on topics like the future of assessment, inclusivity, and AI are heard and considered in strategic planning.
- **Suppliers:** The Executive Team has regularly met and worked with key suppliers throughout the year. These engagements provide opportunities to share AQA's plans, solicit ideas for improvement, and address current challenges, fostering mutually beneficial relationships that ensure reliable service delivery and continuous product enhancement.
- **Employees:** The Executive Team actively engages with colleagues across AQA through initiatives such as monthly Executive connect sessions and twice-yearly Executive roadshows, enabling direct Q&A and fostering connectivity. Executive leadership has also been instrumental in championing and driving our D&I and culture programmes, ensuring an inclusive and supportive workplace.
- **Joint Council for Qualifications (JCQ):** Executive members, including the CEO, regularly engage with JCQ through formal committee structures and various working groups. This participation ensures AQA contributes to achieving a unified stance on national educational issues and advocating for the collective interests of qualification providers.
- **Regulators:** AQA's Responsible Officer and Executive members of the Regulation & Compliance team proactively and regularly meet with Ofqual, Qualifications Wales, and the Council for the Curriculum, Examinations & Assessment, ensuring open and continuous dialogue and compliance with regulatory frameworks.
- **Government:** The Executive Team works closely with government officials and ministers, organising roundtables and seminars, providing briefings, and contributing to consultation responses (such as the comprehensive response to the Curriculum and Assessment Review). AQA's presence at political party conferences and its annual parliamentary reception ensures that insights from AQA's research and analysis inform wider education policy.
- **Wider Community:** The Executive Team oversees AQA's commitment to managing the wider social impact of its operations, including strategic decisions related to environmental policy and sustainability initiatives. Furthermore, the Executive has led the expansion of AQA's global assessment services, directly contributing to advancing education and improving assessment quality in over 100 countries worldwide, extending AQA's charitable impact globally.

Decision making

AQA recognises the importance of engaging with stakeholders to help inform our strategy and Board of Trustees decision making. Relevant stakeholder interests, including those of employees, suppliers, customers, regulators and others are considered when it makes decisions.

We define principal decisions as those that are material or of strategic importance to AQA, and also those that are significant to any of its key stakeholder groups. In making its decisions, the Board of Trustees considers the outcomes of relevant stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct, and to consider the long-term consequences of its decisions. The following provide examples of how stakeholder interests were considered in a principal decision made by the Board of Trustees.

- **Pension buy in** – the Board of Trustees took the decision to support the strategy of the AQA Pension Scheme to purchase an insurance policy to cover the pension payments the AQA Pension Scheme are required to make. In reaching this decision, the following points were considered:
 - **Benefit to scheme members** of their pension benefits being insured

AQA Education

Directors' and Trustees' Report including Strategic Report

Section 172(1) statement (continued)

- **Longer-term plan** as to whether to fully buy out the scheme or de-risk while continuing to run the scheme
- **Residual risks** after the buy in, cost and term of the policy.
- **Risk of the insurance company default** compared to the financial strength of AQA
- **Summer 2025 Pricing Strategy** – the Board of Trustees approved an average price increase of 4% across all products for Summer 2025. In reaching this decision, the following stakeholder considerations were taken into account:
 - **Customer impact and affordability** – The pricing strategy followed principles applied over the previous two years, supporting accessibility for centres.
 - **Financial sustainability** – the increase supports AQA's financial stability, addressing the effects of general inflation and rising wage cost on working capital.
 - **Investment in customer offer** – revenue generated from the pricing strategy supports ongoing investment in resources, training content, and tailored support for under-served leadership teams.
 - **Compliance and fairness** – all pricing decisions were evaluated for compliance with Ofqual Conditions of Recognition and competition law.
- **Acquisition of Construction EPA Company (CEC)** – the Board of Trustees reviewed and supported the strategic rationale and deal structure for acquiring CEC. The acquisition took place after the year end (see note 27). In making this decision, the Board considered:
 - **Strategic alignment** – the acquisition supports AQA's ambition to expand into the vocational training qualifications (VTQ) market, particularly in construction, a sector with strong growth and government support.
 - **Stakeholder value** – CEC's all-inclusive assessment model reduces burden on training providers and enhances apprentice experience, aligning with AQA's mission to support education.
 - **Financial value** – the agreed purchase price was evaluated for financial value for money, taking into account associated risks and ensuring the investment represents a responsible use of charitable funds.
 - **Organisational integration** – CEC will operate as an independent subsidiary, allowing for cultural continuity while enabling future synergies across AQA Group.

These decisions reflect the Board's commitment to long-term success, stakeholder engagement, and responsible governance.

Environmental policy

Sustainability is important to us and will remain a priority in the future, having committed to the ambitious target of reaching net zero before 2050.

We take our environmental responsibilities very seriously. We recognise our part to play in contributing to the resolution of global and local environmental issues by reducing our impact on the environment and by taking a leading role in promoting environmental best practice. During the year, we have achieved an 83% reduction in our emissions per £m of non-investment income compared to our baseline year 2018/19.

We have continued to initiate improvements and to promote our environmental message throughout the organisation. Achievements have been accelerated due to embedding of Smart Working, continuation of improved travel habits and energy efficiency activities across the offices. We remain committed to significant changes to our operating model to enhance future GHG reductions and further detail will be provided later in 2025 in our carbon reduction plan.

The Companies Act 2006 requires large charities to include Greenhouse Gas (GHG) emissions and energy consumption disclosures in their Directors' Report. Charities that consume more than 40,000kWh of energy annually must:

- Disclose the annual quantity of emissions in tonnes of carbon dioxide equivalents for which it is responsible together with the annual quantity of energy consumed in kWh. Disclose the annual quantity of emissions in tonnes of carbon dioxide equivalents for which it is responsible together with the annual quantity of energy consumed in kWh.
- Describe the calculation methods used in determining the amounts of emissions and energy consumption disclosed and provide narrative disclosure on any energy efficiency improvement measures undertaken in the year.

AQA Education

Directors' and Trustees' Report including Strategic Report

Environmental policy (continued)

- Present at least one ratio that expresses the Charity's annual emissions in relation to a quantifiable factor associated with the Charity's activities.

In the past 12 months our main achievements are:

- Implementation of Sustainability Champion groups with representation across our offices
- Trained the Sustainability Champions who are now accredited Carbon Literate through the Carbon Literacy Project
- Significant increase in community volunteering to support environmental causes
- Achieving a zero waste to landfill for the second full year and 100% waste recycling and recovery rate on all waste streams
- Generating 117 MWh of electricity through buildings solar PV systems, reducing buildings energy consumption by 5.7%
- Procuring 1.89 GWh of renewable sourced electricity, equating to 91% of all purchased electricity
- Reducing work related travel emissions by 3%*
- Reducing energy consumption in our buildings by 46.5% (electricity) and 70% (gas)

*Reductions compared to GHG reporting baseline year 2018/19 but now includes AQA Group subsidiaries

As part of our sustainability strategy, we commenced a project to record and analyse scope 3 GHG emissions which was completed in 2024. We are further adding a detailed review of our procured goods and services associated emissions which will help form AQA's carbon reduction plan which is due for publication later in 2025.

Whilst our detailed plans are not yet available, we will continue with the work described below over the coming financial year to further reduce our impacts and associated CO2e emissions:

- Continue to monitor and maintain AQA Education business travel to a minimum and maintaining our policy of not using domestic air travel.
- Continue work with our printing supply chain, and testing alternatives to plastics on some of our processes for example using paper-based packaging.

Emissions for Scope 1 (direct) and scope 2-3 (indirect) sources are continually monitored at source (i.e. energy consumption and waste production) as well estimated (i.e. fuel consumption through transport) by applying the relevant conversion factors.

The annual quantity of emissions in tonnes of carbon dioxide for the Group for the year was 507.27 tonne CO2e, which is an increase of 42.23 tonnes CO2e from the prior year. This equates to 1.86 tonnes per £m non-investment income, which has remained level compared to the prior year and 82% reduction compared to the 2018/19 baseline year. The emissions in 2018/19 baseline year were 1893.67 tonnes CO2e which equates to 10.51 tonnes per £m sales.

Full year on year breakdowns of direct and indirect emission are summarised below:

Year	Sales Revenue (trading revenue) £m	GHG Emissions (T CO2e)	Intensity Measurement Ratio (IMR)*	Difference (IMR)
2018/19	180.3	1893.67	10.51	n/a
2019/20	183.8	1766.95	9.61	-8%
2020/21	133.9	905.05	6.76	-36%
2021/22	146.8	444.06	3.02	-71%
2022/23	215.9	286.02	1.32	-87%
2023/24	249.0	465.04	1.86	-82%
2024/25	272.4	507.27	1.86	-82%

* Intensity measurement ration = GHG Emissions/ Sales Revenue (tonnes per £m revenue).

AQA Education

Directors' and Trustees' Report including Strategic Report

Environmental policy (continued)

Where actual energy consumption data was unavailable, historical monthly billing information was used to estimate likely usage. This estimate was later revised to reflect the actual consumption once the data became available. .

The total Group energy consumption for the year was:

- Electricity – 2,066,811.4 kWh (2024: 2,602,547.90 kWh)
- Gas – 294,911.3 kWh (2024: 401,970.54 kWh)

The total Group transport fuel use for the year was:

- Transport fuel – 60.64 (2024: 52.74) tonnes CO₂e (owned and grey fleet transport)

Our overall target to reduce our greenhouse gas emissions by 60% or 4 tonnes CO₂e per £m of revenue between 2018/19 to 2025/26 has been exceeded. Whilst this target has been successfully exceeded with an 86% GHG emission reduction from baseline year, the rate of future emissions targets will reduce significantly upon resetting the baseline year with the inclusion of the completed fuller GHG inventory including broader scope 3 emissions. New reduction targets will be agreed and published later in 2025.

The methodologies used to collect and assess emissions data varied throughout the inventory. The primary methodology used was multiplying GHG activity data by appropriate GHG emission factors. All methodologies used were selected based on their ability to provide accurate and consistent results. The use of activity data and emission factors was feasible due to the availability of both accurate activity data for the majority of sources and standard emission factors from Department for Environment 2024 (DEFRA) and the Greenhouse Gas Protocol Initiative (where DEFRA factors are not supplied).

Risk management

Risk management at AQA is underpinned by an established risk policy and process including the setting of risk appetite which is reviewed annually by the Executive Team, the Audit, Risk and Compliance Committee (ARCC) and ultimately approved by the Board of Trustees.

Strategic and operational risks are identified in the context of our overall objectives and defined risk appetite. Our overall risk appetite is generally low, reflecting the nature of what we are delivering for students, and the highly regulated environment in which exam boards operate.

Operational risks are regularly reviewed by department managers, with any significant operational risks escalated to the Executive Team. On a monthly basis, the Executive Team reviews the strategic risk dashboard and top operational risks. A risk report is presented to each meeting of the ARCC to ensure effective oversight of risk management activities and the overall AQA risk profile. The ARCC Chair provides both an annual report on the committee's activity to the Board of Trustees and an interim summary of activity presented at each Board of Trustees meeting (accompanied by the most recent ARCC meeting minutes). The strategic dashboard is also presented, by management, at each meeting of the Board of Trustees.

Our Risk Team facilitates risk management activities across the business, ensuring that the process is communicated and managed effectively. Appropriate training mechanisms are in place, with risk awareness and guidance provided to managers and their teams to promote the effectiveness of our risk management framework.

- Our outsourced internal auditors (Deloitte during 2024/25) conduct a risk-based assurance programme of work throughout the year. The audit programme is developed with the Executive Team and approved by the ARCC. The ARCC reviews the individual reports and recommendations. The output provides assurance across the business areas within AQA and where weaknesses in controls are identified, actions are taken to address these. The ARCC monitors progress on any agreed actions from internal audit reviews to ensure these are addressed appropriately and in a timely manner.

AQA Education

Directors' and Trustees' Report including Strategic Report

Risk management (continued)

Further, the ARCC reviews our internal controls and procedures (financial and non-financial) and considers the results of our audit reviews. It also approves our internal Regulatory Compliance team's annual plan of review activity, receives and

challenges reports on compliance, and oversees the process for producing the annual Statement of Compliance to the independent exam regulators. The Committee reports directly to the Board of Trustees.

The following is a summary of the main risks facing AQA, which are represented in our strategic risk dashboard and are kept under review as part of the established process of risk management.

- **Cyber security and system resilience** - the security of assessment materials and successfully delivering timely and accurate results to students are essential to supporting our overall purpose and to our ongoing success. We have robust technological, physical and people-based security arrangements in place, underpinned by contingency plans. We strive continually to improve our preventative arrangements and our resilience to attack in the light of an evolving cyber-threat landscape.
- **Strategic change:** we must ensure that we are able to adapt and remain fit for purpose as an essential provider of qualifications and related educational services. In this context, we have robust planning and change management structures in place with oversight of the key investment programmes from the ARCC and the Board of Trustees. We must also invest in our ability to attract and retain the skills and expertise needed for future delivery.
- **Qualification market reform:** It is critical AQA is prepared to respond to significant changes or reform in the qualification market over the next decade. The ongoing delivery of AQA's strategy has resulted in AQA being well positioned to respond to market reforms, as they occur in near to medium term.
- **Maximising the benefits of digital** – AQA is investing in digital initiatives to ensure we realise the benefits of rapidly emerging technologies, including leveraging capabilities of AI, digital and data in our products and our back-office processes.

Financial review

AQA is in a strong and stable financial position. We continue to focus on our long-term financial strategy and have an appropriate level of reserves.

These financial statements cover the year to 31 March 2025. The key highlights from the year are as follows;

- Our charitable and trading income increased by 9.5% (2024: 15.3%) over the prior year due to an increase in entry fee pricing to cover increasing costs and increase in volume. The 15.3% growth in 2024 was due to additional income generated through recognising a full year of acquired subsidiaries in the prior year.
- Our income from educational services of £264,657,000 (2024: £241,701,000) was earned through the AQA Group excluding AlphaPlus Consultancy Limited and an element from AQA Assessment Services Limited which are shown as digital and consultancy services. We earned £7,754,000 (2024: £7,274,000) in digital and consultancy services during the year.
- Our underlying performance resulted in net income of £13,715,000 (2024: £5,922,000). Underlying performance is calculated based on the net income before tax of £13,706,000 (2024: £15,416,000) less non-operational expenditure and income of £9,000 (2024: £9,494,000). This represents an underlying operating margin of 4.9% (2024: 2.2%).

AQA Education

Directors' and Trustees' Report including Strategic Report

Financial review (continued)

	31 March 2025 £000	31 March 2024 £000
Underlying Performance	13,715	5,922
Non-operational (expenditure) / income:		
(Loss) / Profit on disposal of tangible fixed assets	(9)	14,605
Software impairment	-	(396)
Goodwill impairment	-	(4,715)
Net non-operational (expenditure) / income	(9)	9,494
Net Income before tax	13,706	15,416

The performance of our investments was impacted by less favourable global market conditions towards the end of the financial year, compared to the previous year. Despite this, we recorded a net gain on investments of £563,000 (2024: £4,411,000) as shown in note 14. Encouragingly, our income from short-term investments, cash at bank, and other fixed asset investments rose to £7,714,000 (2024: £5,222,000), reflecting stronger performance during the year.

AQA participated in one principal defined benefit pension scheme, the AQA Pension Scheme, as well as having smaller participation in two national defined benefit schemes, Teacher Pension Scheme (TPS) and University Superannuation Scheme (USS). In accordance with section 28 of FRS 102, unfunded pension liabilities are included in the defined benefit pension schemes liability for the two principle schemes.

USS and TPS are multi-employer defined benefit schemes where it is not possible to separately identify the assets and liabilities for each participating employer. Accordingly, contributions are treated as defined contribution schemes for accounting purposes.

The net balance sheet (liability) / asset for the aggregation of the schemes is detailed as follows:

	31 March 2025 £000	31 March 2024 £000
Fair value of scheme assets	99,136	129,682
Present value of defined benefit obligation	(100,216)	(113,302)
Net pension (liability) / asset	(1,080)	16,380

The net pension (liability) / asset is made up as follows:

	31 March 2025 £000	31 March 2024 £000
Unfunded pension liability	(2,019)	(2,360)
University Superannuation Scheme pension liability	(259)	(237)
AQA Pension Scheme asset	1,198	18,977
Net pension (liability)/ asset	(1,080)	16,380

AQA Education

Directors' and Trustees' Report including Strategic Report

Financial review (continued)

- During the year we saw an actuarial loss of £17,248,000 (2024: *loss* £9,822,000) on our pension assets and liabilities. The actuarial loss relates to the scheme's purchase of a buy-in policy to secure the benefits of scheme members and reducing the funding risk exposure of AQA.
- After taking all of the above points into account, AQA's Group Funds decreased by £2,979,000 (2024: *increase* £8,405,000) to £161,622,000 (2023: £164,601,000). The key driver being the actuarial losses in relation to our pension schemes.
- The Group has sufficient liquidity with £91,559,000 (2024: £63,048,000 *restated*) in cash fund investments and £100,770,000 (2024: £89,170,000 *restated*) in cash at bank and in hand. When placing cash, our priority is security, followed by liquidity and finally the investment return.
- Overall, the Group has performed in line with expectations and has maintained its focus on how we work. There continues to be ongoing investment in the development of our IT systems, moving ahead with our strategy and investment in digital exams and script management.

Financial risk management

Financial risks are identified by the Executive Team and all managers as part of the business planning process which is continually updated and monitored throughout the year. Financial performance is reported to the Finance Committee for further scrutiny as delegated by the Board of Trustees. Key areas of risk that impact the Group's operations include managing working capital and long-term funding required to support its investment plans and pension commitments and liabilities.

The Group's risk and financial management framework has the primary aim of protecting it from events that hinder achieving performance objectives and protects against reputational impact and regulatory scrutiny and potential fines. The objectives are to ensure sufficient working capital exists and risk is managed at a Group level and a business unit level.

Exposure to price, credit, liquidity and cash flow risk

Price risk – In normal circumstances, the risk is considered to be low based on the business model for the delivery of regulated assessments in the UK market. As well as the business price risk, price risk also arises on financial instruments because of changes in listed investment prices. Listed investments with a fair value of £53,983,000 are exposed to price risk but this exposure is within the Group's risk appetite embedded in the mandate provided to our investment advisors.

Credit risk – Group policies are aimed at minimising such losses and that credit terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Details of the Group's debtors are shown in note 16 to the financial statements. On investments, the Group mitigates credit risk by spreading our risk across different asset classes. Please refer to the Group's investment powers and policy details on page 24.

Liquidity risk – The Group mitigates liquidity risk by managing cash generated by its operations and applying cash collection targets throughout the Group.

Cash flow risk – The Group mitigates this risk by preparing and monitoring cash flow forecasts monthly to ensure that funds are available to meet our liabilities as they fall due.

Reserves policy

The target level of reserves enables us to achieve our primary charitable purpose of advancing education for the benefit of the public. To continue to provide high quality qualifications, assessment, and support to schools and colleges, we must invest in strategic areas including new products and systems. Some of these incur upfront expenditure that is not recovered for several years.

AQA Education

Directors' and Trustees' Report including Strategic Report

Financial review (continued)

At the end of the year, we had funds of £161,622,000. They are held for a variety of purposes, to ensure that the Charity can operate as a going concern in the future and also fulfil its legal obligations. The funds are summarised below:

- Pension charged account fund of £6,581,000. This fund is a designated fund which has been created to help fund a buy-out of the legacy AQA defined benefit pension scheme with an insurance company at some time in the future.

The remainder of our funds are our general funds:

- Free reserves (£88,182,000) – are set at a level to allow us to deliver on our charitable objectives to enhance social mobility through qualifications in the future. We hold reserves in order to fund future enhancements to our operations and qualifications, and to provide a contingency for unexpected costs or loss of income.
- Fixed asset funds (£66,362,000) – represent the tangible and intangible assets of the Group, without which we could not operate.
- Pension reserves (-£1,080,000) – this represents the net pension liability that is managed separately to our free reserves. We exclude the Section 28 of FRS 102 pension scheme deficit from the target level of reserves as we believe that we can meet contributions from projected future income without significantly impacting on planned levels of charitable activity.
- Investment revaluation reserve (£1,577,000) – represents the excess of market value of investments over their cost price.

When setting our free reserves target range we follow Charity Commission's guidance and consider our cash flow requirements and perform an assessment of the risks and obligations facing the organisation. Based on our updated assessment, our policy is to maintain free reserves in the range of £70 million to £80 million (2024: £60 million to £70 million) and as at year end, we are slightly over target range. We continue to review the free reserves target, to ensure that the policy continues to reflect changes in the organisation.

Going concern

The Board of Trustees has reviewed the financial position, considering the level of reserves and cash, and the system of financial control and risk management. They have undertaken sensitivity analysis and considered the potential impact of the cost of living crisis and changing political climate. Accordingly, we have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future.

As a consequence, these financial statements are prepared on the going concern basis. The Trustees consider that there are no material uncertainties about the Charity's and the Group's ability to continue as a going concern.

Investment powers and policy

AQA's investments are predominately held in UK and overseas equities, bonds and multi asset funds. The Investment Policy was reviewed during the year and is reviewed at least on a triennial basis.

We seek to adopt a well-diversified investment approach that balances potential return with appropriate risk. At the same time the Trustees are aware that some level of volatility is inevitable with a good investment strategy and endeavour to spread the risk across different asset classes. The assets of the Charity are invested with a mandate to target an overall rate of return of 3% per annum above CPI but recognise the likely volatility and challenge in Global Markets for the foreseeable future. The results for the year show an overall net gain on investments of £563,000 (2024: gain £4,411,000), which equates to a return of 0.3%. The results for the year are due to less favourable global market conditions compared to prior year. AQA's Investment Advisor is Cazenove Capital Management. Our long-term reserves are held in Cazenove's Responsible Multi-Asset Fund. This is a fund designed to enhance our ESG (Environmental, Social and Governance) standards.

The Trustees encourage their Investment Advisor to exercise, where feasible, the voting rights attached to the Charity's investments.

AQA Education

Directors' and Trustees' Report including Strategic Report

Financial review (continued)

The Investment Advisor has regard to each investee company's approach to corporate governance and ethical and environmental issues when assessing the long-term financial merits of investing in each company's shares and encourages companies to adhere to the UK Corporate Governance Code or equivalent other governance code. The Trustees believe that this approach to socially responsible investment is in the best financial interests of the Charity and does not place additional constraints on the Investment Advisor's freedom to choose investments. Some of the investments are held in pooled funds, some of which are index tracking funds and not actively managed and therefore the Investment Advisors have little scope to influence the investment direction of such funds. The Finance Committee may occasionally advise the Investment Advisor of entities or industries which they consider are not aligned with the objects of the Charity and therefore do not consider appropriate to invest in.

Our cash flow is highly seasonal, allowing us to strategically place excess working capital into high-interest savings accounts and liquidity funds. To diversify risk, we limit holdings to a maximum of £40 million per institution.

Fundraising

Given the nature of the Charity, there is no external fundraising, and no use of professional fundraisers, commercial participators or volunteers. As such, the requirements of the Charities Act 2011 in relation to statements on fundraising are not deemed to be applicable. The Charity does not hold any social investments and does not make grants. The expenditure heading "Expenditure on raising funds" in the Consolidated Statement of Financial Activities relates solely to investment management costs.

Events after the reporting date

The directors have not identified any adjusting events. FRS 102 requires, for non-adjusting events, disclosure of the nature of the event, and either an estimate of its financial effect or a statement that such an estimate cannot be made. (See note 27).

Additional information

Our website, aqa.org.uk, contains up-to-date information on qualification specifications, exam timetables, events, educator support, examiner recruitment, publications and other areas of the organisation's activities.

AQA Education

Directors' and Trustees' Report including Strategic Report

Statement of Trustees' responsibilities

The Trustees, who are also directors of AQA Education (Charitable Company) for the purposes of company law, are responsible for preparing the Directors' and Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Group and Charitable Company for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK 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 Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company

and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

AQA Education

Directors' and Trustees' Report including Strategic Report

Statement of Trustees' responsibilities (continued)

APPOINTMENT OF AUDITORS

In accordance with best practice and to ensure continued auditor independence and objectivity, the company has decided to initiate a competitive tender process for the external audit engagement for the financial year ending 31 March 2026. The current auditor, BDO LLP, has been invited to participate in the tender process. A recommendation on the appointment of the external auditor will be made to the Trustees at the next Annual General Meeting.

This report, including the Strategic Report, was approved by the Board of Trustees on 30 September 2025 and signed on its behalf by



Mr D Laws

Director and Chair of the Board of Trustees



Ms P Smith

Director and Trustee



Mr C Hughes

Director and Trustee

AQA Education

Independent auditors' report to the members of AQA Education

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of AQA Education ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Parent Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements

AQA Education

Independent auditors' report to the members of AQA Education (continued)

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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the 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, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or 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:

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 Statement of Trustees' Responsibilities, 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 Group's and the Parent 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 Group or the Parent 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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,

AQA Education

Independent auditors' report to the members of AQA Education (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on our understanding of the Group and the sector in which it operates; discussion with management, the Audit & Risk Compliance Committee, and those charged with governance; and obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be the applicable accounting framework, being the Charities Act, Companies Act, Financial Reporting Standard 102, Charity Commission for England and Wales (Charity Commission) regulations and UK tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incidents register.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, the Audit, Risk and Compliance Committee, those charged with governance and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and the recognition of income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- For significant estimates made by management, assessing for bias and challenging the assumptions made in relation to: the share of loss in joint venture; recognition of intangible assets; the fixed asset useful economic lives; the carrying value of goodwill; the value of retirement benefit obligations and the valuation of provisions; and
- Testing samples of revenue to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

AQA Education

Independent auditors' report to the members of AQA Education (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

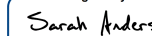
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

DocuSigned by:

 02 October 2025

911B7AE40D374FC...

Sarah Anderson (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AQA Education
Consolidated Statement of Financial Activities
for the year ended 31 March 2025

		<i>Unrestricted funds</i>	
	Note	2025 £000	2024 £000
Income:			
<i>Income from charitable activities:</i>			
Educational services	4	264,657	241,701
<i>Income from other trading activities:</i>			
Digital and consultancy services	4	7,754	7,273
Investment income	5	7,714	5,223
Profit on disposal of fixed assets		-	14,605
Total income		280,125	268,802
Expenditure:			
<i>Expenditure on charitable activities:</i>			
Educational services	6	257,965	245,148
<i>Expenditure on other trading activities:</i>			
Digital and consultancy services	6	7,548	7,028
<i>Expenditure on raising funds:</i>			
Investment management costs	5	40	73
Share of loss in joint venture	13	866	1,137
Total expenditure		266,419	253,386
Net Income before tax		13,706	15,416
Deferred tax charge	8	-	(1,600)
Net income before actuarial and investment gains		13,706	13,816
Actuarial and investment gains / (losses)			
Net realised gains on investments	14	1,873	2,173
Net unrealised (losses) / gains on investments	14	(1,310)	2,238
Actuarial losses on defined benefit pension schemes	26	(17,248)	(9,822)
Total actuarial and investment (losses)		(16,685)	(5,411)
Net (expenditure) / income and net movement in funds for the year		(2,979)	8,405
Reconciliation of funds			
Total funds brought forward		164,601	156,196
Total funds carried forward	21	161,622	164,601

The notes on pages 36 to 80 form part of these financial statements.

AQA Education

Consolidated and Charitable Parent Statement of Financial Position as at 31 March 2025

		Group 2025	Charity 2025	Group 2024	Charity 2024
				Restated	Restated
Fixed Assets	Note	£000	£000	£000	£000
Intangible assets	11	40,919	9,783	48,184	13,271
Tangible assets	12	25,443	18,996	26,518	19,264
Investment in subsidiary undertakings	13	-	26,234	-	22,421
Other fixed asset investments	14	53,983	53,983	53,359	53,359
Total Fixed Assets		120,345	108,996	128,061	108,315
Current Assets					
Stocks and work in progress	15	873	851	1,420	891
Debtors	16	99,063	143,178	114,288	142,576
Investments	17	91,559	86,675	63,048	63,048
Cash at bank and in hand		100,770	86,526	89,170	82,140
Total Current Assets		292,265	317,230	267,926	288,655
Liabilities					
Creditors: Amounts falling due within one year	18	(243,884)	(238,162)	(240,641)	(234,581)
Net Current Assets		48,381	79,068	27,285	54,074
Total Assets less Current Liabilities		168,726	188,064	155,346	162,389
Provisions for Liabilities and Charges	20	(6,024)	(1,980)	(7,125)	(2,398)
Net Assets Excluding Pension					
Asset and Liability		162,702	186,084	148,221	159,991
Defined benefit pension scheme asset	26	1,198	1,198	18,977	18,977
Defined benefit pension scheme liability	26	(2,278)	(2,278)	(2,597)	(2,597)
Total Net Assets		161,622	185,004	164,601	176,371
The Funds for the Group and Charity:					
Unrestricted Funds					
Designated funds		6,581	6,581	6,386	6,386
General funds		156,121	179,503	141,835	153,605
Pension fund		(1,080)	(1,080)	16,380	16,380
Total Funds	21	161,622	185,004	164,601	176,371

AQA Education
Consolidated and Charitable Parent Statement of Financial Position
(continued) as at 31 March 2025

The Consolidated Statement of Financial Activities incorporates the Summary Income and Expenditure Account. Income is derived from continuing operations. Net income and net movement in funds represents the surplus for the year for Companies Act 2006 purposes and includes a surplus of £8,633,000 relating to the parent (2024: *surplus* £1,793,000).

The notes on pages 36 to 80 form part of these financial statements. The company registration number is 3644723. The financial statements on pages 32 to 80 were approved and authorised for issue by the Board of Trustees on 30 September 2025 and signed on its behalf by:



Mr D Laws

Director and Chair of the Board of Trustees



Ms P Smith

Director and Trustee



Mr C Hughes

Director and Trustee

AQA Education
Consolidated Statement of Cash Flows
for the year ended 31 March 2025

	Note	Group 2025 £000	Group 2024 £000 Restated
Cash flows from operating activities:			
Net cash generated from operating activities	22	25,050	53,492
Cash flows from investing activities:			
Investment income	5	6,526	3,600
Purchase of tangible fixed assets	12	(1,753)	(10,703)
Proceeds from sale of fixed assets		15,355	4,277
Purchase of intangible fixed assets	11	(4,756)	(4,778)
Purchase of subsidiaries, net of cash acquired		-	(6,042)
Purchase of fixed assets investments	14	(1,348)	(20,470)
Proceeds from sale of fixed asset investments	14	1,299	19,783
Proceeds from redemption of current asset investments	17	97,206	75,310
Purchase of current asset investments	17	(125,717)	(73,343)
Investment in joint venture	13	(250)	(1,350)
Net cash used in investing activities		(13,438)	(13,716)
Increase in cash and cash equivalents in the year		11,612	39,776
Cash and cash equivalents at the beginning of the year		89,468	49,692
Cash and cash equivalents at the end of the year		101,080	89,468
Analysis of cash and cash equivalents movements during the year			
Increase / (Decrease) in cash held with fund managers	14	12	(426)
Increase in cash at bank and in hand		11,600	40,202
Total cash and cash equivalents movements during the year		11,612	39,776
Cash in fixed asset investments at the beginning of the year		298	724
Increase / (decrease) in cash held with fund managers	14	12	(426)
Cash in fixed asset investments at the end of the year	14	310	298
Cash at bank and in hand at the beginning of the year		89,170	48,968
Increase in cash at bank and in hand		11,600	40,202
Cash at bank and in hand at the end of the year		100,770	89,170
Analysis of cash and cash equivalents			
Cash in fixed asset investments at the end of the year	14	310	298
Cash at bank and in hand at the end of the year		100,770	89,170
Total cash and cash equivalents		101,080	89,468

Cash is higher in the current year due to increased income from investments as well as higher receipt of cash for summer series.

The notes on pages 36 to 80 form part of these financial statements.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

1 General information

AQA Education (AQA) is a company limited by guarantee (registered company number 3644723 in England and Wales) and a registered charity (registered charity number 1073334 in England and Wales). It is incorporated under the Memorandum and Articles of Association and is incorporated and domiciled in England. The address of its registered office is Devas Street, Manchester, M15 6EX.

In the event of the Company being wound up, every Trustee undertakes to contribute to the assets of the company while such a person is a Trustee, or within one year afterwards, for payment of debts and liabilities of the company contracted before that Trustee ceases to be a Trustee, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding one pound.

2 Statement of compliance

These financial statements have been prepared in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities” (Charities SORP (FRS 102)) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019), Companies Act 2006 and the Charities Act 2011.

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

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The Charity has adapted the Companies Act 2006 formats to reflect the Charities SORP (FRS 102) and the special nature of the Charity’s activities.

The Charity has taken advantage of the exemption in section 408 of the Companies Act 2006 from presenting its individual Statement of Financial Activities. They have also taken advantage of the exemption in paragraph 1.12b of FRS 102 from preparing an individual Statement of Cash Flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows, included in these financial statements, includes the Charity’s cash flows.

(b) Going concern

The Charity’s and the Group’s business activities, its current financial position and factors likely to affect its future development are set out in the Strategic Report. The Charity and the Group have in place healthy liquidity which provides adequate resources to finance committed reinvestment and educational programmes, along with the Group’s and the Charity’s day to day operations.

The Board of Trustees have assessed the future funding requirements of the Charity and the Group and compared it to the level of cash resources. The assessment included a review of the financial forecasts and the preparation of sensitivity analysis on the key factors which could affect future cash flow.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(b) Going concern (continued)

Having undertaken the review, the Board of Trustees has a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

The Trustees consider that there are no material uncertainties about the Charity's and the Group's ability to continue as a going concern.

(c) Basis of consolidation

The Group consolidated financial statements include the financial statements of AQA and its subsidiary undertakings: AQA Assessment Services Limited, Doublestruck Limited, AlphaPlus Consultancy Limited, AQA Commercial Services Limited, GradeMaker Limited, Blutick Limited, AC3 Solutions Limited and Training Qualifications UK Limited. For entities acquired during the prior year figures in the consolidated accounts only include the period from acquisition to 31 March.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of financial activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

The net income and net movement in funds for the year for the Charity were £8,633,000 surplus (2024: £1,793,000 surplus) and total funds at the year-end were £185,004,000 (2024: £176,371,000).

(i) Subsidiaries

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiary undertakings are stated at cost, including those costs associated with the acquisitions, less provision for any impairment in value. Where events or changes in circumstances indicate that the carrying amount of an investment may not be recoverable, an impairment review is performed. An impairment write down is recognised to the extent that the carrying amount of the asset exceeds the higher of the fair value less costs to sell or value in use.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control. Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated statement of financial activities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. All of the subsidiaries have a year end of 31 March. AlphaPlus Consultancy Limited previously had a year end of 30 September however during the year there was a 6 month accounting period ending 31 March 2025, thus bringing it in line with the rest of the group. However, for the purpose of the Group accounts the figures cover the period from 1 April 2024 (or date of acquisition) to 31 March 2025.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(c) Basis of consolidation (continued)

(ii) *Joint ventures*

Investments in joint arrangements can take the form of jointly controlled operations, jointly controlled assets, or jointly controlled entities. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. AQA has a joint venture classified as a jointly controlled entity.

AQA has invested in a jointly controlled entity (Oxford International AQA Examinations Limited). AQA owns 50% of the issued share capital. A joint venture agreement has been signed by both parties.

Interests in jointly controlled entities are accounted for using the equity method (mentioned below) after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost (including transaction costs) and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the consolidated statement of financial activities. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy "Impairment of non-financial assets" mentioned later in this note.

AQA's share of the loss of the joint venture is recognised in the consolidated statement of financial activities.

(d) Income recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount for goods supplied or services rendered, net of value added tax.

The Group recognises revenue when (a) it obtains entitlement to the income; (b) the Group retains no continuing involvement or control over the goods or services; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and; (e) when the specific criteria relating to each of the sales channels have been met, as described below.

(i) *Provision of examination services*

Income for the provision of examination services is recognised when all services associated with the qualification are substantially completed. Income received in advance of the examination series is deferred and recognised when the examination series takes place.

For post results services income is recognised when the amount of the revenue and the stage of completion can be measured reliably.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(d) Income recognition (*continued*)

(ii) *Events*

Income for the provision of events is recognised when the event takes place.

(iii) *Centre inspection services*

Income is recognised for centre inspection services on a straight-line basis over the period of the contract. Invoices are raised quarterly in arrears.

(iv) *Provision of teacher support materials*

Revenue from the sale of digital courseware products is recognised on straight line basis over the period of the subscription. For individual sales, the revenue is recognised when control is passed to the customer when the digital product is made available.

(v) *Digital services*

Revenue from services such as scanning are recognised in the accounting period in which the work on the services is performed and the obligations have been satisfied in accordance with the customers' agreed requirements.

Sales of scanning machines and associated equipment are recognised when the products have been delivered to the customer and it is probable that economic benefits associated with the transaction will flow to the Company. Maintenance service contracts are recognised on a straight-line basis over the period of the contract.

(vi) *Educational consultancy services*

Revenue for educational consultancy services is recognised when the services are complete, with revenue for services ongoing over the year end shown as work in progress on the balance sheet. Profit on work in progress contracts is recognised when the outcome of the contracts can be assessed with reasonable certainty, the stage of completion can be measured reliably and the costs incurred and costs to complete can be measured reliably. The amount recognised is that which is estimated to reflect fairly the profit arising up to the reporting date. Profit on work in progress contracts is recognised as the difference between the reported revenue and related costs. When a contract is expected to be loss making the expected loss is recognised as an expense immediately.

(vii) *Subscription services*

Subscription income is received in advance of the period to which it relates and is deferred on a straight-line basis over the subscription period.

(viii) *Awarding and assessment services*

Revenue from contracts for the provision of educational services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised and it is probable they will be recovered. Depending on commercial billing terms agreed with each customer, income will need to be accrued or deferred, such amounts are recorded within accrued income within trade and other receivables or deferred income within trade and other payables.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(e) Fund accounting

General funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose.

(f) Expenditure recognition and irrecoverable value added tax

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The majority of AQA's supplies are exempt for value added tax purposes. As a result, AQA is only able to recover a small percentage of its input tax. The amount not recoverable is charged in the consolidated statement of financial activities under the appropriate cost category or added to the cost of fixed assets.

Expenditure is classified under the following activity headings:

(i) *Charitable activities*

These costs relate to services provided centrally and identified as wholly or mainly in delivery of direct charitable activities, together with an appropriate proportion of management and office overheads undertaken to further the purposes of the Charity and their associated support costs.

(ii) *Governance and support costs*

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, IT, personnel and payroll. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. These costs all relate to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

Governance costs relate to the corporate management of the organisation itself. They include expenses of Trustees' meetings, audit fees, office relocation costs and other corporate management costs.

(iii) *Other trading activities*

These costs relate to non-charitable services provided by subsidiary undertakings, AQA Assessment Services Limited and AlphaPlus Consultancy Limited. It includes direct costs as well as overhead costs.

(iv) *Raising funds*

Costs for raising funds relate to the management of other fixed asset investments by the investment advisors and fund managers.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(g) Income and expenditure on examinations

Examination fees and training course fees received in advance are deferred and recognised in the year the examinations and meetings take place. Expenditure on question papers and on fees and expenses of examiners are expensed when they are incurred.

(h) *Employee benefits*

The Group provides a range of benefits to employees, including holiday pay, defined benefit and defined contribution pension plans.

(i) *Short-term benefits*

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

(ii) *Defined contribution pension plans*

A defined contribution plan is a pension plan under which the employee and Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts due but not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

(iii) *Defined benefit pension plans*

The Charity operates defined benefit plans for employees. During the year, the principal defined benefit scheme for AQA's staff was the AQA Pension Scheme. AQA also has unfunded pension liabilities which represent augmented pensions for members of staff who are no longer employees of AQA. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit section of the AQA Pension Scheme and the unfunded augmented pension liabilities are accounted for as defined benefit schemes under section 28 of FRS 102. The defined benefit section of the AQA Pension Scheme was closed to new entrants from July 2006 and to future accruals from January 2011.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities of individual members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme. AQA has also contributed to the Teacher's Pension Scheme which is a multi-employer defined benefit scheme where it is not possible to separately identify the assets and liabilities for each participating employer. Accordingly, contributions are treated as defined contribution schemes for accounting purposes.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(iii) *Defined benefit pension plans (continued)*

A liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. A defined benefit asset is recognised where there is a plan surplus which can be recovered in future through a refund to AQA.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by applying an appropriate discount rate to the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged respectively to the consolidated statement of financial activities. Full actuarial valuations of pension schemes are performed every three years. The last completed full actuarial valuation of the AQA Pension Scheme was at 30 September 2021. The next valuation to 30 September 2024, will be completed by 31 December 2025.

The net interest cost or credit is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. A cost is recognised within expenditure on charitable activities while a credit is recognised within 'Net investment income'.

(i) Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is aggregate of the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is recognised where the payment of consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(i) Business combinations and goodwill (continued)

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is estimated to be between 3 to 10 years. At the time of acquisition management perform an assessment of expected useful life in order to determine the most appropriate expected useful life. As part of this assessment management consider probability of the entity achieving its KPI's, forecasts and any fair value adjustments identified. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the consolidated statement of financial activities.

In accordance with Section 35.10(a) of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations affected prior to the date of transition.

(j) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation commences when the software or development project is ready for use. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Software – 3 years
Development costs – up to 5 years
Assets under construction – Not depreciated

Amortisation is charged to expenditure on charitable activities in the consolidated statement of financial activities.

The assets are reviewed for indicators of impairment and if these are present, the asset will be impaired to the recoverable amount.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(j) Intangible assets (continued)

(i) *Specification development*

Expenditure on the development of specifications and related teacher support materials is charged to the consolidated statement of financial activities in the year in which the expenditure is incurred.

(ii) *Systems development*

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets.

(iii) *Research and development expenditure*

Research expenditure is charged to the consolidated statement of financial activities in the year in which the expenditure is incurred.

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, costs can be measured reliably and resources are available to complete the project. Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

(k) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The useful economic lives and residual value of fixed assets are periodically reviewed. The effect of any change is accounted for prospectively.

Depreciation commences from the date an asset is brought into service. The charge for depreciation is calculated so as to write off the cost, less estimated realisable value, of each asset on a straight line basis over its expected useful life.

Freehold buildings	25 - 40 years
Leasehold land and buildings	Term of the lease
Assets under construction	Not depreciated
Furniture, equipment and vehicles:	
Office fixtures & fittings and equipment	3 - 10 years
Motor vehicles	4 years
IT equipment	3 years

Freehold land is not depreciated.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(k) Tangible fixed assets and depreciation (continued)

For the purposes of the Charities SORP (FRS102), all tangible fixed assets of AQA Education are considered to be functional assets of the Charity. Tangible assets costing more than £10,000 per individual item or Group of related items are capitalised in the year of acquisition. Items costing less than £10,000 are charged to the consolidated statement of financial activities when incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the consolidated statement of financial activities.

(l) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) *Operating lease*

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the consolidated statement of financial activities on a straight-line basis over the period of the lease.

(ii) *Lease incentive*

Incentives received to enter into an operating lease are credited to the consolidated statement of financial activities, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Group and Charity have taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 October 2014) and continue to credit such lease incentives to the consolidated statement of financial activities over the period to the first review date on which the rent is adjusted to market rates.

(m) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax, obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised in the consolidated statement of financial activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the consolidated statement of financial activities.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(n) Stocks

The purchase of materials, goods and examination materials are written off in the year of examination. Printing stocks and consumables are valued at the lower of cost and estimated selling price less cost to complete and sell.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including irrecoverable taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each reporting year stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the consolidated statement of financial activities. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the consolidated statement of financial activities.

(o) Cash and cash equivalents

Cash and cash equivalents includes cash at bank, deposits held with banks and cash held by investment managers (presented within other fixed asset investments on the balance sheet). Investments balances that are liquid but are not used to fund short term commitments are held in current investments.

(p) Fixed asset investments

(i) *Investments in subsidiaries*

In the charity's individual accounts, investments in subsidiary undertakings are measured at cost less accumulated impairment.

(ii) *Investments in quoted company shares, bonds, investment funds, unit trusts and open-ended investment companies*

Investments in quoted company shares, bonds, investment funds, unit trusts and open-ended investment companies are stated at market value. Please see note 14 for further details.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The timing or the amount of the future expenditure required to settle the obligation is uncertain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(q) Provisions (continued)

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(r) Donations received under gift aid

Donations received under gift aid from Group entities are recognised when the funds are received by the Charity. Subsidiaries will remit charitable donations to the Charity based on the previous reporting period's financial performance, however they have no legal obligation to do so.

(s) Financial instruments

The Group has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other debtors, amounts owed by fellow undertakings and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the consolidated statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the consolidated statement of financial activities.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value as at the reporting date using the closing quoted market price. The consolidated statement of financial activities includes the changes in fair value, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment. These long term investments, whilst highly liquid, are included in fixed assets, as there is no intention to draw down on them in the next year or indeed in the near future.

All gains and losses are taken to the consolidated statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their original purchase cost. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their original purchase cost.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(s) Financial instruments (continued)

(i) *Financial assets (continued)*

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors and amounts owed to fellow Group companies that are classified as debt, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities including debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

The Group does not currently use derivatives to manage its financial risks.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(t) Critical accounting judgements and key source of estimation

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Share of loss in joint venture*

The Charity has invested in a jointly controlled entity (Oxford International AQA Examinations Limited) in which it owns 50% of the issued share capital. The Charity's share of losses is in excess of its interest in the entity. Management have elected to recognise the excess amount within provisions for liabilities as they consider they have a continuing commitment to those students studying for their exams if the jointly controlled entity were to cease trading.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

3 Summary of significant accounting policies (continued)

(t) Critical accounting judgements and key source of estimation (continued)

(ii) *Intangible assets - software*

The capitalisation of software development costs on the balance sheet depends on the assessment of future economic benefit arising from future use and is accordingly a matter of judgement.

(iii) *Fixed asset useful economic lives*

Depreciation and amortisation charges are recognised to write down assets to their residual values over their useful economic lives. The determination of these residual values and estimated lives requires the exercise of management judgement.

(iv) *Pension scheme buy-out*

The Charity has entered into a buy-in policy covering the liabilities of all members of the AOA Pension Scheme. The Charity has confirmed that there is no commitment to convert to buy-out in the near future which would require the, further agreement of the Pension Trustees and AQA.

(u) Key accounting estimates and assumptions

(i) *Carrying value of goodwill*

The Group reviews the indicators of impairment annually to identify whether goodwill has suffered any impairment, in accordance with the accounting policy stated. The recoverable amounts of cash generating units have been determined based on value-in-use calculations.

(ii) *Retirement benefit obligations*

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on a number of factors, including: life expectancy, salary increases, and the discount rate on corporate bonds. Management estimates these factors in determining the pension obligations in the balance sheet. The assumptions reflect historical experience and current trends.

Note 26 details the actuarial assumptions used in determining the carrying amount at 31 March 2025.

(iii) *Provisions*

Provisions made for share of loss in Joint Venture, reorganisation costs, withdrawn learners and dilapidations require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Also included within provisions is contingent consideration, this is additional consideration that could be due to the previous shareholders of the group's acquisitions. The amounts are based on profit and other qualitative targets placed on the business in the years following acquisition. Consequently, management must estimate the businesses performance against such targets in order to estimate the additional consideration payable.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

4 Income from charitable and other trading activities

	Unrestricted funds	
	2025	2024
	£000	£000
Educational Services - United Kingdom fee income	261,654	239,709
Educational Services – Overseas fee income	3,003	1,992
Total income from charitable activities	264,657	241,701
Digital and Consultancy Services – United Kingdom	7,248	7,273
Digital and Consultancy Services – Overseas	506	-
Total income from other trading activities	7,754	7,273

5 Investment income and management costs

	Unrestricted funds	
	2025	2024
	£000	£000
Interest – UK deposits	2,729	3,255
Dividends	3,797	345
	6,526	3,600
Net credit to other finance income on defined pension scheme assets and liabilities (note 26)	1,188	1,623
Total investment income	7,714	5,223
Investment manager fees	(40)	(73)
Total investment management costs	(40)	(73)
Net investment income	7,674	5,150

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

6 Charitable and other trading expenditure

	2025	2025	2025	2024	2024	2024
	Educational	Digital and	Total	Educational	Digital and	Total
	services	consultancy		services	consultancy	
	£000	services	£000	£000	services	£000
Operational costs:						
Examiner costs	72,246	-	72,246	64,188	-	64,188
Printing postage and other examination costs	12,738	-	12,738	7,543	-	7,543
Premises costs	4,732	-	4,732	2,838	-	2,838
Staff costs	76,118	3,926	80,044	76,446	3,678	80,124
Operating lease rentals	2,289	-	2,289	1,582	-	1,582
Non-capital IT costs	33,058	-	33,058	25,429	-	25,429
Depreciation	2,783	30	2,813	2,207	32	2,239
Amortisation of goodwill	4,245	-	4,245	5,822	-	5,822
Amortisation of intangibles	7,265	-	7,265	13,878	-	13,878
Loss on disposal	-	9	9	-	-	-
Overheads	11,371	431	11,802	10,952	365	11,317
Restructuring costs	782	-	782	716	-	716
Consultancy	12,099	3,121	15,220	11,585	2,922	14,507
Governance costs (note 9)	755	31	786	705	31	736
Other support costs (note 9)	17,484	-	17,484	16,146	-	16,146
	257,965	7,548	265,513	240,037	7,028	247,065
Non-operational costs:						
Software impairment	-	-	-	396	-	396
Goodwill impairment	-	-	-	4,715	-	4,715
Total	257,965	7,548	265,513	245,148	7,028	252,176

7 Summary analysis of expenditure and related income for charitable activities

	2025	2024
	Total	Total
	£000	£000
Income from charitable activities:		
Fees and charges	264,657	241,701
Total income	264,657	241,701
Expenditure on charitable activities:		
Staff costs	(94,405)	(92,604)
Operational costs	(163,560)	(147,433)
Non-operational costs	-	(5,111)
Total expenditure	(257,965)	(245,148)
Total surplus / (deficit) from charitable activities	6,692	(3,447)

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

8 **Taxation**

AQA is a charity and therefore claims exemption from corporation tax. Subsidiary trading companies make donations under gift aid to the Charity, equal to taxable profits, within 9 months of the balance sheet date, and thus do not have corporation tax charges or liabilities.

In the previous year, no deferred tax asset was recognised and £1,600,000 was charged to the Consolidated Income Statement due to a deferred tax asset of £1,600,000 being recognised for the expected utilisation of tax losses against future taxable profits the year prior. It is now estimated that no tax losses will be utilised. The deferred tax asset unprovided at the year-end is £3,378,000 (2024: £2,032,000).

9 **Analysis of governance and support costs**

The Group initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken (see note 6) in the year. The basis of allocation between education and digital and consultancy services depends on the nature of services provided by the entity in which the costs arise. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Other support costs	Governance costs	2025 Total £000	Basis of allocation
	£000	£000	£000	
Employment costs	17,484	21	17,505	Staff time
Trustee expenses	-	4	4	Invoiced events
Internal audit services	-	361	361	Governance
External auditor – audit services:				
Audit of consolidated and Charity financial statements	-	198	198	Governance
Audit of the subsidiary financial statements	-	199	199	Governance
Other services	-	3	3	Governance
Total	17,484	786	18,270	

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

9 Analysis of governance and support costs (continued)

	Support costs	Governance costs	2024 Total £000	Basis of allocation
	£000	£000	£000	
Employment costs	16,146	15	16,161	Staff time
Trustee expenses	-	8	8	Invoiced events
Internal audit services	-	373	373	Governance
External auditor – audit services:				
Audit of consolidated and Charity financial statements	-	162	162	Governance
Audit of the subsidiary financial statements	-	175	175	Governance
Other services	-	3	3	Governance
Total	16,146	736	16,882	

As the Charity is unable to recover input VAT, the fee for the audit of consolidated and Charity financial statements includes VAT. External audit fee net of VAT for audit of consolidated and Charity financial statements was £164,700 (2024: £135,200). External audit fee net of VAT for audit of the subsidiary financial statements financial statements was £166,000 (2024: £143,800). Fee net of VAT for assurance in relation to Certification of teacher's pension scheme £2,200 (2024: £2,175).

10 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

	2025 £000	2024 £000
Wages and salaries	77,545	75,496
Social security costs	7,864	7,123
Pension costs		
- Defined benefit employer contributions	344	735
- Defined contribution pension costs	7,633	7,059
	93,386	90,413
Other staff related costs	4,945	5,872
	98,331	96,285

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

10 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

Termination payments of £1,316,000 (2024: £678,000) were made in the year, partly due to changes in the staffing structure which are accounted for under restructuring costs with the remainder falling under normal staff costs.

	2025 Number	2024 Number
Average monthly number of employees and temporary staff		
By activity:		
Educational services	1,247	1,237
Support and administration	411	420
Digital and consultancy services	140	112
	1,798	1,769

During the year there was a change in the Chair of Trustees and having received Charity Commission permission Ms Spackman, serving from April 2024 to December 2024, was paid £15,000 and then Mr Laws, serving from December 2024 to March 2025, was paid £6,000 for their role as Chair of Trustees. In the prior year, £15,000 was paid to Mr van Wijngaarden for his role as the Chair of Trustees during that period. The Trustees have been reimbursed for all expenses incurred by them in connection with their attendance at meetings of the Board, other committees or general meeting of the Charity or otherwise in connection with their discharge of their duties as Trustees. Travelling and subsistence expenses amounting to £3,679 (2024: £8,101), were reimbursed to 7 (2024: 12) Trustees. No Trustee shall be appointed to any office of the Charity paid by salary or fees, other than that the Chief Executive Office of the Charity may be appointed as a Trustee.

The key management personnel of the parent Charity comprise the Executive Team alongside the Trustees of the Charity. The total remuneration of the key management personnel of the Charity over the full year was £2,242,000 (2024: £1,876,000). The remuneration of the Chief Executive Officer was £407,000 (2024: £373,000). The Chief Executive Officer is also a Trustee as permitted by the Articles of Association however all remuneration paid to them is in respect of their employment with AQA, not for their duties as a Trustee. Remuneration for key management personnel and Chief Executive Officer includes employer pension contributions, employers' national insurance, termination payments and benefits in kind. During the year there were no termination payments (2024: £125,000) paid to members of key management personnel.

The key management personnel of the Group comprise those of the Charity and the key management personnel of its wholly owned subsidiaries. The remuneration of the key management personnel of the subsidiaries totalled £1,721,000 (2024: £1,649,000). The total remuneration of the key management personnel for the Group was £3,963,000 (2024: £3,525,000).

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

10 **Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)**

There were 346 (2024: 273) employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind and termination payments, were in excess of £60,000.

Group

	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
Higher paid employees fell within the following bands:		
£60,001 to £70,000	144	125
£70,001 to £80,000	89	66
£80,001 to £90,000	52	35
£90,001 to £100,000	18	15
£100,001 to £110,000	16	12
£110,001 to £120,000	10	7
£120,001 to £130,000	4	2
£130,001 to £140,000	1	2
£140,001 to £150,000	3	2
£150,001 to £160,000	4	2
£160,001 to £170,000	1	1
£170,001 to £180,000	1	-
£190,001 to £200,000	-	2
£200,001 to £210,000	2	-
£280,001 to £290,000	-	1
£330,001 to £340,000	-	1
£350,001 to £360,000	1	-

The number of employees whose emoluments exceeded £60,000 have increased year on year due to a combination of factors including annual salary pay rises and an increase in overall headcount.

Contributions by the employer were made to defined benefit pension schemes for 5 (2024: 29) higher paid employees. Contributions amounting to £2,488,000 (2024: £1,661,000) were made to defined contribution schemes for 335 (2024: 261) higher paid employees. Pension contributions have increased in line with the number of higher paid employees. The AQA Pension scheme includes both defined benefit and defined contribution elements.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

11 Intangible assets

Group	Goodwill	Software	Product development expenditure	Assets under development	Total
	£000	£000	£000	£000	£000
COST					
At 1 April 2024	52,610	84,068	15,099	-	151,777
Additions	-	1,294	-	3,462	4,756
Reduction in contingent consideration	(511)	-	-	-	(511)
At 31 March 2025	52,099	85,362	15,099	3,462	156,022
ACCUMULATED AMORTISATION					
At 1 April 2024	19,667	68,827	15,099	-	103,593
Amortisation charge for the year	4,245	7,265	-	-	11,510
At 31 March 2025	23,912	76,092	15,099	-	115,103
NET BOOK VALUE					
At 31 March 2025	28,187	9,270	-	3,462	40,919
At 31 March 2024	32,943	15,241	-	-	48,184

Goodwill reductions reflect the unexpected loss of customer contracts during the year which resulted in a decrease to subsidiary revenues and cash flows.

Charity	Goodwill	Software	Assets under development	Total
	£000	£000	£000	£000
COST				
At 1 April 2024	171	79,147	-	79,318
Additions	-	623	2,310	2,933
At 31 March 2025	171	79,770	2,310	82,251
ACCUMULATED AMORTISATION				
At 1 April 2024	40	66,007	-	66,047
Amortisation charge for the year	34	6,387	-	6,421
At 31 March 2025	74	72,394	-	72,468
NET BOOK VALUE				
At 31 March 2025	97	7,376	2,310	9,783
At 31 March 2024	131	13,140	-	13,271

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

11 Intangible assets (continued)

Software includes £6,381,000 (2024: £10,635,000) relating to our new Enterprise Resource Planning (ERP) system. Amortisation is due to finish in the 2026/27 financial year.

12 Tangible fixed assets

Group	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	IT Equipment £000	Furniture, Equipment and Vehicles £000	Assets under construction £000	Total £000
COST						
At 1 April 2024	450	19,175	3,524	15,139	-	38,288
Additions	-	-	77	519	1,157	1,753
Disposals	-	(18)	(990)	(20)	-	(1,028)
At 31 March 2025	450	19,157	2,611	15,638	1,157	39,013
ACCUMULATED DEPRECIATION						
At 1 April 2024	-	2,127	3,149	6,494	-	11,770
Charge for the year	-	1,046	206	1,561	-	2,813
On disposals	-	-	(1,001)	(12)	-	(1,013)
At 31 March 2025	-	3,173	2,354	8,043	-	13,570
NET BOOK VALUE						
At 31 March 2025	450	15,984	257	7,595	1,157	25,443
At 31 March 2024	450	17,048	375	8,645	-	26,518
Charity						
		Leasehold Land & Buildings £000	IT Equipment £000	Furniture, Equipment and Vehicles £000	Assets under construction £000	Total £000
COST						
At 1 April 2024		19,176	2,552	2,324	-	24,052
Additions		-	-	-	1,157	1,157
Disposals		(18)	(967)	-	-	(985)
At 31 March 2025		19,158	1,585	2,324	1,157	24,224
ACCUMULATED DEPRECIATION						
At 1 April 2024		2,124	2,356	308	-	4,788
Charge for the year		1,047	84	276	-	1,407
On disposals		-	(967)	-	-	(967)
At 31 March 2025		3,171	1,473	584	-	5,228
NET BOOK VALUE						
At 31 March 2025		15,987	112	1,740	1,157	18,996
At 31 March 2024		17,052	196	2,016	-	19,264

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

13 Investment in subsidiary undertakings and joint ventures

(a) Cost of investment in subsidiary undertakings

	2025	2024
	£000	£000
At 1 April 2024	22,421	26,449
Additions		
GradeMaker Limited	-	6,128
	-	6,128
Group reorganisation - share for share exchange		
AQA Assessment Services Limited	-	(7,308)
GradeMaker Limited	-	(6,128)
AQA Commercial Services Limited	-	13,436
	-	-
Other Movements		
AQA Commercial Services Limited (Debt to Equity Swap)	3,800	-
AQA Commercial Services Limited (AlphaPlus contingent consideration)	13	-
AQA Commercial Services Limited (Blutick impairment)	-	(1,339)
AQA Commercial Services Limited (GradeMaker impairment)	-	(6,128)
AQA Commercial Services Limited (AlphaPlus impairment)	-	(2,012)
AC3 Solutions Limited (Hive Up)	-	(677)
	3,813	(10,156)
At 31 March 2025		
AQA Commercial Services Limited	26,234	22,421
	26,234	22,421

During the year a debt to equity swap took place where AQA Commercial Services Limited issued shares in order to pay some of the balance of an intercompany loan with AQA Education.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

13 Investment in subsidiary undertakings and joint ventures (continued)

A list of the subsidiary undertakings is provided below:

Name of the entity	Company Number	Registered Office Address	Parent Entity	% of ownership interest
AQA Assessment Services Limited	05568337	Devas Street, Manchester, M15 6EX	AQA Commercial Services Limited	100%
AQA Commercial Services Limited	14299239	Devas Street, Manchester, M15 6EX	AQA Education	100%
AlphaPlus Consultancy Limited	04801609	Devas Street, Manchester, M15 6EX	AQA Commercial Services Limited	100%
Training Qualifications UK Limited	07827508	Crossgate House, Cross Street, Sale, M33 7FT	AQA Commercial Services Limited	100%
Doublestruck Limited	02373295	Devas Street, Manchester, M15 6EX	AQA Commercial Services Limited	100%
GradeMaker Limited*	08936673	Devas Street, Manchester, M15 6EX	AQA Assessment Services Limited	100%
Blutick Limited*	11318113	Devas Street, Manchester, M15 6EX	Doublestruck Limited	100%
AC3 Solutions Limited*	08453864	Devas Street, Manchester, M15 6EX	AQA Education	100%

*The operations of GradeMaker Limited were hived up into AQA Assessment Services Limited in the prior year and the company currently remains dormant. AC3 Solutions Limited & Blutick Limited were hived up into their respective parent in the prior year and were dissolved in May 2025.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

13 Investment in subsidiary undertakings and joint ventures (continued)

The summarised financial information of the subsidiary undertakings is provided below:

	Gross Income 2025 £000	Expenditure 2025 £000	Profit/(loss) for the year 2025 £000	Assets 2025 £000	Liabilities 2025 £000	Funds / Reserves 2025 £000
AQA Assessment Services Limited	12,344	(18,398)	(6,054)	10,856	(8,790)	2,066
AQA Commercial Services Limited	-	(3,446)	(3,446)	70,364	(45,963)	24,401
AlphaPlus Consultancy Limited	7,755	(7,549)	206	3,793	(485)	3,308
Training Qualifications UK Limited	13,731	(9,135)	4,596	8,704	(2,651)	6,053
Doublestruck Limited	6,241	(4,747)	1,494	4,849	(3,856)	993

There is no financial information to report for AC3 Solutions Limited, Blutick Limited and GradeMaker as they were hived up into their respective parent in the prior year.

	Gross Income 2024 £000	Expenditure 2024 £000	Profit/(loss) for the year 2024 £000	Assets 2024 £000	Liabilities 2024 £000	Funds / Reserves 2024 £000
AQA Assessment Services Limited	27,513	(13,048)	14,465	12,366	(2,646)	9,720
AC3 Solutions Limited	113	(56)	57	-	-	-
AQA Commercial Services Limited	6,132	(3,579)	2,553	62,576	(38,541)	24,035
AlphaPlus Consultancy Limited	7,274	(7,028)	246	4,196	(762)	3,434
Training Qualifications UK Limited	11,638	(8,998)	2,640	6,872	(2,237)	4,635
Doublestruck Limited	5,892	(4,020)	1,872	3,695	(3,509)	186
Blutick Limited	41	(143)	(102)	-	-	-
GradeMaker Limited	336	(1,183)	(847)	-	-	-

Figures for GradeMaker Limited represent the period from acquisition to 31 March 2024. AC3 Solutions Limited, Blutick Limited and GradeMaker Limited have nil assets and liabilities as they have been hived up into their respective parent.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

13 Investment in subsidiary undertakings and joint ventures (continued)

(b) Cost of investment in joint venture

	2025	2024
	£000	£000
At 1 April 2024	(520)	(733)
Funding payments	250	1,350
Share of loss	(866)	(1,137)
At 31 March 2025	(1,136)	(520)

AQA's share of the accumulated losses of the joint venture which exceeds the amount invested is included within provisions for liabilities and charges on the balance sheet and is stated at cost less impairment. During the year, an addition of £250,000 (2024: £1,350,000) was made to the cost of the investment.

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Group.

Name of the entity	Place of business/country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
Oxford International AQA Examinations Limited	United Kingdom	50	See below	Equity

Oxford International AQA Examinations Limited offers a suite of international GCSE, AS and A-level qualifications to schools outside the UK that teach a British curriculum. The qualifications are designed and delivered by AQA and externally validated to ensure they are comparable to UK qualifications.

The business made a loss in the year, in line with expectations at this stage of its growth and the AQA Trustees remain positive about future trading. AQA remains committed to funding its share of the jointly controlled entity.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

14 Other fixed asset investments

Investments

	Group & Charity 2025 £000	Group & Charity 2024 £000
Market value at 1 April 2024	53,359	48,687
Additions at cost	1,348	20,470
Disposals at market value (i.e. sales proceeds)	(1,299)	(19,783)
Net movements in cash held with fund managers	12	(426)
Net investment gains	563	4,411
Market value at 31 March 2025	53,983	53,359
Cost at 31 March 2025	52,406	50,472
Balance on net unrealised gain reserve	1,577	2,887

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

14 Other fixed asset investments (continued)

Analysis of market value of investments held

	Group & Charity 2025 £000	% of total	Group & Charity 2024 £000	% of total
Equities				
United Kingdom	80	0.1	79	0.1
Overseas	1,867	3.5	1,930	3.6
Bonds				
United Kingdom	474	0.9	453	0.8
Overseas	733	1.4	702	1.3
Multi asset funds	49,658	92.0	48,743	91.4
Alternatives				
Hedge funds	122	0.2	109	0.2
Property	103	0.2	459	0.9
Commodities	222	0.4	167	0.3
Other	414	0.8	419	0.8
Cash held with fund managers	310	0.5	298	0.6
	53,983	100	53,359	100

All investments are carried at their fair value. Investment in equities and bonds are all traded in quoted public markets, such as the London Stock Exchange. Holdings in multi asset funds and other investments are as advised by the fund managers. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

15 Stocks and work in progress

	Group	Charity	Group	Charity
	2025	2025	2024	2024
	£000	£000	£000	£000
Finished goods	873	851	1,420	891
	873	851	1,420	891

16 Debtors

	Group	Charity	Group	Charity
	2025	2025	2024	2024
	£000	£000	£000	£000
Trade debtors	89,975	85,621	90,821	85,933
Amounts owed by Group undertakings	-	50,672	-	35,856
Amount due from related party	302	302	462	462
Other debtors	385	169	15,529	15,518
Prepayments and accrued income	8,401	6,414	7,476	4,807
	99,063	143,178	114,288	142,576

Trade debtors within the charity are slightly lower year on year due to higher receipt of cash compared to prior year for the summer 2025 series, resulting in less cash being due to the company before the financial year end.

Prepayments and accrued income includes £164,000 (2024: £484,000) falling due after more than one year.

Other debtors £169,000 (2024: £169,000) falling due after more than one year.

Amounts due from Group undertakings are unsecured. Loans are repayable on demand with twelve months' notice and interest is charged at an annual commercial rate of 4.75% over the base rate. Loans arranged before 31 March 2022 use the Royal Bank of Scotland base rate, those arranged afterwards use the Bank of England base rate.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

17 Current investments

Investments totalling £91,559,000 (2024: £63,048,000) shown under current assets for the Group and £86,675,000 (2024: £63,048,000) for the Charity are represented by shares in the BlackRock Institutional Sterling Liquidity Fund and Goldman Sachs Sterling Liquid Reserves Fund. These are deemed to be highly liquid funds. It is management's intention that these funds are held for investment purposes and as such do not form part of cash and cash equivalents.

As at 31 March 2025 the balance also includes £6,581,000 (2024: £6,386,000) relating to a pension fund account to allow AQA to fund a buy-out of the AQA Pension Scheme with an insurance company at some time in the future. AQA may access the funds with the joint consent of the Pension Trustees.

Net movements related to current investments are reflected in the Consolidated Statement of Cash Flows.

18 Creditors: amounts falling due within one year

	Group 2025 £000	Charity 2025 £000	Group 2024 £000	Charity 2024 £000
Trade creditors	6,186	5,433	4,655	3,983
Amounts owed to Group undertakings	-	1,203	-	1,462
Taxation and social security costs	2,818	1,698	2,779	2,001
Other creditors	1,396	974	1,199	790
Accruals and deferred income	233,484	228,854	232,008	226,345
	243,884	238,162	240,641	234,581

Amounts due to Group undertakings in the prior year are unsecured. These loans were repayable on demand with twelve months' notice and interest was charged at an annual commercial rate of 4.75% over the Royal Bank of Scotland base rate.

The movement on deferred income during the year was:

	Group 2025 £000	Charity 2025 £000	Group 2024 £000	Charity 2024 £000
Balance at 1 April 2024	221,625	217,699	206,134	202,350
Amount deferred in the year	229,509	225,211	221,625	217,699
Amount released in the year	(221,625)	(217,699)	(206,134)	(202,350)
Balance at 31 March 2025	229,509	225,211	221,625	217,699

Income for the provision of examination services is recognised when all services associated with the qualification are substantially completed. Income received in advance of the examination series is deferred and recognised when the examination series takes place.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

19 Financial instruments

The Group and Charity have the following financial instruments measured at fair value:

	Note	Group 2025 £000	Charity 2025 £000	Group 2024 £000 Restated	Charity 2024 £000 Restated
Financial assets measured at fair value through consolidated statement of financial activities:					
Investment in securities					
Equities	14	1,947	1,947	2,009	2,009
Bonds	14	1,207	1,207	1,155	1,155
Multi asset funds	14	49,658	49,658	48,743	48,743
Alternatives	14	861	861	1,154	1,154
Cash held with fund managers	14	310	310	298	298
Short-term deposits	17	91,559	86,675	63,048	63,048
		145,542	140,658	116,407	116,407

The Group's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Details on the Group's exposure to each type of risk and how it manages those risks are detailed in 'Financial risk management' section of the Strategic Report.

The prior year figures have been restated to correct a classification error, The cash at bank and in hand balance was mistakenly included under short term deposits and classified as a financial asset measured at fair value. Additionally, the bank account associated with the designated pension fund has been reclassified from cash at bank and in hand to current asset investments.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

20 Provisions for liabilities and charges

Group	Contingent consideration £000	Leasehold dilapidations £000	Share of loss in joint venture £000	Other provisions £000	Total £000
Balance at 1 April 2024	4,574	1,469	520	562	7,125
Provided in the year	-	333	866	-	1,199
Utilised in the year	(1,368)	(4)	(250)	(167)	(1,789)
Reduction in estimate	(511)	-	-	-	(511)
Balance at 31 March 2025	2,695	1,798	1,136	395	6,024

Charity	Contingent consideration £000	Leasehold dilapidations £000	Share of loss in joint venture £000	Other provisions £000	Total £000
Balance at 1 April 2024	1,355	521	520	2	2,398
Provided in the year	-	323	866	-	1,189
Utilised in the year	(1,368)	-	(250)	(2)	(1,620)
Increase in estimate	13	-	-	-	13
Balance at 31 March 2025	-	844	1,136	-	1,980

Contingent consideration

This provision relates to future consideration due for the acquisition of AlphaPlus Consultancy Limited and Training Qualifications UK Limited. Actual consideration will be calculated based on performance of the entities in the post-acquisition period. The provision represents management's forecasts for Training Qualifications UK Limited, AlphaPlus Consultancy Limited contingent consideration is now nil at the year end.

Other provisions

Other provisions includes £395,000 (2024: £560,000) relating to potential withdrawing learners, that have registered on qualifications. Other provisions also includes £nil (2024: £2,000) relating to estimated costs of changes to staffing structures.

Leasehold dilapidations

As part of the property leasing arrangements there is an obligation to repair damages and make good leasehold properties when they are vacated. The provision is expected to be utilised between 2025 and 2108 as the leases terminate.

Share of loss in joint venture

The share of loss in the joint venture relates to AQA's share of the loss in the Oxford International AQA Examinations Limited entity which is jointly held with Oxford University Press. The provision will be offset against future profits of the joint venture.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

21 Total Charity Funds

Analysis of movements in unrestricted funds

Group	1 April 2024	Net Income / (expenditure)	Investment and actuarial gains / (losses)	Transfers	31 March 2025
	£000	£000	£000	£000	£000
Designated funds					
Pension fund	6,386	-	-	195	6,581
Total designated funds	6,386	-	-	195	6,581
Unrestricted general funds					
General unrestricted funds	64,246	28,029	1,873	(5,966)	88,182
Fixed asset fund	74,702	(14,323)	-	5,983	66,362
Investment revaluation reserve	2,887	-	(1,310)	-	1,577
Total unrestricted general funds	141,835	13,706	563	17	156,121
Unrestricted funds before pension asset	148,221	13,706	563	212	162,702
Pension Reserve	16,380	-	(17,248)	(212)	(1,080)
Total Group funds	164,601	13,706	(16,685)	-	161,622

The pension fund is a designated fund which has been created to help fund a buy-out of the pension scheme with an insurance company at some time in the future.

Analysis of net assets between funds 2025

Group	Designated fund	General fund	Pension fund	Total unrestricted funds
Intangible assets	-	40,919	-	40,919
Tangible assets	-	25,443	-	25,443
Investments	-	53,983	-	53,983
Current assets	6,581	285,684	-	292,265
Liabilities	-	(243,884)	-	(243,884)
Provisions	-	(6,024)	-	(6,024)
Net pension scheme liability	-	-	(1,080)	(1,080)
Total net assets	6,581	156,121	(1,080)	161,622

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

21 Total Charity Funds (continued)

Analysis of movements in unrestricted funds

Charity	1 April 2024	Net Income / (expenditure)	Investment and actuarial gains / (losses)	Transfers	31 March 2025
	£000	£000	£000	£000	£000
Designated funds					
Pension fund	6,386	-	-	195	6,581
Total designated funds	6,386	-	-	195	6,581
Unrestricted general funds					
General unrestricted funds	118,184	33,146	1,873	(4,056)	149,147
Fixed asset fund	32,534	(7,828)	-	4,073	28,779
Investment revaluation reserve	2,887	-	(1,310)	-	1,577
Total unrestricted general funds	153,605	25,318	563	17	179,503
Unrestricted funds before pension asset	159,991	25,318	563	212	186,084
Pension Reserve	16,380	-	(17,248)	(212)	(1,080)
Total Charity funds	176,371	25,318	(16,685)	-	185,004

The pension fund is a designated fund which has been created to help fund a buy-out of the pension scheme with an insurance company at some time in the future.

Analysis of net assets between funds 2025

Charity	Designated fund	General fund	Pension fund	Total unrestricted funds
Intangible assets	-	9,783	-	9,783
Tangible assets	-	18,996	-	18,996
Investment in subsidiary undertakings	-	26,234	-	26,234
Investments	-	53,983	-	53,983
Current assets	6,581	310,649	-	317,230
Liabilities	-	(238,162)	-	(238,162)
Provisions	-	(1,980)	-	(1,980)
Net pension scheme liability	-	-	(1,080)	(1,080)
Total net assets	6,581	179,503	(1,080)	185,004

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

21 Total Charity Funds (continued)

Analysis of movements in unrestricted funds

Group	1 April 2023	Net Income / (expenditure)	Investment and actuarial gains / (losses)	Transfers	31 March 2024
	£000	£000	£000	£000	£000
Designated funds					
Pension fund	6,244	-	-	142	6,386
Total designated funds	6,244	-	-	142	6,386
Unrestricted general funds					
General unrestricted funds	75,583	29,933	2,173	(43,443)	64,246
Fixed asset fund	49,217	(16,117)	-	41,602	74,702
Investment revaluation reserve	649	-	2,238	-	2,887
Total unrestricted general funds	125,449	13,816	4,411	(1,841)	141,835
Unrestricted funds before pension asset	131,693	13,816	4,411	(1,699)	148,221
Pension Reserve	24,503	-	(9,822)	1,699	16,380
Total Group funds	156,196	13,816	(5,411)	-	164,601

The pension fund is a designated fund which has been created to help fund a buy-out of the pension scheme with an insurance company at some time in the future.

Analysis of net assets between funds 2024

Group	Designated fund	General fund	Pension fund	Total unrestricted funds
Intangible assets	-	48,184	-	48,184
Tangible assets	-	26,518	-	26,518
Investments	-	53,359	-	53,359
Current assets	6,386	261,540	-	267,926
Liabilities	-	(240,641)	-	(240,641)
Provisions	-	(7,125)	-	(7,125)
Net pension scheme asset	-	-	16,380	16,380
Total net assets	6,386	141,835	16,380	164,601

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

21 Total Charity Funds (continued)

Analysis of movements in unrestricted funds

Charity	1 April 2023	Movement on reserves	Net Income / (expenditure)	Investment and actuarial gains/(losses)	Transfers	31 March 2024
	£000	£000	£000	£000	£000	£000
Designated funds						
Pension fund	6,244	-	-	-	142	6,386
Total designated funds	6,244	-	-	-	142	6,386
Unrestricted general funds						
General unrestricted funds	103,672	(40)	21,251	2,173	(8,872)	118,184
Fixed asset fund	39,550	-	(14,047)	-	7,031	32,534
Investment revaluation reserve	649	-	-	2,238	-	2,887
Total unrestricted general funds	143,871	(40)	7,204	4,411	(1,841)	153,605
Unrestricted funds before pension asset	150,115	(40)	7,204	4,411	(1,699)	159,991
Pension Reserve	24,503	-	-	(9,822)	1,699	16,380
Total charity funds	174,618	(40)	7,204	(5,411)	-	176,371

The pension fund is a designated fund which has been created to help fund a buy-out of the pension scheme with an insurance company at some time in the future.

The movement on reserves relates to the brought forward amortisation of goodwill on hive up of AC3 solutions Limited to AQA Education.

Analysis of net assets between funds 2024

Charity	Designated fund	General fund	Pension fund	Total unrestricted funds
Intangible assets	-	13,271	-	13,271
Tangible assets	-	19,264	-	19,264
Investment in subsidiary undertakings	-	22,421	-	22,421
Investments	-	53,359	-	53,359
Current assets	6,386	282,269	-	288,655
Liabilities	-	(234,581)	-	(234,581)
Provisions	-	(2,398)	-	(2,398)
Net pension scheme asset	-	-	16,380	16,380
Total net assets	6,386	153,605	16,380	176,371

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

21 Total Charity Funds (continued)

Transfer of funds from general unrestricted funds to fixed asset fund and pension charged accounts is to reallocate resources received to further invest in our fixed assets and contribute to our pension escrow account to fund a buy-out of the pension scheme.

22 Net cash generated from operations

Reconciliation of net income to net cash generated from operations

	Group	
	2025	2024
	£000	£000
Net income after tax	13,706	13,816
Net investment income excluding net finance income on defined benefit pension schemes	(6,526)	(3,600)
Depreciation	2,813	2,239
Loss / (Profit) on disposal of tangible fixed assets	9	(14,605)
Amortisation of intangibles	11,510	19,700
Reduction in contingent consideration	511	8,138
Decrease in stocks	547	752
(Increase) / Decrease in debtors	(124)	15,411
Increase in creditors	3,243	17,432
Decrease in provisions	(851)	(4,092)
Post-employment benefits cost less payments	212	(1,699)
Net cash generated from operations	25,050	53,492

Movement on debtors and creditors has been adjusted for sale proceeds received in the prior and subsequent years.

Analysis of changes in net debt

	At 1 April		At 31 March
	2024	Cash flows	2025
	£000	£000	£000
	Restated		
Other fixed asset investments cash	298	12	310
Cash at bank and in hand	89,170	11,600	100,770
Total cash and cash equivalents	89,468	11,612	101,080

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

23 Operating lease commitments

At 31 March AQA had the following future minimum lease payments under non-cancellable operating leases, for each of the following years:

	Group 2025 £000	Charity 2025 £000	Group 2024 £000	Charity 2024 £000
Not later than one year	2,258	1,734	1,634	873
Later than one year and not later than five years	7,308	5,604	5,424	3,166
Later than five years	8,780	7,271	5,987	3,735
	18,346	14,609	13,045	7,774

24 Capital commitments

There were £9,481,000 capital commitments contracted for at 31 March 2025 but not provided for (2024: £nil) in relation to contracts for software systems.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

25 Related party transactions

In the prior year AQA provided ACSL, a loan facility of up to £40,000,000 with drawdowns charged at 4.75% above the Bank of England base rate. At the year-end, the loan balance was £41,828,000 (2024: £33,910,000), with a total principal amount drawn of £33,963,000. The balance owed includes interest received to the Statement of Financial Activities during the year of £3,418,000 (2024: £3,536,000), a repayment of £3,800,000 (2024: 6,133,000), and funding for the acquisition of North West Skills Academy Limited, trading as Construction EPA Company, of £8,300,000. The funding occurred pre year end, in advance of the acquisition which took place in April 2025. The repayment of the loan in the year was done by way of a debt to equity swap where ACSL issued shares to AQA Education. The loan is repayable on demand and secured by a fixed and floating charge against all company assets. In addition, £1,415,000 (2024: £1,369,000) was owed to AQA Education relating to other expenses paid on behalf of AQA Commercial Services.

During the year, AQA charged Doublestruck £545,000 (2024: £503,000) for royalty fees, Doublestruck charged AQA £4,000 (2024: £150,000) for loan interest and £255,000 (2024: Nil) for Product development and Licence fees. Doublestruck also paid Gift Aid of £687,000 (2024: £1,985,000) to AQA. As at the year-end, Doublestruck owed AQA £123,000 (2024: £132,000) in respect of unpaid royalties, and the balance on the loan owed to Doublestruck was Nil (2024: £825,000).

During the year, AQA Assessment Services charged AQA £8,468,000 (2024: £22,718,000) for licence fee use of scanners and intellectual property and development fees, AQA charged AQA Assessment Services nil (2024: £1,169,000) for loan interest, and AQA charged AQA Assessment Services £16,263,000 (2024: £886,000) for recharges relating to direct costs, overheads, and management charges based on the cost sharing arrangement between the two companies. As at the year-end AQA Assessment Services owed AQA £7,306,000 (2024: £445,000) in respect of cost sharing recharges, and AQA owed AQA Assessment Services £1,203,000 (2024: £1,462,000) in respect of unpaid licence and development fees. The total loan facility available from AQA to AQA Assessment Services is £20,000,000. Interest is charged on the balance annually at 4.75% above the Royal Bank of Scotland base rate, and the balance is repayable on demand with 12 months' notice.

AlphaPlus performed consultancy services for AQA during the year and charged £406,000 (2024: £54,000). At the year-end Nil (2024: Nil) was owed by AQA. Alphaplus paid Gift Aid of £332,000 (2024: £386,000) to AQA during the year.

During the year, Training Qualifications UK paid Gift Aid of £3,179,000 (2024: Nil) to AQA Education and paid dividends of £nil (2024: £6,133,000) to AQA Commercial Services Limited. There were no other related party transactions to disclose with Training Qualifications UK in the reporting year and no outstanding balances.

The amounts recharged to the joint venture, Oxford International AQA Examinations Limited, in the year were £3,309,000 (2024: £2,751,000). As at the year-end, the balance due to AQA was £302,000 (2024: £274,000). During the year an addition of £250,000 (2024: £1,350,000) was made to the cost of investment by a 0% interest loan. Total cost of investment was £7,900,000 (2024: £7,650,000). AQA's share of the accumulated losses of the joint venture, which exceeds the amount invested, is included within provisions for liabilities and charges on the balance sheet and is stated at cost less impairment resulting in a provision of £1,136,000 (2024: £520,000).

Trustee and key management remuneration are disclosed in Note 10.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

26 Retirement benefits

AQA Education participated in a defined benefit pension scheme, the AQA Pension Scheme, as well as two national, Teacher Pension Scheme (TPS) and University Superannuation Scheme (USS), defined benefit schemes. In accordance with section 28 of FRS 102, unfunded pension liabilities are included in the defined benefit pension schemes liability for the one principal schemes.

USS and TPS are multi-employer defined benefit schemes where it is not possible to separately identify the assets and liabilities for each participating employer. Accordingly, contributions are treated as defined contribution schemes for accounting purposes. The net balance sheet asset for the aggregation of the schemes is detailed as follows:

	2025	2024
	£000	£000
Total AQA employer contributions	344	735

The defined benefit pension scheme asset is made up as follows:

	2025	2024
	£000	£000
The AQA Pension Scheme	1,198	18,977

The defined benefit pension schemes' liability is made up as follows:

	2025	2024
	£000	£000
Unfunded pension liabilities	2,019	2,360
USS	259	237
	2,278	2,597

During the year, AQA operated the AQA Pension Scheme which incorporates a defined benefit section providing benefits based on pensionable salary. The assets of the scheme were held separately from those of AQA being invested in trustee administered funds. The defined benefit section of the scheme was closed to new entrants from July 2006 and to future accruals from January 2011. The next valuation to 30 September 2024, will be completed by 31 December 2025.

The plan is administered by independent trustees, who are responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The last completed full actuarial valuation of the Pension Scheme was at 30 September 2021.

During the period, the Scheme entered into a buy-in policy with Rothesay covering the liabilities of all members within the Scheme. The income from the policy exactly matches the amount and timing of all benefits payable to those members covered under the policy. As a result, the value of the policy is equal to the value of the liabilities that the policy premium was paid to cover. The Charity has confirmed that there is no commitment to convert to buy-out in the near future, which would require the further agreement of the Pension Scheme Trustee and AQA. The transaction is therefore, in effect, a change in investment allocation, with the impact coming through as part of the actuarial gain(loss) on assets in the Consolidated statement of financial activities .

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

26 Retirement benefits (continued)

Unfunded pension liabilities represent the liability of unfunded pensions for former employees of AQA.

AQA continues to review its pension scheme offering and is committed to providing a high-quality, fair and consistent employee offer to all colleagues.

AQA has recognised the surplus on the AQA Pensions Scheme as the rules of the scheme mean the Pension Trustees do not have a unilateral right to trigger a wind-up, thereby allowing the scheme, to be run-off until the death of the final beneficiary, with a refund of the surplus then being available to the company.

Principal actuarial assumptions

The principal actuarial assumptions at the reporting date (expressed as a range where applicable) are:

	2025	2024
	% per annum	% per annum
Price increases	2.80 - 3.20	2.85 – 3.25
Pension increases - in payment	2.15 – 3.00	2.15 – 3.00
Pension increases - deferred	2.56	2.88
Salary increases	3.30	3.35
Discount rate	5.65	4.80

The figures presented in these disclosures are based on the mortality assumptions adopted for the latest funding valuation with additional margins for prudence removed. For the AQA scheme the tables used are 95.1% of S3PxA (2024: 95.1%) (96.6% of S3PxA (2024: 96.6%)) tables for males (females); future improvements are in line with the CMI 2022 projections subject to a long term trend rate of 1.25% (2024: 1.25%). Example life expectancies from age 65 are: 21.7 (2024: 21.5) years for males and 24.2 (2024: 24.0) years for females, currently aged 65; and 23.0 (2024: 22.8) years for males and 25.5 (2024: 25.4) years for females, currently aged 45.

For the unfunded arrangements the same tables as the AQA liabilities are used but these are adjusted to reflect the assumed higher life expectancy of these members, specifically 95.1% (2024: 95.1%) of S3PxA for males and 96.6% (2024: 96.6%) S3PxA for females; future improvements are in line with the CMI 2022 projections subject to a long term trend rate of 1.25% (2024: 1.25%). Example life expectancies from age 65 are: 21.7 (2024: 24.2) years for males and 24.2 (2024: 26.7) years for females, currently aged 65; and 23.0 (2024: 25.4) years for males and 25.5 (2024: 28.0) years for females, currently aged 45.

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

26 Retirement benefits (continued)

Statement of financial position disclosures

The amounts recognised in the statement of financial position are as follows:

	Net Pension Asset		Net Pension Liabilities		Total	
	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000
Fair value of scheme assets	99,136	129,682	-	-	99,136	129,682
Present value of liabilities	(97,938)	(110,705)	(2,278)	(2,597)	(100,216)	(113,302)
Net pension asset/(liability)	1,198	18,977	(2,278)	(2,597)	(1,080)	16,380

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2025	2024
	%	%
Equities	-	20.3
Annuities	98.4	-
Bonds	-	34.9
Hedge Funds	-	2.3
Cash and other	0.3	42.5
Liquidity Fund	1.3	-
Total	100.0	100.0

Consolidated statement of financial activities disclosures

Amounts recognised in the consolidated statement of financial activities before net expenditure

	2025	2024
	£000	£000
Current service cost	-	174
Past service cost	-	(1,096)
Scheme administration expenses	1,745	1,580
Net interest on asset	(1,188)	(1,623)
Total	557	(965)

AQA Education
Notes to the Financial Statements
for the year ended 31 March 2025

26 Retirement benefits (continued)

Actual loss on scheme assets

The actual loss on plan assets was:

	2025	2024
	£000	£000
Interest income	6,051	6,429
Loss on plan assets excluding interest income	(29,630)	(10,945)
Actual loss on scheme assets	(23,579)	(4,516)

Changes in the present value of the defined benefit obligations

	2025	2024
	£000	£000
Opening defined benefit obligations	113,302	114,822
Current service cost	-	174
Past service cost	-	(1,096)
Interest cost	4,863	4,807
Contributions by members	-	77
Actuarial gains	(12,382)	(1,123)
Benefits paid	(5,567)	(4,359)
Closing defined benefit obligations	100,216	113,302

Changes in the fair value of the scheme assets

	2025	2024
	£000	£000
Opening fair value of scheme assets	129,682	139,325
(Loss) on scheme assets excluding interest income	(29,630)	(10,945)
Interest income	6,051	6,429
Contributions by members	-	77
Contributions by employer	344	735
Scheme administration expenses	(1,744)	(1,580)
Benefits paid	(5,567)	(4,359)
Closing fair value of scheme assets	99,136	129,682

The sum of actuarial gains on scheme liabilities £12,382,000 (2024: £1,123,000) and loss on scheme assets excluding interest income was £29,630,000 (2024: £10,945,000) agrees back to the actuarial loss on defined benefit pension scheme in the consolidated Statement of Financial Activities £17,248,000 (2024: £9,822,000 loss). The reduction in employer contributions is attributable to the cessation of participation in an additional pension scheme during the prior reporting period

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

26 Retirement Benefits (continued)

Multi-employer defined benefit schemes

AQA participated in two (2024: two) multi-employer defined benefit schemes where it is not possible to separately identify the assets and liabilities for each participating employer. Accordingly, under section 28 of FRS 102, the schemes were treated as defined contribution scheme for accounting purposes.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers employed by AQA. TPS is an unfunded multi-employer pension scheme where it is not possible to identify AQA's share of the scheme's assets and liabilities. Accordingly, under Section 28 of FRS 102, AQA has accounted for its contributions to the scheme as if it were a defined contribution scheme. Below is set out the information available on the scheme.

TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. The next valuation result has been implemented from 1 April 2024.

Other defined benefit pension schemes

The University Superannuation Scheme (USS), which is the main scheme covering most academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contributions benefits. The assets of the scheme are held in a separate trustee-administered fund. USS is a multi-employer scheme and is accounted for as set out in the accounting policies. The total amount charged to the Consolidated Statement of Financial Activities was £23,000 gain (2024: £147,000 cost). Deficit recovery contributions due within one year are £nil (2024: £nil). Future service contribution rates set at 14.5% (2024: 14.5%) of pensionable salary. The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2023 ("the valuation date"), which was carried out using the projected unit method. Since the institution cannot identify its share of USS Income Builder (defined benefit) assets and liabilities, the disclosures reflect those relevant for those assets and liabilities as a whole. The liability figures have been produced using the following assumptions: discount rate 5.65% (2024: 3.8%) and pensionable salary growth CPI +0.5%.

AQA Education

Notes to the Financial Statements

for the year ended 31 March 2025

26 Retirement Benefits (continued)

Defined contribution schemes

During the year, the total amount charged to the consolidated statement of financial activities in relation to defined contribution schemes (including the defined benefit schemes accounted for as defined contribution schemes under section 28 of FRS 102) amounted to £7,977,000 (2024: £7,794,000). The amount charged includes contributions to the AQA defined contribution scheme. Contributions payable to the schemes at the year-end was £nil (2024: £nil).

27 Events after the reporting date

On 01 April 2025, AQA Commercial Services acquired 100% of the share capital of North West Skills Academy Limited, registered company number 08607591 (England and Wales) trading as Construction EPA Company, for a purchase price of £8,201,085. North West Skills Academy limited is a construction end point assessment (EPA) organisation providing high-quality assessments for construction apprenticeships. Bringing North West Skills Academy into the AQA Group provides immediate entry into a growing and vital Vocational Technical Qualification market segment, building on our strategy to diversify and grow. It also helps realise our charitable purpose by extending our contribution into vocational education and creates an opportunity for widening the impact we have on learners, our economy and our society.

In May 2025, a subsidiary of the Charity, AC3 Solutions, company number 08453864 (England and Wales) and a subsidiary of AQA Commercial Services Limited, Blutick Limited, company number 11318113 (England and Wales) were both officially dissolved. There is no financial impact arising from these transactions, as the trade and assets of AC3 Solutions were transferred to AQA Education and the trade and assets of Blutick were transferred to Doublestruck, a wholly owned subsidiary of AQA Commercial Services, via hive-up arrangements completed on 31 March 2024.

FRS 102 requires, for non-adjusting events, disclosure of the nature of the event, and either an estimate of its financial effect or a statement that such an estimate cannot be made.

28 Exemption from audit by parent guarantee

Audit exemptions have been applied under s479A-479C of the Companies Act 2006 by the provision of parent guarantee by AQA, ultimate parent company to GradeMaker (company number: 08936673) and North West Skills Academy Limited (company number: 08607591).

29 Prior period adjustment – restatement of statement of financial position

In the 2024 statement of financial position and statement of cash flows, the bank account relating to the designated pension fund, was included in cash at bank and in hand in error. This has been restated to be included in current investments.

The change has increased current investments by £6,386,000 to £63,048,000 for both the Group and the Charity and reduced cash at bank and in hand by the same amount to £89,170,000 for the Group and to £82,140,000 for the Charity. The Group's cash at bank and in hand at the beginning of the year ended 31 March 2024, i.e. as at 1 April 2023, shown in the consolidated statement of cash flows has been reduced by £6,244,000 to £48,968,000 and the net cash used in investing activities has been increased by £142,000, with the increase in cash and cash equivalents in the prior year reduced by the same amount to £39,776,000.

Legal and administrative details

Registered office

AQA Education
Devas Street
Manchester
M15 6EX
Tel: 0800 197 7162
www.aqa.org.uk
Registered company number: 03644723 (England and Wales)
Registered charity number: 1073334 (England and Wales)

Bankers, investment advisers and auditors

Bankers

NatWest Bank
250 Bishopsgate
London
EC2M 4AA

Independent Investment Advisors

Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

Independent External Auditors

BDO LLP
Eden Building
Irwell Street
Salford
Manchester
M3 5EN

Internal Auditors

Deloitte LLP
1 New St Square
London
EC4A 3HQ