

# KT EDUCATIONAL CHARITABLE TRUST

England & Wales · Charity number 1135017

## Details

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**Other names** FRENCH EDUCATION PROPERTY TRUST LIMITED

**Status** Registered

**Legal form** Charitable company

**Company number** [07057043](#)

**Registered** 2010-03-18

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 23 Cromwell Road  
London  
SW7 2EL

**Phone** 02078713119

**Email** [admin@fect.org.uk](mailto:admin@fect.org.uk)

## Activities

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**Objects:** TO ADVANCE FOR THE PUBLIC BENEFIT IN THE UNITED KINGDOM THE EDUCATION OF PUPILS IN THE FRENCH EDUCATION SYSTEM, IN PARTICULAR BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, TO PROVIDE PREMISES AND FACILITIES FOR SCHOOLS OFFERING A FRENCH OR A BROADER BILINGUAL CURRICULUM OR TO PROVIDE ASSISTANCE IN ESTABLISHING, MAINTAINING, CARRYING ON, MANAGING AND DEVELOPING SUCH SCHOOLS.

**Activities:** Advance for the public benefit in the UK the education of pupils in the French education system in particular but without prejudice to the generality of the foregoing, to provide premises and facilities for schools offering a French or a broader bilingual curriculum in the Kentish Town area or to provide assistance in establishing, maintaining, carrying on, managing and developing such schools.

## Classification

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- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training
- **Who:** Children/young People

## Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Throughout London

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2024-12-31 | £1,898,000 | £1,792,000  | £6,578,000 | 0         |
| 2023-12-31 | £1,878,000 | £3,500,000  | £6,472,000 | 0         |
| 2022-12-31 | £1,910,000 | £1,846,000  | £8,094,000 | 0         |
| 2021-12-31 | £1,864,000 | £1,334,000  | £8,030,000 | 0         |
| 2020-12-31 | £1,885,000 | £1,131,000  | £7,500,000 | 0         |

## Trustees

| Name  | Role | Appointed  |
|---|------|------------|
| ARNAUD VAISSIE                                    |      | 2011-05-12 |
| Annabel Emma BLAIR                                |      | 2025-01-07 |
| Benjamin Jacques Andre Michel<br>Vedrenne-Cloquet |      | 2024-03-13 |
| JACK MARIE HENRY DAVID BOWLES                     |      | 2024-05-09 |
| RICHARD FAIRBAIRN                                 |      |            |

**KT EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1135017

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# Accounts

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# **KT Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2024

Company registration number  
07057043 (England and Wales)

Charity Registration number  
1135017

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### Reports

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## Reference and administrative details of the charity, its Trustees and advisers

|                                    |  |
|------------------------------------|--|
| <b>Trustees</b>                    | Mr Richard Fairbairn<br>Mr Jean-Pierre Mustier<br>Mr Arnaud Vaissié<br>Mr Benjamin Vedrenne-Cloquet (appointed 13 March 2024)<br>Mr Jack Bowles (appointed 9 May 2024)<br>Ms Annabel Blair (appointed 7 January 2025)  |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL  |
| <b>Charity registration number</b> | 1135017  |
| <b>Company registration number</b> | 07057043 (England and Wales)   |
| <b>Auditor</b>                     | Buzzacott Audit LLP<br>130 Wood Street<br>London<br>EC2V 6DL   |
| <b>Bankers</b>                     | HSBC<br>HSBC Holdings PLC HBEU<br>West London Corporate<br>2 <sup>nd</sup> Floor, Space One<br>1 Beadon Road<br>Hammersmith<br>London<br>W6 0EA<br><br>Banque Transatlantique<br>26 Avenue Franklin Roosevelt<br>Paris |
| <b>Solicitors</b>                  | Adam Perry & Co LLP<br>10 Spaces Business Centre<br>15-17 Ingate Place<br>London<br>SW8 3NS  |

## **Trustees' report** Year to 31 December 2024

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2024.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 17 of the attached accounts and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The charity was incorporated as a company limited by guarantee on 26 October 2009 as French Education Property Trust ("FEPT") and obtained charitable status on 18 March 2010. On 18 September 2013 the charity changed its name to KT Educational Charitable Trust ("KTECT"). In the event of the winding up of the company each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit in the United Kingdom, the education of pupils in the French education system. The objectives are in particular, but not limited to, the provision of premises and facilities for schools offering a French or a broader bilingual curriculum in the Kentish Town area. The charity aims to provide assistance in establishing, maintaining, carrying on, managing and developing such schools.

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of the year**

KT Educational Charitable Trust set up the Collège Français Bilingue De Londres (CFBL) school which opened in 2011.

CFBL has a board of governors who meet regularly to make key decisions for the school. KTECT team members are often invited as observers during board meetings and other working groups.

CFBL continues to pay rent on time to KT Educational Charitable Trust.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Review of the year** (continued)

The school enrolment figures for school year 2024/2025 are slightly lower than those of year 2023/2024. The effects of the introduction of VAT on school fees have not yet been reflected in any further significant enrolment loss at CFBL for next year: forecasted admissions for school year 2025/2026 amount to 685, which is actually slightly higher than last year's projected figure for the same period. Nonetheless, CFBL has taken a cautious approach and worked its 2025/2026 budget on the basis of a 660 enrolment figure with the additional implementation of a cost savings plan. CFBL's financial situation remains a little fragile due to the uncertainty associated with the current general downgraded economic situation.

### **FINANCIAL REVIEW AND RESERVES**

During the year the charity received donations of £nil (2023 – £ nil), rental income of £1,800,000 (2023 – £1,800,000) and interest of £98,000 (2023 – £78,000). Costs relating to charitable activities in the year, excluding the impairment charge of £800,000 (2023 - £2,491,000) amounted to £992,000 (2023 – £1,009,000).

Net income for the year was £106,000 (2023 – net expenditure of £1,622,000). The property held as a programme related investment was valued at £23,800,000 (2023 - £24,600,000). The total funds as at 31 December 2024 were £6,577,000 (2023 – £6,472,000).

### **Reserves policy**

The trustees regularly monitor the cash position of the charity to ensure that there are sufficient funds for capital projects and the running of the charity, including servicing the bank finance.

### **Financial position**

The charity had total funds at 31 December 2024 of £6,577,000 (2023 – £6,472,000). Once the programme related investments and long term loan are excluded, this leaves free reserves of £1,591,000 (2023 – £1,232,000). The free reserves represent approximately 1.8 times the net operating income (excluding the impairment charge). The trustees are of the opinion that this level of free reserves are adequate. The amount of cash at bank and in hand was £2,964,000 at 31 December 2024.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Organisation**

The trustees meet officially in person or by video conference at least once a year. The last AGM was held on 29 February 2024. They also hold conference calls when required and there are at least monthly email exchanges regarding budgets. Any new trustees are inducted regarding their responsibilities and the activities of the KTECT through detailed briefings.

It is understood that current trustees have a long-term commitment. The Trust is in the process of onboarding new Trustees to bring fresh ideas and perspective, as well as ensuring governance continuity. All trustees have agreed to adhere to the charity's conflicts of interests' policy and have signed a statement to this effect.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustees**

The following trustees were in office at 31 December 2024 and served throughout the year:

#### **Trustees**

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|                              |                         |
|------------------------------|-------------------------|
| Mr Richard Fairbairn         |                         |
| Mr Jean-Pierre Mustier       |                         |
| Mr Arnaud Vaissié            |                         |
| Mr Benjamin Vedrenne-Cloquet | Appointed 13 March 2024 |
| Mr Jack Bowles               | Appointed 9 May 2024    |

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Trustees' field of expertise is complimentary and several Trustees have been involved since inception of the Trust. New appointments will need the full board approval.

### **Key management personnel**

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

None of the trustees receive any remuneration for their services.

### **Trustees' responsibilities statement**

The trustees (who are also directors of KT Educational Charitable Trust for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustees' responsibilities statement** (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that they ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Risk management**

The trustees have reviewed the risks faced by the charity and have procedures in place to mitigate the risks identified.

The key risk of the charity remains the level of admissions at CFBL and the ability for the tenant school to pay their rent which in turn enables the charity to service their bank loan instalments in accordance with the lease agreement. To that extent, the charity has made a donation to CFBL to finance a dedicated communication strategy aiming at reaching out to international and British families in the context of VAT applied to fees of private schools in the UK. In addition, KTECT trustees have agreed to support financially a merit-based scholarship scheme for CFBL.

Although the admissions campaign currently shows little change on enrolments for 2025/2026 compared to last year, the numbers remain closely monitored on a regular basis.

### **Raising funds**

The charity does not actively fundraise although it welcomes donations. The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

### **FUTURE PLANS**

Discussions progressed on the merger between Wembley Educational Charitable Trust (WECT) and KT Educational Charitable Trust (KTECT), that respectively own the school premises leased to Lycée Churchill and Ecole Andre Malraux on the one hand, and those leased to College Français Bilingue de Londres on the other. The French Ministry of Finance providing the respective State-guaranteed loan for each Trust is involved and the interactions with them and the lending bank are in advanced mode to ensure all aspects of the planned merger have been looked at. The objective is to implement the consolidation before the end of 2025, subject to various legal requirements.

As landlord, KTECT is also supporting the school to ensure that the planned maintenance works to the buildings are duly implemented and provisioned in the school's budget.

Finally, KTECT continues to plan its financial support of CFBL on dedicated strategy aiming at student acquisition and retention, such as communication campaigns as well as scholarship schemes.

The above report has been prepared in accordance with the special provisions as set out in Financial Reporting Standard FRS102 and Part 15 of the Companies Act 2006 relating to small companies.

Mr Jean-Pierre Mustier

Approved on: 26/06/2025

**Independent auditor's report to the members of KT Educational Charitable Trust**

**Opinion**

We have audited the financial statements of KT Educational Charitable Trust (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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 to irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

### ***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and the Companies Act 2006; and

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

***How the audit was considered capable of detecting irregularities including fraud***  
*(continued)*

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

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

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

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

## **Independent auditor's report** Year ended 31 December 2024

### **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.

Catherine Biscoe

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott Audit LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 22 July 2025

## Statement of financial activities (incorporating the income and expenditure account)

Year ended 31 December 2024

|   | Notes | 2024<br>Total<br>funds<br>£'000 | 2023<br>Total<br>funds<br>£'000 |
|---|-------|---------------------------------|---------------------------------|
| <b>Income and expenditure</b>                             |       |                                 |                                 |
| <b>Income from:</b>                                       |       |                                 |                                 |
| Charitable activities                                     |       |                                 |                                 |
| . Provision of premises and facilities                    | 1     | 1,800                           | 1,800                           |
| Bank interest receivable                                  |       | 98                              | 78                              |
| <b>Total income</b>                                       |       | <b>1,898</b>                    | <b>1,878</b>                    |
| <b>Expenditure</b>  |       |                                 |                                 |
| Expenditure on charitable activities                      |       |                                 |                                 |
| . Provision of premises and facilities                    | 2     | 1,792                           | 3,500                           |
| <b>Total expenditure</b>                                  |       | <b>1,792</b>                    | <b>3,500</b>                    |
| <b>Net income (expenditure) and net movement in funds</b> |       | <b>106</b>                      | <b>(1,622)</b>                  |
| <b>Reconciliation of funds:</b>                           |       |                                 |                                 |
| Total funds brought forward at 1 January 2024             |       | 6,472                           | 8,094                           |
| <b>Total funds carried forward at 31 December 2024</b>    |       | <b>6,578</b>                    | <b>6,472</b>                    |

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

All recognised gains and losses are included in the above statement of financial activities.

All funds of the charity are unrestricted.

The notes on pages 18 to 22 form part of these financial statements.

**Balance sheet** 31 December 2024

|  | Notes | 2024<br>£'000   | 2023<br>£'000   |
|--|-------|-----------------|-----------------|
| <b>Fixed assets</b>                                  |       |                 |                 |
| Programme related investments                        | 7     | <u>23,800</u>   | <u>24,600</u>   |
| <b>Non-current assets</b>                            |       |                 |                 |
| Debtors  | 9     | <u>722</u>      | <u>744</u>      |
| <b>Current assets</b>                                |       |                 |                 |
| Debtors  | 8     | 91              | 94              |
| Cash at bank and in hand                             |       | <u>2,964</u>    | <u>2,569</u>    |
|  |       | <b>3,055</b>    | <b>2,663</b>    |
| <b>Liabilities:</b>                                  |       |                 |                 |
| Creditors: amounts falling due within one year       | 10    | <u>(900)</u>    | <u>(871)</u>    |
| <b>Net current assets</b>                            |       |                 |                 |
|  |       | <u>2,155</u>    | <u>1,792</u>    |
| Total assets less current liabilities                |       | <b>26,677</b>   | <b>27,136</b>   |
| <b>Creditors:</b> amounts falling due after one year | 11    | <u>(20,099)</u> | <u>(20,664)</u> |
| <b>Total net assets</b>                              |       |                 |                 |
|  |       | <u>6,578</u>    | <u>6,472</u>    |
| <b>The funds of the charity:</b>                     |       |                 |                 |
| Unrestricted funds                                   |       | <u>6,578</u>    | <u>6,472</u>    |
| <b>Total charitable funds</b>                        |       | <u>6,578</u>    | <u>6,472</u>    |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the Trustees and signed on their behalf by:

Mr Jean-Pierre Mustier

Approved on: 24/06/2025

KT Educational Charitable Trust  
Company Registration Number 07057043 (England and Wales)

## Statement of cash flows 31 December 2024

|  | Notes | 2024<br>£'000 | 2023<br>£'000 |
|--|-------|---------------|---------------|
| <b>Cash inflow from operating activities:</b>          |       |               |               |
| Net cash provided by operating activities              | A     | 840           | 827           |
| <b>Cash inflow from investing activities:</b>          |       |               |               |
| Investment income received                             |       | 102           | 11            |
| <b>Net cash provided by investing activities</b>       |       | <b>102</b>    | <b>11</b>     |
| <b>Cash outflow from financing activities:</b>         |       |               |               |
| Repayments of borrowing                                |       | (547)         | (529)         |
| <b>Net cash used in financing activities</b>           |       | <b>(547)</b>  | <b>(529)</b>  |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>395</b>    | <b>309</b>    |
| <b>Cash and cash equivalents at 1 January 2024</b>     | B     | <b>2,569</b>  | 2,260         |
| <b>Cash and cash equivalents at 31 December 2024</b>   | B     | <b>2,964</b>  | 2,569         |

### Notes to the cash flow statement for the year to 31 December 2024.

#### A Reconciliation of net movement in funds to net cash flow from operating activities

|   | 2024<br>£'000 | 2023<br>£'000 |
|---|---------------|---------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>106</b>    | (1,622)       |
| <b>Adjustments for:</b>   |               |               |
| Impairment of programme related investments                                 | 800           | 2,491         |
| Interest receivable   | (98)          | (78)          |
| Decrease (increase) in debtors  | 21            | 20            |
| Increase in creditors   | 11            | 16            |
| <b>Net cash provided by operating activities</b>                            | <b>840</b>    | <b>827</b>    |

#### B Analysis of cash and cash equivalents

|  | 2024<br>£'000 | 2023<br>£'000 |
|--|---------------|---------------|
| Cash at bank and in hand               | 2,964         | 2,569         |
| <b>Total cash and cash equivalents</b> | <b>2,964</b>  | <b>2,569</b>  |

#### C Analysis of changes in net debt

|  | At 1 January<br>2024<br>£'000 | Cash flows<br>£'000 | At 31<br>December<br>2024<br>£'000 |
|--|-------------------------------|---------------------|------------------------------------|
| Cash                                       | 2,569                         | 395                 | 2,964                              |
| Loans falling due within one year          | (547)                         | (18)                | (565)                              |
| Loans falling due after more than one year | (20,664)                      | 565                 | (20,099)                           |
| <b>Total</b>                               | <b>(18,642)</b>               | <b>942</b>          | <b>17,700</b>                      |

## **Principal accounting policies** 31 December 2024

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

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2024 with comparative information for the year ended 31 December 2023.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the valuation of programme related investment properties.

### **Assessment of going concern**

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

The trustees of the charity have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern, and have concluded that the charity will have sufficient reserves to meet liabilities as they fall due.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

**Income recognition** (continued)

Income comprises rental income and interest receivable.

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term. Fees for management services are recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally on notification of the interest paid or payable by the bank.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to the provision of premises and facilities for schools offering a French or broader bilingual curriculum in the Kentish Town area, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

**Programme related investments**

Programme related investments comprise freehold property used by another charitable organisation for purposes consistent with the charity's objectives. They are stated at fair value. The property is periodically independently valued by a professional chartered surveyor on a fair value basis which takes into consideration rental charge and the current use of the premises as a school. The value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

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

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Bank loans are a basic financial instrument and are recognised at their transaction value, which is normally the principal amount advanced plus transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised through the statement of financial activities using the effective interest method.

**Funds structure**

The funds of the charity are unrestricted and can be expended at the discretion of the trustees in line with the governing document of the charity.

**Notes to the financial statements** 31 December 2024

**1 Income from charitable activities**

|               | <b>2024<br/>Total<br/>funds<br/>£'000</b> | 2023<br>Total<br>funds<br>£'000 |
|---------------|---|---------------------------------|
| Rental income | <b>1,800</b>                              | 1,800                           |

**2 Expenditure on charitable activities**

|   | <b>Direct<br/>costs<br/>£'000</b> | <b>Support<br/>costs<br/>£'000</b> | <b>2024<br/>Total<br/>funds<br/>£'000</b> |
|---|-----------------------------------|------------------------------------|---|
| Provision of premises and facilities                  |                                   |                                    |   |
| . Charitable donations                                | 200                               | —                                  | 200                                       |
| . Accountancy services                                | —                                 | 7                                  | 7   |
| . Interest payable                                    | —                                 | 632                                | 632                                       |
| . Impairment of programme related investment property | 800                               | —                                  | 800                                       |
| . Premises costs                                      | —                                 | 4                                  | 4   |
| . Governance costs (note 3)                           | 15                                | 134                                | 149                                       |
| <b>2024 Total funds</b>                               | <b>1,015</b>                      | <b>777</b>                         | <b>1,792</b>                              |

|  | <i>Direct<br/>costs<br/>£'000</i> | <i>Support<br/>costs<br/>£'000</i> | <i>2023<br/>Total<br/>funds<br/>£'000</i> |
|--|-----------------------------------|------------------------------------|---|
| <i>Provision of premises and facilities</i>                  |                                   |                                    |   |
| . <i>Charitable donations</i>                                | 200                               | —                                  | 200                                       |
| . <i>Accountancy services</i>                                | —                                 | 6                                  | 6   |
| . <i>Interest payable</i>                                    | 650                               | —                                  | 650                                       |
| . <i>Impairment of programme related investment property</i> | 2,491                             | —                                  | 2,491                                     |
| . <i>Premises costs</i>                                      | —                                 | 9                                  | 9   |
| . <i>Governance costs (note 3)</i>                           | 13                                | 132                                | 145                                       |
| <i>2023 Total funds</i>                                      | <i>3,354</i>                      | <i>147</i>                         | <i>3,501</i>                              |

**3 Governance costs**

|                             | <b>2024<br/>Total<br/>funds<br/>£'000</b> | 2023<br>Total<br>funds<br>£'000 |
|-----------------------------|---|---------------------------------|
| Legal and professional fees | <b>15</b>                                 | 13                              |
| Administrative fees         | <b>134</b>                                | 132                             |
|                             | <b>149</b>                                | 145                             |

**4 Staff costs, remuneration of key management and trustees' expenses and remuneration**

The charity employed no staff during the year (2023 - none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprises the trustees. None of the Trustees received any remuneration for their services during the year (2023 - none). No trustees (2023 - none) were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties (2023 - £nil).

Trustee indemnity insurance was purchased by the charity during the year to protect it from any loss arising from the neglect of defaults of its trustees, and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The total premium paid amounted to £2,892 (2023 – £2,871), providing cover up to a maximum of £1,000,000 (2023 – £1,000,000).

**5 Net income and net movement in funds**

This is stated after charging

|                            | <b>2024<br/>Total<br/>funds<br/>£'000</b> | 2023<br>Total<br>funds<br>£'000 |
|----------------------------|---|---------------------------------|
| Auditor's remuneration     |   |                                 |
| . Audit fee – current year | <b>9</b>                                  | 9                               |

**6 Taxation**

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

The charity is not registered for Value Added Tax and therefore expenditure is recorded inclusive of VAT where applicable.

**7 Investments**

|                | <b>Programme<br/>related<br/>investment<br/>property<br/>2024<br/>£'000</b> | Programme<br>related<br>investment<br>property<br>2023<br>£'000 |
|----------------|---|---|
| At 1 January   | <b>24,600</b>   | 27,091  |
| Impairment     | <b>(800)</b>  | (2,491)   |
| At 31 December | <b>23,800</b>   | 24,600  |

## Notes to the financial statements 31 December 2024

### 8 Investments (continued)

The property at 87 Holmes Road, Kentish Town, NW5 3AX is let to Collège Français Bilingue de Londres Limited, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) School in the London Borough of Camden, therefore the property is classified as a programme related investment.

On 31 December 2024 the property was valued by Newmark. The valuation was prepared in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards and Financial Reporting Standard 102.

### 9 Debtors: amounts falling due after one year

|               | 2024<br>£'000 | 2023<br>£'000 |
|---------------|---------------|---------------|
| Other debtors | 722           | 744           |
|               | <b>722</b>    | <b>744</b>    |

The other debtors in both current and long-term debtors relate to a deposit held by ANEFE (Association Nationale des Ecoles Françaises de l'Etranger) in respect of bank financing (note 12).

### 10 Debtors: amounts falling due within one year

|                                | 2024<br>£'000 | 2023<br>£'000 |
|--------------------------------|---------------|---------------|
| Other debtors                  | 28            | 27            |
| Prepayments and accrued income | 63            | 67            |
|                                | <b>91</b>     | <b>94</b>     |

### 11 Creditors: amounts falling due within one year

|                      | 2024<br>£'000 | 2023<br>£'000 |
|----------------------|---------------|---------------|
| Trade creditors      | 23            | 12            |
| Deferred income      | 300           | 300           |
| Bank loans (note 12) | 565           | 547           |
| Accruals             | 12            | 12            |
|                      | <b>900</b>    | <b>871</b>    |

Income has been deferred because KT Educational Charitable Trust received rent from Collège Français Bilingue De Londres in December 2024 for the period covering 1 January 2025 to 28 February 2025, therefore this income will appear in next year's accounts ending 31 December 2025.

### 11 Creditors: amounts falling due within one year

The movements in deferred income are analysed below:

|                  | <b>2024</b>  | 2023  |
|------------------|--------------|-------|
|                  | <b>£'000</b> | £'000 |
| Brought forward  | <b>300</b>   | 300   |
| Released in year | <b>(300)</b> | (300) |
| Deferred in year | <b>300</b>   | 300   |
|                  | <b>300</b>   | 300   |

### 12 Creditors: amounts falling due after one year

|                                | <b>2024</b>   | 2023   |
|--------------------------------|---------------|--------|
|                                | <b>£'000</b>  | £'000  |
| Bank loans (note 12)           | <b>18,249</b> | 18,814 |
| Loan from French Embassy Trust | <b>1,850</b>  | 1,850  |
|                                | <b>20,099</b> | 20,664 |

### 13 Loans

Loans repayable, included within creditors are analysed as follows:

|   | <b>2024</b>   | 2023   |
|---|---------------|--------|
|   | <b>£'000</b>  | £'000  |
| Wholly repayable: within five years     | <b>2,500</b>  | 3,083  |
| Not wholly repayable: within five years | <b>18,164</b> | 18,128 |
|   | <b>20,664</b> | 21,211 |

At 31 December 2024 bank loans totalling £18,814,000 (2023 – £19,361,000) were secured by fixed charges over the charity's freehold property at Holmes Road, London.

At 31 December 2024, the balance of £18,814,000 (2023 – £19,361,000) comprised two loans from Banque Transatlantique. The loans are for a period of thirty years from September 2017. Interest is charged at a fixed rate of 3.3%.

A loan of £800,000 (2023 – £800,000) was granted to the charity by the French Embassy Trust on an interest free, unsecured basis, repayable when the charity is in a position to do so without detriment to its banking and other funding arrangements. The loan is guaranteed by the French Embassy.

A loan of £1,050,000 (2021 – £1,050,000) was granted to the charity by the French Embassy Trust for the purpose of funding a deposit payable to ANEFÉ.

#### 14 Related party transactions

##### **Wembley Educational Charitable Trust**

Wembley Educational Charitable Trust (Company Registration Number 08681480 England and Wales) was incorporated on 9 September 2013. Six Trustees of KT Educational Charitable Trust are also directors of Wembley Educational Charitable Trust. During the year, any administrative fees incurred by the charity and paid by Wembley Educational Charitable Trust on behalf of KT Educational Charitable Trust were invoiced by Wembley Educational Charitable Trust to KT Educational Charitable Trust totalling £4,162 (2023 - £89,972). No amounts were outstanding at the year end (2023 - £nil). During the year KT Educational Charitable Trust did not make any donation to Wembley Educational Charitable Trust (2023 - £nil).

#### 15 Net assets

The total unrealised gains as at 31 December 2024 constitute movements on revaluation and are as follows:

|  | 2024<br>£'000 | 2023<br>£'000 |
|--|---------------|---------------|
| <b>Unrealised (losses) gains:</b>                              |               |               |
| On investment properties                                       | (980)         | (180)         |
| <b>Total unrealised (losses) gains at 31 December 2024</b>     | <b>(980)</b>  | <b>(180)</b>  |
| <b>Reconciliation of movement in unrealised (losses) gains</b> |               |               |
| Unrealised (losses) gains at 1 January 2024                    | (180)         | 2,311         |
| Impairment   | (800)         | (2,491)       |
| <b>Total unrealised (losses) gains at 31 December 2024</b>     | <b>(980)</b>  | <b>(180)</b>  |

**KT EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1135017

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# Accounts

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# **KT Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2023

Company registration number  
07057043 (England and Wales)

Charity Registration number  
1135017

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### Reports

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## Reference and administrative details of the charity, its Trustees and advisers

|                                    |  |
|------------------------------------|--|
| <b>Trustees</b>                    | Mr Richard Fairbairn<br>Mr Jean-Pierre Mustier<br>Mr Arnaud Vaissié<br>Mr Benjamin Vedrenne-Cloquet (appointed 13 March 2024)<br>Mr Jack Bowles (appointed 9 May 2024)   |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL  |
| <b>Charity registration number</b> | 1135017  |
| <b>Company registration number</b> | 07057043 (England and Wales)   |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL   |
| <b>Bankers</b>                     | HSBC<br>HSBC Holdings PLC HBEU<br>West London Corporate<br>2 <sup>nd</sup> Floor, Space One<br>1 Beadon Road<br>Hammersmith<br>London<br>W6 0EA<br><br>Banque Transatlantique<br>26 Avenue Franklin Roosevelt<br>Paris |
| <b>Solicitors</b>                  | Adam Perry & Co LLP<br>10 Spaces Business Centre<br>15-17 Ingate Place<br>London<br>SW8 3NS  |

## **Trustees' report** Year to 31 December 2023

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 177 of the attached accounts and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The charity was incorporated as a company limited by guarantee on 26 October 2009 as French Education Property Trust ("FEPT") and obtained charitable status on 18 March 2010. On 18 September 2013 the charity changed its name to KT Educational Charitable Trust ("KTECT"). In the event of the winding up of the company each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit in the United Kingdom, the education of pupils in the French education system. The objectives are in particular, but not limited to, the provision of premises and facilities for schools offering a French or a broader bilingual curriculum in the Kentish Town area. The charity aims to provide assistance in establishing, maintaining, carrying on, managing and developing such schools.

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of the year**

KT Educational Charitable Trust set up the Collège Français Bilingue De Londres (CFBL) school which opened in 2011.

The school ran at almost full capacity during 2023 and the numbers for next school year are expected to be comparable.

CFBL has a board of governors who meet regularly to make key decisions for the school. KTECT team members are often invited as observers during board meetings and other working groups.

CFBL continues to pay rent on time to KT Educational Charitable Trust.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Review of the year** (continued)

Within the current downgraded economic situation CFBL's financial situation remains a little fragile due to inflation in most of its expenses. A cost savings plan has been put in place by the board of governors to reconstitute these reserves and is currently in progress. Stress-test scenarios have also been prepared in the event of the school's VAT status being affected by a change in the government

### **FINANCIAL REVIEW AND RESERVES**

During the year the charity received donations of £nil (2022 – £107,000), rental income of £1,800,000 (2022 – £1,800,000) and interest of £78,000 (2022 – £3,375). Costs relating to charitable activities in the year, excluding the impairment charge of £2,491,000 (2022 - £609,000) amounted to £1,009,000 (2022 – £1,237,000).

Net expenditure for the year was £1,622,000 (2022 – net income of £64,000). The property held as a programme related investment was valued at £24,600,000 (2022 - £27,091,000). The total funds as at 31 December 2023 were £6,472,000 (2022 – £8,094,000).

### **Reserves policy**

The trustees regularly monitor the cash position of the charity to ensure that there are sufficient funds for capital projects and the running of the charity, including servicing the bank finance.

### **Financial position**

The charity had total funds at 31 December 2023 of £6,472,000 (2022 – £8,094,000). Once the programme related investments and long term loan are excluded, this leaves free reserves of £1,232,000 (2022 – £894,000). The free reserves represent approximately 1.4 times the net operating income (excluding the impairment charge). The trustees are of the opinion that this level of free reserves are adequate. The amount of cash at bank and in hand was £2,569,000 at 31 December 2023.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Organisation**

The trustees meet officially in person or by video conference at least once a year. The last AGM was held on 29 February 2024. They also hold conference calls when required and there are at least monthly email exchanges regarding budgets. Any new trustees are inducted regarding their responsibilities and the activities of the KTECT through detailed briefings.

It is understood that current trustees have a long-term commitment. The Trust is in the process of onboarding new Trustee(s) to bring fresh ideas and perspective, as well as ensuring governance continuity.

All trustees have agreed to adhere to the charity's conflicts of interests' policy and have signed a statement to this effect.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustees**

The following trustees were in office at 31 December 2023 and served throughout the year:

#### **Trustees**

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|                              |                         |
|------------------------------|-------------------------|
| Mr Richard Fairbairn         |                         |
| Mr Jean-Pierre Mustier       |                         |
| Mr Arnaud Vaissié            |                         |
| Mr Benjamin Vedrenne-Cloquet | Appointed 13 March 2024 |
| Mr Jack Bowles               | Appointed 9 May 2024    |

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Trustees' field of expertise is complimentary and they have been involved since inception of the Trust. Any new appointments will need the full board approval.

### **Key management personnel**

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

None of the trustees receive any remuneration for their services.

### **Trustees' responsibilities statement**

The trustees (who are also directors of KT Educational Charitable Trust for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustees' responsibilities statement** (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that they ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Risk management**

The trustees have reviewed the risks faced by the charity and have procedures in place to mitigate the risks identified.

The key risk to the charity is the level of admissions at the tenant school, this could be further affected by a potential change in VAT status given the general election scheduled for 4 July 2024 and other economic factors, and could ultimately have the potential to affect the ability of its tenant school to pay their rent in accordance with the lease agreement. The admissions numbers are monitored and the school itself is implementing its own communications strategies to ensure the school operates at as close to full capacity as possible.

### **Raising funds**

The charity does not actively fundraise although it welcomes donations. The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

## **Trustees' report** Year to 31 December 2023

### **FUTURE PLANS**

A reflection has started on the benefits and challenges of merging the two Propcos Wembley Educational Charitable Trust (WECT) and KT Educational Charitable Trust (KTECT) which own respectively the school premises leased to Lycée Churchill and Ecole Andre Malraux, and the one leased to College Français Bilingue de Londres. The Trustees from WECT and KTECT realise that a number of frictional costs result from maintaining both trusts whilst they share the same lending bank and aim at the development of French schools. Discussions were initiated by the Trustees with the lender Banque Transatlantique and the French State regarding the impact this could have on both Trust's respective State-guaranteed loan.

As landlord, KTECT is also supporting the school to ensure that the planned maintenance works to the buildings are duly implemented and provisioned in the school's budget.

The above report has been prepared in accordance with the special provisions as set out in Financial Reporting Standard FRS102 and Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees:

Trustee: Mr Jean-Pierre Mustier

Approved on: 12/06/2024

**Independent auditor's report to the members of KT Educational Charitable Trust**

**Opinion**

We have audited the financial statements of KT Educational Charitable Trust (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Independent auditor's report** Year ended 31 December 2023

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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 to irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and The Companies Act 2006; and

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

***How the audit was considered capable of detecting irregularities including fraud***  
*(continued)*

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

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

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

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

## **Independent auditor's report** Year ended 31 December 2023

### **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.

*2 July 2024*

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

## Statement of financial activities (incorporating the income and expenditure account)

Year ended 31 December 2023

|   | Notes | 2023<br>Total<br>funds<br>£'000 | 2022<br>Total<br>funds<br>£'000 |
|---|-------|---------------------------------|---------------------------------|
| <b>Income and expenditure</b>                             |       |                                 |                                 |
| <b>Income from:</b>                                       |       |                                 |                                 |
| Donations   | 1     | —                               | 107                             |
| Charitable activities                                     |       |                                 |                                 |
| . Provision of premises and facilities                    | 2     | 1,800                           | 1,800                           |
| Interest receivable                                       |       | 78                              | 3                               |
| <b>Total income</b>                                       |       | <b>1,878</b>                    | <b>1,910</b>                    |
| <b>Expenditure</b>  |       |                                 |                                 |
| Expenditure on charitable activities                      |       |                                 |                                 |
| . Provision of premises and facilities                    | 3     | 3,500                           | 1,846                           |
| <b>Total expenditure</b>                                  |       | <b>3,500</b>                    | <b>1,846</b>                    |
| <b>Net (expenditure) income</b>                           |       | <b>(1,622)</b>                  | <b>64</b>                       |
| <b>Net (expenditure) income and net movement in funds</b> |       | <b>(1,622)</b>                  | <b>64</b>                       |
| <b>Reconciliation of funds:</b>                           |       |                                 |                                 |
| Total funds brought forward at 1 January 2023             |       | 8,094                           | 8,030                           |
| <b>Total funds carried forward at 31 December 2023</b>    |       | <b>6,472</b>                    | <b>8,094</b>                    |

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

All recognised gains and losses are included in the above statement of financial activities.

All funds of the charity are unrestricted.

The notes on pages 18 to **Error! Bookmark not defined.**1 form part of these financial statements.

**Balance sheet** 31 December 2023

|  | Notes | 2023<br>£'000   | 2022<br>£'000   |
|--|-------|-----------------|-----------------|
| <b>Fixed assets</b>                                  |       |                 |                 |
| Programme related investments                        | 8     | <u>24,600</u>   | <u>27,091</u>   |
| <b>Non-current assets</b>                            |       |                 |                 |
| Debtors  | 10    | <u>744</u>      | <u>765</u>      |
| <b>Current assets</b>                                |       |                 |                 |
| Debtors  | 9     | 94              | 26              |
| Cash at bank and in hand                             |       | <u>2,569</u>    | <u>2,260</u>    |
|  |       | <b>2,663</b>    | <b>2,286</b>    |
| <b>Liabilities:</b>                                  |       |                 |                 |
| Creditors: amounts falling due within one year       | 11    | <u>(871)</u>    | <u>(837)</u>    |
| <b>Net current assets</b>                            |       |                 |                 |
|  |       | <u>1,792</u>    | <u>1,449</u>    |
| Total assets less current liabilities                |       | <b>27,136</b>   | <b>29,305</b>   |
| <b>Creditors:</b> amounts falling due after one year | 12    | <u>(20,664)</u> | <u>(21,211)</u> |
| <b>Total net assets</b>                              |       |                 |                 |
|  |       | <u>6,472</u>    | <u>8,094</u>    |
| <b>The funds of the charity:</b>                     |       |                 |                 |
| Unrestricted funds                                   |       | <u>6,472</u>    | <u>8,094</u>    |
| <b>Total charitable funds</b>                        |       | <u>6,472</u>    | <u>8,094</u>    |

Approved by the Trustees and signed on their behalf by:

Trustee: Mr Jean-Pierre Mustier

Approved on: 12/06/2024

KT Educational Charitable Trust  
Company Registration Number 07057043 (England and Wales)

## Statement of cash flows 31 December 2023

|  | Notes | 2023<br>£'000 | 2022<br>£'000 |
|--|-------|---------------|---------------|
| <b>Cash inflow from operating activities:</b>          |       |               |               |
| Net cash provided by operating activities              | A     | 838           | 612           |
| <b>Cash outflow from financing activities:</b>         |       |               |               |
| Repayments of borrowing                                |       | (529)         | (513)         |
| <b>Net cash used in financing activities</b>           |       | <b>(529)</b>  | <b>(513)</b>  |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>309</b>    | <b>99</b>     |
| <b>Cash and cash equivalents at 1 January 2023</b>     | B     | <b>2,260</b>  | <b>2,161</b>  |
| <b>Cash and cash equivalents at 31 December 2023</b>   | B     | <b>2,569</b>  | <b>2,260</b>  |

### Notes to the cash flow statement for the year to 31 December 2023.

#### A Reconciliation of net movement in funds to net cash flow from operating activities

|   | 2023<br>£'000  | 2022<br>£'000 |
|---|----------------|---------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>(1,622)</b> | <b>64</b>     |
| <b>Adjustments for:</b>   |                |               |
| Impairment of programme related investments                                 | 2,491          | 609           |
| (Increase) decrease in debtors  | (47)           | 38            |
| Increase (decrease) in creditors  | 16             | (99)          |
| <b>Net cash provided by operating activities</b>                            | <b>838</b>     | <b>612</b>    |

#### B Analysis of cash and cash equivalents

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| Cash at bank and in hand               | 2,569         | 2,260         |
| <b>Total cash and cash equivalents</b> | <b>2,569</b>  | <b>2,260</b>  |

#### C Analysis of changes in net debt

|  | At 1 January<br>2023<br>£'000 | Cash flows<br>£'000 | At 31<br>December<br>2023<br>£'000 |
|--|-------------------------------|---------------------|------------------------------------|
| Cash                                       | 2,260                         | 309                 | 2,569                              |
| Loans falling due within one year          | (529)                         | (18)                | (547)                              |
| Loans falling due after more than one year | (21,211)                      | 547                 | (20,664)                           |
| <b>Total</b>                               | <b>(19,480)</b>               | <b>838</b>          | <b>(18,642)</b>                    |

## **Principal accounting policies** 31 December 2023

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

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2023 with comparative information for the year ended 31 December 2022.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the valuation of programme related investment properties.

### **Assessment of going concern**

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

The trustees of the charity have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern, and have concluded that the charity will have sufficient reserves to meet liabilities as they fall due.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

**Income recognition** (continued)

Income comprises donations, rental income and charges for management services.

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

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term. Fees for management services are recognised on an accruals basis.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to the provision of premises and facilities for schools offering a French or broader bilingual curriculum in the Kentish Town area, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the proportion of time spent on the activity.

**Programme related investments**

Programme related investments comprise freehold property used by another charitable organisation for purposes consistent with the charity's objectives. They are stated at fair value. The property is periodically independently valued by a professional chartered surveyor on a fair value basis which takes into consideration rental charge and the current use of the premises as a school. The value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

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

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Bank loans are a basic financial instrument and are recognised at their transaction value, which is normally the principal amount advanced plus transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised through the statement of financial activities using the effective interest method.

**Funds structure**

The funds of the charity are unrestricted and can be expended at the discretion of the trustees in line with the governing document of the charity.

Notes to the financial statements 31 December 2023

**1 Donations**

|           | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|-----------|---|---------------------------------|
| Donations | —   | 107                             |

**2 Income from charitable activities**

|               | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|---------------|---|---------------------------------|
| Rental income | <b>1,800</b>                              | 1,800                           |

**3 Expenditure on charitable activities**

|   | <b>Direct<br/>costs<br/>£'000</b> | <b>Support<br/>costs<br/>£'000</b> | <b>2023<br/>Total<br/>funds<br/>£'000</b> |
|---|-----------------------------------|------------------------------------|---|
| Provision of premises and facilities                  |                                   |                                    |   |
| . Charitable donations                                | 200                               | —                                  | 200                                       |
| . Accountancy services                                | —                                 | 6                                  | 6   |
| . Interest payable                                    | 650                               | —                                  | 650                                       |
| . Impairment of programme related investment property | 2,491                             | —                                  | 2,491                                     |
| . Premises costs                                      | —                                 | 9                                  | 9   |
| . Governance costs (note 4)                           | 13                                | 132                                | 145                                       |
| <b>2023 Total funds</b>                               | <b>3,354</b>                      | <b>147</b>                         | <b>3,501</b>                              |

|  | <i>Direct<br/>costs<br/>£'000</i> | <i>Support<br/>costs<br/>£'000</i> | <i>2022<br/>Total<br/>funds<br/>£'000</i> |
|--|-----------------------------------|------------------------------------|---|
| <i>Provision of premises and facilities</i>                  |                                   |                                    |   |
| . <i>Charitable donations</i>                                | 448                               | —                                  | 448                                       |
| . <i>Accountancy services</i>                                | —                                 | 6                                  | 6   |
| . <i>Interest payable</i>                                    | —                                 | 667                                | 667                                       |
| . <i>Impairment of programme related investment property</i> | 609                               | —                                  | 609                                       |
| . <i>Governance costs (note 4)</i>                           | 9                                 | 107                                | 116                                       |
| <i>2022 Total funds</i>                                      | <i>1,066</i>                      | <i>780</i>                         | <i>1,846</i>                              |

**4 Governance costs**

|                             | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|-----------------------------|---|---------------------------------|
| Legal and professional fees | 13  | 9                               |
| Administrative fees         | 132                                       | 107                             |
|                             | <b>145</b>                                | 116                             |

**5 Staff costs, remuneration of key management and trustees' expenses and remuneration**

The charity employed no staff during the year (2022 - none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprises the trustees. None of the Trustees received any remuneration for their services during the year (2022 - none). No trustees (2022 - none) were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties (2022 - £nil).

**6 Net income and net movement in funds**

This is stated after charging

|                            | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|----------------------------|---|---------------------------------|
| Auditor's remuneration     |   |                                 |
| . Audit fee – current year | <b>9</b>                                  | <b>8</b>                        |

**7 Taxation**

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

The charity is not registered for Value Added Tax and therefore expenditure is recorded inclusive of VAT where applicable.

**8 Investments**

|                | <b>Programme<br/>related<br/>investment<br/>property<br/>2023<br/>£'000</b> | Programme<br>related<br>investment<br>property<br>2022<br>£'000 |
|----------------|---|---|
| At 1 January   | <b>27,091</b>   | 27,700  |
| Impairment     | <b>(2,491)</b>  | (609)   |
| At 31 December | <b>24,600</b>   | 27,091  |

The property at 87 Holmes Road, Kentish Town, NW5 3AX is let to Collège Français Bilingue de Londres Limited, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) School in the London Borough of Camden, therefore the property is classified as a programme related investment.

On 31 December 2023 the property was valued by Gerald Eve LLP. The valuation was prepared in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards and Financial Reporting Standard 102.

**Notes to the financial statements** 31 December 2023

**9 Debtors; amounts falling due within one year**

|                                | <b>2023</b>  | 2022  |
|--------------------------------|--------------|-------|
|                                | <b>£'000</b> | £'000 |
| Other debtors                  | <b>27</b>    | 26    |
| Prepayments and accrued income | <b>67</b>    | —     |
|                                | <b>94</b>    | 26    |

**10 Debtors; amounts falling due after one year**

|               | <b>2023</b>  | 2022  |
|---------------|--------------|-------|
|               | <b>£'000</b> | £'000 |
| Other debtors | <b>744</b>   | 765   |
|               | <b>744</b>   | 765   |

The other debtors due after one year are a deposit held with ANEFE (Association Nationale des Ecoles Françaises de l'Etranger) in respect of bank financing (note 13).

**11 Creditors: amounts falling due within one year**

|                              | <b>2023</b>  | 2022  |
|------------------------------|--------------|-------|
|                              | <b>£'000</b> | £'000 |
| Trade creditors and accruals | <b>12</b>    | 8     |
| Deferred income              | <b>300</b>   | 300   |
| Bank loans (note 13)         | <b>547</b>   | 529   |
| Other creditors              | <b>12</b>    | —     |
|                              | <b>871</b>   | 837   |

Income has been deferred because KT Educational Charitable Trust received rent from Collège Français Bilingue De Londres in December 2023 for the period covering 1 January 2024 to 29 February 2024, therefore this income will appear in next year's accounts ending 31 December 2024. The movements in deferred income are analysed below:

|                  | <b>2023</b>  | 2022  |
|------------------|--------------|-------|
|                  | <b>£'000</b> | £'000 |
| Brought forward  | <b>300</b>   | 300   |
| Released in year | <b>(300)</b> | (300) |
| Deferred in year | <b>300</b>   | 300   |
|                  | <b>300</b>   | 300   |

**12 Creditors: amounts falling due after one year**

|                                | <b>2023</b>   | 2022   |
|--------------------------------|---------------|--------|
|                                | <b>£'000</b>  | £'000  |
| Bank loans (note 13)           | <b>18,814</b> | 19,361 |
| Loan from French Embassy Trust | <b>1,850</b>  | 1,850  |
|                                | <b>20,664</b> | 21,211 |

### 13 Loans

Loans repayable, included within creditors are analysed as follows:

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| Wholly repayable: within five years     | 3,083         | 2,983         |
| Not wholly repayable: within five years | 18,128        | 18,757        |
|   | <b>21,211</b> | <b>21,740</b> |

At 31 December 2023 bank loans totalling £19,361,000 (2022 – £19,890,000) were secured by fixed charges over the charity's freehold property at Holmes Road, London.

At 31 December 2023, the balance of £19,361,000 (2022 – £19,890,000) comprised two loans from Banque Transatlantique. The loans are for a period of thirty years from September 2017. Interest is charged at a fixed rate of 3.3%.

A loan of £800,000 (2022 – £800,000) was granted to the charity by the French Embassy Trust on an interest free, unsecured basis, repayable when the charity is in a position to do so without detriment to its banking and other funding arrangements. The loan is guaranteed by the French Embassy.

A loan of £1,050,000 (2021 – £1,050,000) was granted to the charity by the French Embassy Trust for the purpose of funding a deposit payable to ANEFÉ.

### 14 Related party transactions

#### ***Wembley Educational Charitable Trust***

Wembley Educational Charitable Trust (Company Registration Number 08681480 England and Wales) was incorporated on 9 September 2013. Three Trustees of KT Educational Charitable Trust are also directors of Wembley Educational Charitable Trust. During the year, any administrative fees incurred by the charity and paid by Wembley Educational Charitable Trust on behalf of KT Educational Charitable Trust were re invoiced by Wembley Educational Charitable Trust to KT Educational Charitable Trust totalling £89,972 (2022 - £107,072). No amounts were outstanding at the year end (2022 - £nil). During the year KT Educational Charitable Trust did not make any donation to Wembley Educational Charitable Trust (2022 - £448,000).

### 15 Net assets

The total unrealised gains as at 31 December 2023 constitute movements on revaluation and are as follows:

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| <b>Unrealised (losses) gains:</b>                          |               |               |
| On investment properties                                   | (180)         | 2,311         |
| <b>Total unrealised (losses) gains at 31 December 2023</b> | <b>(180)</b>  | <b>2,311</b>  |
| <b>Reconciliation of movement in unrealised gains</b>      |               |               |
| Unrealised gains at 1 January 2023                         | 2,311         | 2,920         |
| Impairment   | (2,491)       | (609)         |
| <b>Total unrealised (losses) gains at 31 December 2023</b> | <b>(180)</b>  | <b>2,311</b>  |

**KT EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1135017

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# Accounts

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# **KT Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2022

Company registration number  
07057043 (England and Wales)

Charity Registration number  
1135017

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## Reference and administrative details of the charity, its Trustees and advisers

|                                    |  |
|------------------------------------|--|
| <b>Trustees</b>                    | Mr Richard Fairbairn<br>Mr Jean-Pierre Mustier<br>Mr Arnaud Vaissié  |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL  |
| <b>Charity registration number</b> | 1135017  |
| <b>Company registration number</b> | 07057043 (England and Wales)   |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL   |
| <b>Bankers</b>                     | HSBC<br>HSBC Holdings PLC HBEU<br>West London Corporate<br>2 <sup>nd</sup> Floor, Space One<br>1 Beadon Road<br>Hammersmith<br>London<br>W6 0EA<br><br>Banque Transatlantique<br>26 Avenue Franklin Roosevelt<br>Paris |
| <b>Solicitors</b>                  | Adam Perry & Co LLP<br>10 Spaces Business Centre<br>15-17 Ingate Place<br>London<br>SW8 3NS  |

## **Trustees' report** Year to 31 December 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2022.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 to 16 of the attached accounts and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The charity was incorporated as a company limited by guarantee on 26 October 2009 as French Education Property Trust ("FEPT") and obtained charitable status on 18 March 2010. On 18 September 2013 the charity changed its name to KT Educational Charitable Trust ("KTECT"). In the event of the winding up of the company each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit in the United Kingdom, the education of pupils in the French education system. The objectives are in particular, but not limited to, the provision of premises and facilities for schools offering a French or a broader bilingual curriculum in the Kentish Town area. The charity aims to provide assistance in establishing, maintaining, carrying on, managing and developing such schools.

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of the year**

KT Educational Charitable Trust set up the Collège Français Bilingue De Londres (CFBL) school which opened in 2011.

CFBL has a board of governors who meet regularly to make key decisions for the school.

The school ran at almost full capacity during 2022 and the numbers for next school year are expected to be as high.

CFBL continues to pay rent on time to KT Educational Charitable Trust.

Within the current downgraded economic situation CFBL's financial situation remains a little fragile due to inflation in most of its expenses. A cost savings plan has been put in place by the board of governors to reconstitute these reserves and is currently in progress.

### **FINANCIAL REVIEW**

During the year the charity received donations of £107,000 (2021 – £86,000), rental income of £1,800,000 (2021 – £1,767,000) and interest of £3,375 (2021 – £11,000). Costs relating to charitable activities in the year amounted to £1,946,000 (2021 – £1,334,000).

Net income for the year was £64,000 (2021 – £530,000). The property held as a programme related investment was valued at £27,091,000. The total funds as at 31 December 2022 were £8,094,000 (2021 – £8,030,000).

### **Reserves policy**

The trustees regularly monitor the cash position of the charity to ensure that there are sufficient funds for capital projects and the running of the charity, including servicing the bank finance.

### **Financial position**

The charity had total funds at 31 December 2022 of £8,094,000 (2021 – £8,030,000). Once the programme related investments and long term loan are excluded, this leaves free reserves of £894,000 (2021 – £733,000). The trustees are of the opinion that the free reserves are adequate.

### **FUTURE PLANS**

Given the high demand received by CFBL, especially amongst Early Years, the school board is likely to open a new class within its own premises which will generate extra revenues.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Organisation**

The trustees meet officially in person once or twice a year and more frequently when required. They also hold conference calls when required and there are at least monthly email exchanges regarding budgets. Any new trustees are inducted regarding their responsibilities and the activities of the KTECT through detailed briefings.

It is understood that current trustees have a long-term commitment and therefore there are no changes to the trustees currently envisaged.

All trustees have agreed to adhere to the charity's conflicts of interests' policy and have signed a statement to this effect.

### **Trustees**

The following trustees were in office at 31 December 2022 and served throughout the year:

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#### **Trustees**

Mr Richard Fairbairn  
Mr Jean-Pierre Mustier  
Mr Arnaud Vaissié

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## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustees** (continued)

Trustees' field of expertise is complimentary and they have been involved since inception of the Trust. Any new appointments will need the full board approval.

### **Key management personnel**

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

None of the trustees receive any remuneration for their services.

### **Trustees' responsibilities statement**

The trustees (who are also directors of KT Educational Charitable Trust for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Trustees' responsibilities statement** (continued)

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Risk management**

The trustees have reviewed the risks faced by the charity and have procedures in place to mitigate the risks identified.

The key risk to the charity is the level of admissions at the tenant school, this could be affected by Brexit and other economic factors and could ultimately have the potential to affect the ability of its tenant school to pay their rent in accordance with the lease agreement. The admissions numbers are monitored and the school itself is implementing its own communications strategies to ensure the school operates at as close to full capacity as possible.

**Raising funds**

The charity does not actively fundraise although it welcomes donations. The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

The above report has been prepared in accordance with the special provisions as set out in Financial Reporting Standard FRS102 and Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees:

JP Mustier

Trustee

Approved on: 12 July 2023

**Independent auditor's report to the members of KT Educational Charitable Trust**

**Opinion**

We have audited the financial statements of KT Educational Charitable Trust (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Independent auditor's report** Year ended 31 December 2022

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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 to irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and The Companies Act 2006; and

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

***How the audit was considered capable of detecting irregularities including fraud***  
*(continued)*

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

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

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

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

**Independent auditor's report** Year ended 31 December 2022

**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.

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 19 July 2023

**Statement of financial activities** Year ended 31 December 2022

|  | Notes | 2022<br>Total<br>funds<br>£'000 | 2021<br>Total<br>funds<br>£'000 |
|--|-------|---------------------------------|---------------------------------|
| <b>Income and expenditure</b>                          |       |                                 |                                 |
| <b>Income from:</b>                                    |       |                                 |                                 |
| Donations  | 1     | 107                             | 86                              |
| Charitable activities                                  |       |                                 |                                 |
| . Provision of premises and facilities                 | 2     | 1,800                           | 1,767                           |
| Interest receivable                                    |       | 3                               | 11                              |
| <b>Total income</b>                                    |       | <b>1,910</b>                    | <b>1,864</b>                    |
| <b>Expenditure</b>                                     |       |                                 |                                 |
| Expenditure on charitable activities                   |       |                                 |                                 |
| . Provision of premises and facilities                 | 3     | 1,846                           | 1,334                           |
| <b>Total expenditure</b>                               |       | <b>1,846</b>                    | <b>1,334</b>                    |
| <b>Net income</b>                                      |       | <b>64</b>                       | <b>530</b>                      |
| <b>Net income and net movement in funds</b>            |       | <b>64</b>                       | <b>530</b>                      |
| <b>Reconciliation of funds:</b>                        |       |                                 |                                 |
| Total funds brought forward at 1 January 2022          |       | 8,030                           | 7,500                           |
| <b>Total funds carried forward at 31 December 2022</b> |       | <b>8,094</b>                    | <b>8,030</b>                    |

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

All recognised gains and losses are included in the above statement of financial activities.

All funds of the charity are unrestricted.

The notes on pages 17 to 20 form part of these financial statements.

**Balance sheet** 31 December 2022

|  | Notes | 2022<br>£'000   | 2021<br>£'000   |
|--|-------|-----------------|-----------------|
| <b>Fixed assets</b>                            |       |                 |                 |
| Programme related investments                  | 8     | <u>27,091</u>   | <u>27,700</u>   |
| <b>Non-current assets</b>                      |       |                 |                 |
| Debtors  | 10    | <u>765</u>      | <u>786</u>      |
| <b>Current assets</b>                          |       |                 |                 |
| Debtors  | 9     | 26              | 43              |
| Cash at bank and in hand                       |       | <u>2,260</u>    | <u>2,161</u>    |
|  |       | <b>2,286</b>    | <b>2,204</b>    |
| <b>Liabilities:</b>                            |       |                 |                 |
| Creditors: amounts falling due within one year | 11    | <u>(837)</u>    | <u>(919)</u>    |
| <b>Net current assets</b>                      |       |                 |                 |
|  |       | <u>1,449</u>    | <u>1,285</u>    |
| Total assets less current liabilities          |       | <b>29,305</b>   | <b>29,771</b>   |
| Creditors: amounts falling due after one year  | 12    | <u>(21,211)</u> | <u>(21,741)</u> |
| <b>Total net assets</b>                        |       |                 |                 |
|  |       | <u>8,094</u>    | <u>8,030</u>    |
| <b>The funds of the charity:</b>               |       |                 |                 |
| Unrestricted funds                             |       | <u>8,094</u>    | <u>8,030</u>    |
| <b>Total charitable funds</b>                  |       |                 |                 |
|  |       | <u>8,094</u>    | <u>8,030</u>    |

Approved by the Trustees and  
signed on their behalf by:

JP Mustier

Approved on: 12 July 2023

KT Educational Charitable Trust  
Company Registration Number 07057043 (England and Wales)

## Statement of cash flows 31 December 2022

|  | Notes    | 2022<br>£'000 | 2021<br>£'000 |
|--|----------|---------------|---------------|
| <b>Cash inflow from operating activities:</b>          |          |               |               |
| Net cash provided by operating activities              | A        | 612           | 571           |
| <b>Cash outflow from financing activities:</b>         |          |               |               |
| Repayments of borrowing                                |          | (513)         | (495)         |
| <b>Net cash used in financing activities</b>           |          | <b>(513)</b>  | <b>(495)</b>  |
| <b>Change in cash and cash equivalents in the year</b> |          | <b>99</b>     | <b>76</b>     |
| Cash and cash equivalents at 1 January 2022            | B        | 2,161         | 2,085         |
| <b>Cash and cash equivalents at 31 December 2022</b>   | <b>B</b> | <b>2,260</b>  | <b>2,161</b>  |

### Notes to the cash flow statement for the year to 31 December 2022.

#### A Reconciliation of net movement in funds to net cash flow from operating activities

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>64</b>     | <b>530</b>    |
| <b>Adjustments for:</b>   |               |               |
| Impairment of programme related investments                                 | 609           | —             |
| Decrease in debtors   | 38            | 8             |
| (Decrease) increase in creditors  | (99)          | 33            |
| <b>Net cash provided by operating activities</b>                            | <b>612</b>    | <b>571</b>    |

#### B Analysis of cash and cash equivalents

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Cash at bank and in hand               | 2,260         | 2,161         |
| <b>Total cash and cash equivalents</b> | <b>2,260</b>  | <b>2,161</b>  |

#### C Analysis of changes in net debt

|  | At 1 January<br>2022<br>£'000 | Cash flows<br>£'000 | At 31<br>December<br>2022<br>£'000 |
|--|-------------------------------|---------------------|------------------------------------|
| Cash                                       | 2,161                         | 99                  | 2,260                              |
| Loans falling due within one year          | (512)                         | (17)                | (529)                              |
| Loans falling due after more than one year | (21,741)                      | 530                 | (21,211)                           |
| <b>Total</b>                               | <b>(20,092)</b>               | <b>612</b>          | <b>(19,480)</b>                    |

## **Principal accounting policies** 31 December 2022

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

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2022 with comparative information for the year ended 31 December 2021.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the valuation of programme related investment properties.

Estimates used in the accounts, particularly with respect to the value of programme related investment properties are subject to a greater degree of uncertainty and volatility.

### **Assessment of going concern**

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

The trustees of the charity have concluded that the charity will have sufficient reserves to meet liabilities as they fall due.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, rental income and charges for management services.

**Income recognition** (continued)

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

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term. Fees for management services are recognised on an accruals basis.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to the provision of premises and facilities for schools offering a French or broader bilingual curriculum in the Kentish Town area, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the proportion of time spent on the activity.

**Programme related investments**

Programme related investments comprise freehold property used by another charitable organisation for purposes consistent with the charity's objectives. They are stated at fair value. The property is periodically independently valued by a professional chartered surveyor on a fair value basis which takes into consideration rental charge and the current use of the premises as a school. The value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

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

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Bank loans are a basic financial instrument and are recognised at their transaction value, which is normally the principal amount advanced plus transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised through the statement of financial activities using the effective interest method.

**Funds structure**

The funds of the charity are unrestricted and can be expended at the discretion of the trustees in line with the governing document of the charity.

Notes to the financial statements 31 December 2022

**1 Donations**

|           | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|-----------|---|---------------------------------|
| Donations | <b>107</b>                                | 86                              |

**2 Income from charitable activities**

|               | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|---------------|---|---------------------------------|
| Rental income | <b>1,800</b>                              | 1,767                           |

**3 Expenditure on charitable activities**

|   | <b>Direct<br/>costs<br/>£'000</b> | <b>Support<br/>costs<br/>£'000</b> | <b>2022<br/>Total<br/>funds<br/>£'000</b> |
|---|-----------------------------------|------------------------------------|---|
| Provision of premises and facilities                  |                                   |                                    |   |
| . Charitable donations                                | 448                               | —                                  | 448                                       |
| . Accountancy services                                | —                                 | 6                                  | 6   |
| . Interest payable                                    | —                                 | 667                                | 667                                       |
| . Impairment of programme related investment property | 609                               | —                                  | 609                                       |
| . Governance costs (note 4)                           | 9                                 | 107                                | 116                                       |
| <b>2022 Total funds</b>                               | <b>1,066</b>                      | <b>780</b>                         | <b>1,846</b>                              |

|   | <i>Direct<br/>costs<br/>£'000</i> | <i>Support<br/>costs<br/>£'000</i> | <i>2021<br/>Total<br/>funds<br/>£'000</i> |
|---|-----------------------------------|------------------------------------|---|
| <i>Provision of premises and facilities</i> |                                   |                                    |   |
| <i>. Charitable donations</i>               | 547                               | —                                  | 547                                       |
| <i>. Accountancy services</i>               | —                                 | 6                                  | 6   |
| <i>. Interest payable</i>                   | —                                 | 684                                | 684                                       |
| <i>. Governance costs (note 4)</i>          | 11                                | 86                                 | 97  |
| <i>2021 Total funds</i>                     | <i>558</i>                        | <i>776</i>                         | <i>1,334</i>                              |

**4 Governance costs**

|                             | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|-----------------------------|---|---------------------------------|
| Legal and professional fees | <b>9</b>                                  | 11                              |
| Administrative fees         | <b>107</b>                                | 86                              |
|                             | <b>116</b>                                | 97                              |

**5 Staff costs, remuneration of key management and trustees' expenses and remuneration**

The charity employed no staff during the year (2021 - none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprises the trustees. None of the Trustees received any remuneration for their services during the year (2021 - none). No trustees (2021 - none) were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties (2021 - £nil).

**6 Net income and net movement in funds**

This is stated after charging

|                            | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|----------------------------|---|---------------------------------|
| Auditor's remuneration     |   |                                 |
| . Audit fee – current year | <b>8</b>                                  | 7                               |

**7 Taxation**

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

The charity is not registered for Value Added Tax and therefore expenditure is recorded inclusive of VAT where applicable.

**8 Investments**

|                | <b>Programme<br/>related<br/>investment<br/>property<br/>2022<br/>£'000</b> | Programme<br>related<br>investment<br>property<br>2021<br>£'000 |
|----------------|---|---|
| At 1 January   | <b>27,700</b>   | 27,700  |
| Impairment     | <b>(609)</b>  | —   |
| At 31 December | <b>27,091</b>   | 27,700  |

The property at 87 Holmes Road, Kentish Town, NW5 3AX is let to Collège Français Bilingue de Londres Limited, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) School in the London Borough of Camden, therefore the property is classified as a programme related investment.

On 31 December 2021 the property was valued by Gerald Eve LLP. The valuation was prepared in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards and Financial Reporting Standard 102. On 31 December 2022 the property was valued by the trustees, using information provided by Gerald Eve LLP.

**Notes to the financial statements** 31 December 2022

**9 Debtors; amounts falling due within one year**

|               | 2022<br>£'000 | 2021<br>£'000 |
|---------------|---------------|---------------|
| Other debtors | 26            | 43            |
|               | <b>26</b>     | <b>43</b>     |

**10 Debtors; amounts falling due after one year**

|               | 2022<br>£'000 | 2021<br>£'000 |
|---------------|---------------|---------------|
| Other debtors | 765           | 786           |
|               | <b>765</b>    | <b>786</b>    |

The other debtors due after one year are a deposit held with ANEFE (Association Nationale des Ecoles de l'Etranger) in respect of bank financing (note 13).

**11 Creditors: amounts falling due within one year**

|                              | 2022<br>£'000 | 2021<br>£'000 |
|------------------------------|---------------|---------------|
| Trade creditors and accruals | 8             | 7             |
| Deferred income              | 300           | 300           |
| Bank loans (note 13)         | 529           | 512           |
| Other creditors              | —             | 100           |
|                              | <b>837</b>    | <b>919</b>    |

Income has been deferred because KT Educational Charitable Trust received rent from Collège Français Bilingue De Londres in December 2022 for the period covering 1 January 2023 to 28 February 2023, therefore this income will appear in next year's accounts ending 31 December 2023. The movements in deferred income are analysed below:

|                  | 2022<br>£'000 | 2021<br>£'000 |
|------------------|---------------|---------------|
| Brought forward  | 300           | 292           |
| Released in year | (300)         | (292)         |
| Deferred in year | 300           | 300           |
|                  | <b>300</b>    | <b>300</b>    |

**12 Creditors: amounts falling due after one year**

|                                | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------|---------------|---------------|
| Bank loans (note 13)           | 19,361        | 19,891        |
| Loan from French Embassy Trust | 1,850         | 1,850         |
|                                | <b>21,211</b> | <b>21,741</b> |

### 13 Loans

Loans repayable, included within creditors are analysed as follows:

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Wholly repayable: within five years     | 2,983         | 2,887         |
| Not wholly repayable: within five years | 18,757        | 19,366        |
|   | <b>21,740</b> | <b>22,253</b> |

At 31 December 2022 bank loans totalling £21,211,000 (2021 – £21,741,000) were secured by fixed charges over the charity's freehold property at Holmes Road, London.

At 31 December 2022, the balance of £21,211,000 (2021 – £21,741,000) comprised two loans from Banque Transatlantique. The loans are for a period of thirty years from September 2017. Interest is charged at a fixed rate of 3.3%.

A loan of £800,000 (2021 – £800,000) was granted to the charity by the French Embassy Trust on an interest free, unsecured basis, repayable when the charity is in a position to do so without detriment to its banking and other funding arrangements. The loan is guaranteed by the French Embassy.

A loan of £1,050,000 (2021 – £1,050,000) was granted to the charity by the French Embassy Trust for the purpose of funding a deposit payable to ANEFÉ.

### 14 Related party transactions

#### *Wembley Educational Charitable Trust*

Wembley Educational Charitable Trust (Company Registration Number 08681480 England and Wales) was incorporated on 9 September 2013. Three Trustees of KT Educational Charitable Trust are also directors of Wembley Educational Charitable Trust. During the year, administrative fees of £107,072 (2021 – £86,142) incurred by the charity were paid by Wembley Educational Charitable Trust on behalf of KT Educational Charitable Trust. This has been treated as a donation in the year. During the year KT Educational Charitable Trust paid donations of £448,000 (2021: £447,000) to Wembley Educational Charitable Trust.

### 15 Net assets

The total unrealised gains as at 31 December 2022 constitute movements on revaluation and are as follows:

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| <b>Unrealised gains:</b>                              |               |               |
| On investment properties                              | 2,311         | 2,920         |
| <b>Total unrealised gains at 31 December 2022</b>     | <b>2,311</b>  | <b>2,920</b>  |
| <b>Reconciliation of movement in unrealised gains</b> |               |               |
| Unrealised losses at 1 January 2022                   | 2,920         | 2,920         |
| Less: in respect to disposals in the year             | —             | —             |
|   | <b>2,920</b>  | 2,920         |
| Impairment  | (609)         | —             |
| <b>Total unrealised gains at 31 December 2022</b>     | <b>2,311</b>  | <b>2,920</b>  |

**KT EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1135017

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# Accounts

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# **KT Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2021

Company registration number  
07057043 (England and Wales)

Charity Registration number  
1135017

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### Reports

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**Reference and administrative details of the charity, its Trustees and advisers**

|                                    |  |
|------------------------------------|--|
| <b>Trustees</b>                    | Mr Richard Fairbairn<br>Mr Jean-Pierre Mustier<br>Mr Arnaud Vaissié  |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL  |
| <b>Charity registration number</b> | 1135017  |
| <b>Company registration number</b> | 07057043 (England and Wales)   |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL   |
| <b>Bankers</b>                     | HSBC<br>HSBC Holdings PLC HBEU<br>West London Corporate<br>2 <sup>nd</sup> Floor, Space One<br>1 Beadon Road<br>Hammersmith<br>London<br>W6 0EA<br><br>Banque Transatlantique<br>26 Avenue Franklin Roosevelt<br>Paris |
| <b>Solicitors</b>                  | Adam Perry & Co LLP<br>10 Spaces Business Centre<br>15-17 Ingate Place<br>London<br>SW8 3NS  |

## **Trustees' report** Year to 31 December 2021

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2021.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 17 of the attached accounts and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The charity was incorporated as a company limited by guarantee on 26 October 2009 as French Education Property Trust ("FEPT") and obtained charitable status on 18 March 2010. On 18 September 2013 the charity changed its name to KT Educational Charitable Trust ("KTECT"). In the event of the winding up of the company each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit in the United Kingdom, the education of pupils in the French education system. The objectives are in particular, but not limited to, the provision of premises and facilities for schools offering a French or a broader bilingual curriculum in the Kentish Town area. The charity aims to provide assistance in establishing, maintaining, carrying on, managing and developing such schools.

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of the year**

KT Educational Charitable Trust set up the Collège Français Bilingue De Londres (CFBL) school which opened in 2011.

CFBL has a board of governors who meet regularly to make key decisions for the school.

The school ran at almost full capacity during 2021 and the numbers for next school year are expected to be as high.

CFBL continues to pay rent on time to KT Educational Charitable Trust.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Review of the year** (continued)

Although the cumulated context of Covid-19 and Brexit seems to have had little to no impact on CFBL's pupil intake, CFBL's financial situation remains a little fragile after the school had to use some of its reserves to fund unforeseen staff pension expenses which occurred in previous fiscal years. A cost savings plan has been put in place by the board of governors to reconstitute these reserves and is currently in progress.

### **FINANCIAL REVIEW**

During the period, donations of £86,000 (2020 – £79,000) were received. Rental income of £1,767,000 was received in the year (2020 – £1,717,000). Interest of £11,000 was received (2020 – £89,000). Costs relating to charitable activities in the year amounted to £1,334,000 (2020 – £1,131,000).

Net income for the year was £530,000 (2020 – £754,000). The property held as a programme related investment was valued at £27,700,000. The total funds as at 31 December 2021 were £8,030,000 (2020 – £7,500,000).

### **Reserves policy**

The trustees regularly monitor the cash position of the charity to ensure that there are sufficient funds for capital projects and the running of the charity, including servicing the bank finance.

### **Financial position**

The charity had total funds at 31 December 2021 of £8,030,000 (2020 – £7,500,000). Once the programme related investments and long term loan are excluded, this leaves free reserves of £733,000 (2020 – £698,000). The trustees are of the opinion that the free reserves are adequate.

### **FUTURE PLANS**

Given the high demand received by CFBL, especially amongst Early Years, the school board is discussing the possibility of increasing its overall capacity by renting additional premises, which would be dedicated to the Early Years and to after school and/or holiday activities for children. This would free some space on the main site to welcome older children's classes, bring additional revenue to the school, and broaden its targeted audience with potentially more local and/or non-French families attracted by the Early Years offer with the hope that the latter will be keen on having their children pursue the bilingual school curriculum at CFBL.

In January 2021, in line with its charitable objectives, KTECT trustees decided to make a donation of £100,000 to CFBL in order to help the school limit its fee increase and therefore increase its competitiveness with the local community

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Organisation**

The trustees meet officially in person once or twice a year and more frequently when required. They also hold conference calls when required and there are at least monthly email exchanges regarding budgets. Any new trustees are inducted regarding their responsibilities and the activities of the KTECT through detailed briefings.

It is understood that current trustees have a long-term commitment and therefore there are no changes to the trustees currently envisaged.

All trustees have agreed to adhere to the charity's conflicts of interests' policy and have signed a statement to this effect.

### **Trustees**

The following trustees were in office at 31 December 2021 and served throughout the year:

#### **Trustees**

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Mr Richard Fairbairn  
Mr Jean-Pierre Mustier  
Mr Arnaud Vaissié

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Trustees' field of expertise is complimentary and they have been involved since inception of the Trust. Any new appointments will need the full board approval.

### **Key management personnel**

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

None of the trustees receive any remuneration for their services.

### **Trustees' responsibilities statement**

The trustees (who are also directors of KT Educational Charitable Trust for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Trustees' responsibilities statement** (continued)

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Risk management**

The trustees have reviewed the risks faced by the charity and have procedures in place to mitigate the risks identified.

The key risk to the charity is the level of admissions at the tenant school, this could be affected by Brexit, the COVID-19 pandemic and could ultimately have the potential to affect the ability of its tenant school to pay their rent in accordance with the lease agreement. The admissions numbers are monitored and the school itself is implementing its own communications strategies to ensure the school operates at as close to full capacity as possible.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Raising funds**

The charity does not actively fundraise although it welcomes donations. The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

The above report has been prepared in accordance with the special provisions as set out in Financial Reporting Standard FRS102 and Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees:

Trustee: J P Mustier

Approved on: 06/07/2022

**Independent auditor's report to the members of KT Educational Charitable Trust**

**Opinion**

We have audited the financial statements of KT Educational Charitable Trust (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Independent auditor's report** Year to 31 December 2021

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns;  
or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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 to irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and The Companies Act 2006; and

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

***How the audit was considered capable of detecting irregularities including fraud***  
*(continued)*

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

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

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

## **Independent auditor's report** Year to 31 December 2021

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

#### ***How the audit was considered capable of detecting irregularities including fraud*** *(continued)*

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

### **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.

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 12/07/2022

**Statement of financial activities** Year ended 31 December 2021

|  | Notes | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|--|-------|---|---------------------------------|
| <b>Income and expenditure</b>  |       |   |                                 |
| <b>Income from:</b>  |       |   |                                 |
| Donations  | 1     | <b>86</b>                                 | 79                              |
| Charitable activities  |       |   |                                 |
| . Provision of premises and facilities                               | 2     | <b>1,767</b>                              | 1,717                           |
| Interest receivable  |       | <b>11</b>                                 | 87                              |
| Bank Interest receivable   |       | <b>—</b>                                  | 2                               |
| <b>Total income</b>  |       | <b>1,864</b>                              | 1,885                           |
| <b>Expenditure</b>   |       |   |                                 |
| Expenditure on charitable activities                                 |       |   |                                 |
| . Provision of premises and facilities                               | 3     | <b>1,334</b>                              | 1,131                           |
| <b>Total expenditure</b>   |       | <b>1,334</b>                              | 1,131                           |
| <b>Net income before gains on revaluation of investment property</b> |       | <b>530</b>                                | 754                             |
| <b>Gain on revaluation of investment property</b>                    | 8     | <b>—</b>                                  | 5,400                           |
| <b>Net income and net movement in funds</b>                          |       | <b>530</b>                                | 6,154                           |
| <b>Reconciliation of funds:</b>                                      |       |   |                                 |
| Total funds brought forward at 1 January 2021                        |       | <b>7,500</b>                              | 1,346                           |
| <b>Total funds carried forward at 31 December 2021</b>               |       | <b>8,030</b>                              | 7,500                           |

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

All recognised gains and losses are included in the above statement of financial activities.

All funds of the charity are unrestricted.

The notes on pages 18 to 21 form part of these financial statements.

**Balance sheet** 31 December 2021

|  | Notes | 2021<br>£'000   | 2020<br>£'000   |
|--|-------|-----------------|-----------------|
| <b>Fixed assets</b>                                  |       |                 |                 |
| Programme related investments                        | 8     | <u>27,700</u>   | <u>27,700</u>   |
| <b>Non-current assets</b>                            |       |                 |                 |
| Debtors  | 10    | <u>786</u>      | <u>806</u>      |
| <b>Current assets</b>                                |       |                 |                 |
| Debtors  | 9     | 43              | 31              |
| Cash at bank and in hand                             |       | <u>2,161</u>    | <u>2,085</u>    |
|  |       | <b>2,204</b>    | <b>2,116</b>    |
| <b>Liabilities:</b>                                  |       |                 |                 |
| Creditors: amounts falling due within one year       | 11    | <u>(919)</u>    | <u>(869)</u>    |
| <b>Net current assets</b>                            |       |                 |                 |
|  |       | <u>1,285</u>    | <u>1,247</u>    |
| Total assets less current liabilities                |       | <b>29,771</b>   | <b>29,753</b>   |
| <b>Creditors:</b> amounts falling due after one year | 12    | <b>(21,741)</b> | <b>(22,253)</b> |
| <b>Total net assets</b>                              |       |                 |                 |
|  |       | <u>8,030</u>    | <u>7,500</u>    |
| <b>The funds of the charity:</b>                     |       |                 |                 |
| Unrestricted funds                                   |       | <u>8,030</u>    | <u>7,500</u>    |
| <b>Total charitable funds</b>                        |       | <u>8,030</u>    | <u>7,500</u>    |

Approved by the Trustees and  
signed on their behalf by: J P Mustier

Approved on: 06/07/2022

KT Educational Charitable Trust  
Company Registration Number 07057043 (England and Wales)

## Statement of cash flows 31 December 2021

|  | Notes | 2021<br>£'000 | 2020<br>£'000 |
|--|-------|---------------|---------------|
| <b>Cash inflow from operating activities:</b>          |       |               |               |
| Net cash provided by operating activities              | A     | 571           | 1,225         |
| <b>Cash outflow from financing activities:</b>         |       |               |               |
| Repayments of borrowing                                |       | (495)         | (480)         |
| <b>Net cash used in financing activities</b>           |       | <b>(495)</b>  | <b>(480)</b>  |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>76</b>     | <b>745</b>    |
| <b>Cash and cash equivalents at 1 January 2021</b>     | B     | <b>2,085</b>  | <b>1,340</b>  |
| <b>Cash and cash equivalents at 31 December 2021</b>   | B     | <b>2,161</b>  | <b>2,085</b>  |

### Notes to the cash flow statement for the year to 31 December 2021.

#### A Reconciliation of net movement in funds to net cash flow from operating activities

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>530</b>    | <b>6,154</b>  |
| <b>Adjustments for:</b>   |               |               |
| Gain on revaluation of programme related investments                        | —             | (5,400)       |
| Decrease in debtors   | 8             | 611           |
| Increase (decrease) in creditors  | 33            | (140)         |
| <b>Net cash provided by operating activities</b>                            | <b>571</b>    | <b>1,225</b>  |

#### B Analysis of cash and cash equivalents

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Cash at bank and in hand               | 2,161         | 2,085         |
| <b>Total cash and cash equivalents</b> | <b>2,161</b>  | <b>2,085</b>  |

#### C Analysis of changes in net debt

|  | At 1 January<br>2021<br>£'000 | Cash flows<br>£'000 | At 31<br>December<br>2021<br>£'000 |
|--|-------------------------------|---------------------|------------------------------------|
| Cash                                       | 2,085                         | 76                  | 2,161                              |
| Loans falling due within one year          | (495)                         | (17)                | (512)                              |
| Loans falling due after more than one year | (22,253)                      | 512                 | (21,741)                           |
| <b>Total</b>                               | <b>(20,663)</b>               | <b>571</b>          | <b>20,092</b>                      |

## **Principal accounting policies** 31 December 2021

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

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2021 with comparative information for the year ended 31 December 2020.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the valuation of programme related investment properties.

Estimates used in the accounts, particularly with respect to the value of programme related investment properties are subject to a greater degree of uncertainty and volatility.

### **Assessment of going concern**

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

The trustees of the charity have concluded that the charity will have sufficient reserves to meet liabilities as they fall due.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, rental income and charges for management services.

**Income recognition** (continued)

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

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term. Fees for management services are recognised on an accruals basis.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to the provision of premises and facilities for schools offering a French or broader bilingual curriculum in the Kentish Town area, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the proportion of time spent on the activity.

**Programme related investments**

Programme related investments comprise freehold property used by another charitable organisation for purposes consistent with the charity's objectives. They are stated at fair value. At 31 December 2021 the property was independently valued by a professional chartered surveyor on a fair value basis which takes into consideration rental charge and the current use of the premises as a school. The value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

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

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Bank loans are a basic financial instrument and are recognised at their transaction value, which is normally the principal amount advanced plus transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised through the statement of financial activities using the effective interest method.

**Funds structure**

The funds of the charity are unrestricted and can be expended at the discretion of the trustees in line with the governing document of the charity.

Notes to the financial statements 31 December 2021

**1 Donations**

|           | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|-----------|---|---------------------------------|
| Donations | <b>86</b>                                 | 79                              |

**2 Income from charitable activities**

|               | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|---------------|---|---------------------------------|
| Rental income | <b>1,767</b>                              | 1,717                           |

**3 Expenditure on charitable activities**

|                                      | <b>Direct<br/>costs<br/>£'000</b> | <b>Support<br/>costs<br/>£'000</b> | <b>2021<br/>Total<br/>funds<br/>£'000</b> |
|--------------------------------------|-----------------------------------|------------------------------------|---|
| Provision of premises and facilities |                                   |                                    |   |
| . Charitable donations               | 547                               | —                                  | 547                                       |
| . Accountancy services               | —                                 | 6                                  | 6   |
| . Interest payable                   | —                                 | 684                                | 684                                       |
| . Governance costs (note 4)          | 11                                | 86                                 | 97  |
| <b>2021 Total funds</b>              | <b>558</b>                        | <b>776</b>                         | <b>1,334</b>                              |

|                                      | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2020<br>Total<br>funds<br>£'000 |
|--------------------------------------|--------------------------|---------------------------|---------------------------------|
| Provision of premises and facilities |                          |                           |                                 |
| . Charitable donations               | 340                      | —                         | 340                             |
| . Accountancy services               | —                        | 6                         | 6                               |
| . Interest payable                   | —                        | 700                       | 700                             |
| . Governance costs (note 4)          | —                        | 85                        | 85                              |
| <b>2020 Total funds</b>              | <b>340</b>               | <b>791</b>                | <b>1,131</b>                    |

**4 Governance costs**

|                             | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|-----------------------------|---|---------------------------------|
| Legal and professional fees | <b>11</b>                                 | 7                               |
| Administrative fees         | <b>86</b>                                 | 78                              |
|                             | <b>97</b>                                 | 85                              |

**5 Staff costs, remuneration of key management and trustees' expenses and remuneration**

The charity employed no staff during the year (2020 - none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprises the trustees. None of the Trustees received any remuneration for their services during the year (2020 - none). No trustees (2020 - none) were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties (2020 - £nil).

**6 Net income and net movement in funds**

This is stated after charging

|                            | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|----------------------------|---|---------------------------------|
| Auditor's remuneration     |   |                                 |
| . Audit fee – current year | <b>7</b>                                  | <b>7</b>                        |

**7 Taxation**

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

The charity is not registered for Value Added Tax and therefore expenditure is recorded inclusive of VAT where applicable.

**8 Investments**

|                | <b>Programme<br/>related<br/>investment<br/>property<br/>2021<br/>£'000</b> | Programme<br>related<br>investment<br>property<br>2020<br>£'000 |
|----------------|---|---|
| At 1 January   | <b>27,700</b>   | 22,300  |
| Revaluation    | <b>—</b>  | 5,400   |
| At 31 December | <b>27,700</b>   | <b>27,700</b>   |

The property at 87 Holmes Road, Kentish Town, NW5 3AX is let to Collège Français Bilingue de Londres Limited, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) School in the London Borough of Camden, therefore the property is classified as a programme related investment.

On 31 December 2021 the property was valued by Gerald Eve LLP. The valuation was prepared in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards and Financial Reporting Standard 102.

**Notes to the financial statements** 31 December 2021

**9 Debtors; amounts falling due within one year**

|               | <b>2021</b>  | 2020  |
|---------------|--------------|-------|
|               | <b>£'000</b> | £'000 |
| Other debtors | <b>43</b>    | 31    |
|               | <b>43</b>    | 31    |

**10 Debtors; amounts falling due after one year**

|               | <b>2021</b>  | 2020  |
|---------------|--------------|-------|
|               | <b>£'000</b> | £'000 |
| Other debtors | <b>786</b>   | 806   |
|               | <b>786</b>   | 806   |

The other debtors due after one year are a deposit held with ANEFE (Association Nationale des Ecoles de l'Etranger) in respect of bank financing (note 13).

**11 Creditors: amounts falling due within one year**

|                              | <b>2021</b>  | 2020  |
|------------------------------|--------------|-------|
|                              | <b>£'000</b> | £'000 |
| Trade creditors and accruals | <b>7</b>     | 7     |
| Deferred income              | <b>300</b>   | 292   |
| Bank loans (note 13)         | <b>512</b>   | 495   |
| Other creditors              | <b>100</b>   | 75    |
|                              | <b>919</b>   | 869   |

Income has been deferred because KT Educational Charitable Trust received rent from Collège Français Bilingue De Londres in December 2021 for the period covering 1 January 2022 to 28 February 2022, therefore this income will appear in next year's accounts ending 31 December 2022. The movements in deferred income are analysed below:

|                  | <b>2021</b>  | 2020  |
|------------------|--------------|-------|
|                  | <b>£'000</b> | £'000 |
| Brought forward  | <b>292</b>   | 283   |
| Released in year | <b>(292)</b> | (283) |
| Deferred in year | <b>300</b>   | 292   |
|                  | <b>300</b>   | 292   |

**12 Creditors: amounts falling due after one year**

|                                | <b>2021</b>   | 2020   |
|--------------------------------|---------------|--------|
|                                | <b>£'000</b>  | £'000  |
| Bank loans (note 13)           | <b>19,891</b> | 20,403 |
| Loan from French Embassy Trust | <b>1,850</b>  | 1,850  |
|                                | <b>21,741</b> | 22,253 |

### 13 Loans

Loans repayable, included within creditors are analysed as follows:

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Wholly repayable: within five years     | 2,887         | 2,791         |
| Not wholly repayable: within five years | 19,366        | 19,957        |
|   | <b>22,253</b> | <b>22,748</b> |

At 31 December 2021 bank loans totalling £21,741,000 (2020 – £20,898,000) were secured by fixed charges over the charity's freehold property at Holmes Road, London.

At 31 December 2021, the balance of £21,741,000 (2020 – £20,898,000) comprised two loans from Banque Transatlantique. The loans are for a period of thirty years from September 2017. Interest is charged at a fixed rate of 3.3%.

A loan of £800,000 (2020 – £800,000) was granted to the charity by the French Embassy Trust on an interest free, unsecured basis, repayable when the charity is in a position to do so without detriment to its banking and other funding arrangements. The loan is guaranteed by the French Embassy.

A loan of £1,050,000 (2020 – £1,050,000) was granted to the charity by the French Embassy Trust for the purpose of funding a deposit payable to ANEFÉ.

### 14 Related party transactions

#### *Wembley Educational Charitable Trust*

Wembley Educational Charitable Trust (Company Registration Number 08681480 England and Wales) was incorporated on 9 September 2013. Three Trustees of KT Educational Charitable Trust are also directors of Wembley Educational Charitable Trust. During the year, administrative fees of £86,142 (2020 – £78,532) incurred by the charity were paid by Wembley Educational Charitable Trust on behalf of KT Educational Charitable Trust. This has been treated as a donation in the year. During the year KT Educational Charitable Trust paid donations of £447,000 (2020: £340,000) to Wembley Educational Charitable Trust.

### 15 Net assets

The total unrealised gains as at 31 December 2021 constitute movements on revaluation and are as follows:

|   | 2021<br>£'000 | 2020<br>£'000  |
|---|---------------|----------------|
| <b>Unrealised gains:</b>                              |               |                |
| On investment properties                              | 2,920         | 2,920          |
| <b>Total unrealised gains at 31 December 2021</b>     | <b>2,920</b>  | <b>2,920</b>   |
| <b>Reconciliation of movement in unrealised gains</b> |               |                |
| Unrealised losses at 1 January 2021                   | 2,920         | (2,480)        |
| Less: in respect to disposals in the year             | —             | —              |
|   | <b>2,920</b>  | <b>(2,480)</b> |
| Add: net gains arising on revaluation in the year     | —             | 5,400          |
| <b>Total unrealised gains at 31 December 2021</b>     | <b>2,920</b>  | <b>2,920</b>   |

**KT EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1135017

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# Accounts

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# **KT Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2020

Company registration number  
07057043 (England and Wales)

Charity Registration number  
1135017

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### Reports

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### Financial statements

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**Reference and administrative details of the charity, its Trustees and advisers**

|                                    |  |
|------------------------------------|--|
| <b>Trustees</b>                    | Mr Richard Fairbairn<br>Mr Jean-Pierre Mustier<br>Mr Arnaud Vaissié  |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL  |
| <b>Charity registration number</b> | 1135017  |
| <b>Company registration number</b> | 07057043 (England and Wales)   |
| <b>Auditor</b>                     | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL   |
| <b>Bankers</b>                     | HSBC<br>HSBC Holdings PLC HBEU<br>West London Corporate<br>2 <sup>nd</sup> Floor, Space One<br>1 Beadon Road<br>Hammersmith<br>London<br>W6 0EA<br><br>Banque Transatlantique<br>26 Avenue Franklin Roosevelt<br>Paris |
| <b>Solicitors</b>                  | Adam Perry & Co LLP<br>10 Spaces Business Centre<br>15-17 Ingate Place<br>London<br>SW8 3NS  |

## **Trustees' report** Year to 31 December 2020

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2020.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 18 of the attached accounts and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The charity was incorporated as a company limited by guarantee on 26 October 2009 as French Education Property Trust ("FEPT") and obtained charitable status on 18 March 2010. On 18 September 2013 the charity changed its name to KT Educational Charitable Trust ("KTECT"). The charity's parent entity was French Education Charitable Trust Limited ("FECT") (Company Registration Number 08679804 (England and Wales)) until 1 October 2019, the date of FECT's dissolution at Companies House. In the event of the winding up of the company each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit in the United Kingdom, the education of pupils in the French education system. The objectives are in particular, but not limited to, the provision of premises and facilities for schools offering a French or a broader bilingual curriculum in the Kentish Town area. The charity aims to provide assistance in establishing, maintaining, carrying on, managing and developing such schools.

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of the year**

KT Educational Charitable Trust set up the Collège Français Bilingue De Londres (CFBL) school which opened in 2011.

CFBL has a board of governors who meet regularly to make key decisions for the school.

The school ran at almost full capacity during 2020 and the numbers for next school year are expected to be as high.

CFBL continues to pay rent on time to KT Educational Charitable Trust.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Review of the year** (continued)

Although the cumulated context of Covid-19 and Brexit seems to have had little to no impact on CFBL's pupil intake, CFBL's financial situation remains a little fragile after the school had to use some of its reserves to fund unforeseen staff pension expenses which occurred in previous fiscal years. A cost savings plan has been put in place by the board of governors to reconstitute these reserves.

In 2018 KT Educational Charitable Trust signed a grant agreement for a total of £450,000 with the French Scholarship Foundation (FSF). FSF is a registered charity whose charitable objects include advancing education and promoting the continued attendance of any child registered or applying to register to Collège Français Bilingue de Londres or Lycée International de Londres Winston Churchill. As of 31 December 2020, all but one payment of £75,000 had been made, with the final payment due in the first quarter of 2021

### **FINANCIAL REVIEW**

During the period, donations of £79,000 (2019 – £27,000) were received. Rental income of £1,717,000 was received in the year (2019 – £1,666,000). Interest of £89,000 was received (2019 – nil). Costs relating to charitable actives in the year amounted to £1,131,000 (2019 – £1,088,000).

Net income for the year was £754,000 (2019 – £605,000). The property held as a programme related investment was revalued at 31 December 2020 with an increase in value of £5,400,000. The total funds as at 31 December 2020 were £7,500,000 (2019 – £1,346,000).

### **Reserves policy**

The trustees regularly monitor the cash position of the charity to ensure that there are sufficient funds for capital projects and the running of the charity, including servicing the bank finance. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

### **Financial position**

The charity had total funds at 31 December 2020 of £2,100,000 (2019 – £1,346,000). Once the programme related investments and long term loan are excluded, this leaves free reserves of £698,000 (2019 – £424,000). In the light of the uncertainties due to the Covid-19 pandemic, the trustees are of the opinion that the free reserves are adequate.

### **FUTURE PLANS**

Given the high demand received by CFBL, especially amongst Early Years, the school board is discussing the possibility of increasing its overall capacity by renting additional premises, which would be dedicated to the Early Years and to after school and/or holiday activities for children. This would free some space on the main site to welcome older children's classes, bring additional revenue to the school, and broaden its targeted audience with potentially more local and/or non-French families attracted by the Early Years offer with the hope that the latter will be keen on having their children pursue the bilingual school curriculum at CFBL.

**FUTURE PLANS** (continued)

In January 2021, KTECT trustees decided to make a donation of £100,000 to CFBL in order to help the school limit its fee increase and therefore maintain its attractiveness to local parents.

**GOVERNANCE, STRUCTURE AND MANAGEMENT**

**Organisation**

The trustees meet officially in person once or twice a year and more frequently when required. They also hold conference calls when required and there are at least monthly email exchanges regarding budgets. Any new trustees are inducted regarding their responsibilities and the activities of the KTECT through detailed briefings.

It is understood that current trustees have a long-term commitment and therefore there are no changes to the trustees currently envisaged.

All trustees have agreed to adhere to the charity's conflicts of interests' policy and have signed a statement to this effect.

**Trustees**

The following trustees were in office at 31 December 2020 and served throughout the year:

| <b>Trustees</b>        | <b>Appointed/resigned</b> |
|------------------------|---------------------------|
| Mr Richard Fairbairn   |                           |
| Mr Jean-Pierre Mustier |                           |
| Mr Arnaud Vaissié      |                           |

**Key management personnel**

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

None of the trustees receive any remuneration for their services.

**Trustees' responsibilities statement**

The trustees (who are also directors of KT Educational Charitable Trust for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Trustees' responsibilities statement** (continued)

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Risk management**

The trustees have reviewed the risks faced by the charity and have procedures in place to mitigate the risks identified.

The key risk to the charity is the level of admissions at the tenant school, this could be affected by Brexit, the current COVID-19 pandemic and could ultimately have the potential to affect the ability of its tenant school to pay their rent in accordance with the lease agreement. The admissions numbers are monitored and the school itself is implementing its own communications strategies to ensure the school operates at as close to full capacity as possible.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Raising funds**

The charity does not actively fundraise although it welcomes donations. The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Approved by the Board of Trustees:

Jean-Pierre Mustier

Trustee

Approved on: 26 August 2021

**Independent auditor's report to the members of KT Educational Charitable Trust**

**Opinion**

We have audited the financial statements of KT Educational Charitable Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

**Responsibilities of trustees**

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

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

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

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

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 to irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and The Companies Act 2006; and

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

***How the audit was considered capable of detecting irregularities including fraud***  
*(continued)*

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

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

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

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

***How the audit was considered capable of detecting irregularities including fraud***  
*(continued)*

We did not identify any irregularities, including fraud.

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

**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.

Avnish Savjani (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

21 September 2021

## Statement of financial activities Year ended 31 December 2020

|  | Notes | 2020<br>Total<br>funds<br>£'000 | 2019<br>Total<br>funds<br>£'000 |
|--|-------|---------------------------------|---------------------------------|
| <b>Income and expenditure</b>  |       |                                 |                                 |
| <b>Income from:</b>  |       |                                 |                                 |
| Donations  | 1     | 79                              | 27                              |
| Charitable activities  |       |                                 |                                 |
| . Provision of premises and facilities                               | 2     | 1,717                           | 1,666                           |
| Interest receivable  |       | 87                              | —                               |
| Bank Interest receivable   |       | 2                               | —                               |
| <b>Total income</b>  |       | <b>1,885</b>                    | <b>1,693</b>                    |
| <b>Expenditure</b>   |       |                                 |                                 |
| Expenditure on charitable activities                                 |       |                                 |                                 |
| . Provision of premises and facilities                               | 3     | 1,131                           | 1,088                           |
| <b>Total expenditure</b>   |       | <b>1,131</b>                    | <b>1,088</b>                    |
| <b>Net income before gains on revaluation of investment property</b> |       | <b>754</b>                      | <b>605</b>                      |
| <b>Gain on revaluation of investment property</b>                    | 8     | <b>5,400</b>                    | <b>—</b>                        |
| <b>Net income and net movement in funds</b>                          |       | <b>6,154</b>                    | <b>605</b>                      |
| <b>Reconciliation of funds:</b>                                      |       |                                 |                                 |
| Total funds brought forward at 1 January 2020                        |       | 1,346                           | 741                             |
| <b>Total funds carried forward at 31 December 2020</b>               |       | <b>7,500</b>                    | <b>1,346</b>                    |

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

All recognised gains and losses are included in the above statement of financial activities.

All funds of the charity are unrestricted.

The notes on pages 19 to 23 form part of these financial statements.

**Balance sheet** 31 December 2020

|  | Notes | 2020<br>£'000   | 2019<br>£'000   |
|--|-------|-----------------|-----------------|
| <b>Fixed assets</b>                                  |       |                 |                 |
| Programme related investments                        | 8     | <u>27,700</u>   | <u>22,300</u>   |
| <b>Non-current assets</b>                            |       |                 |                 |
| Debtors  | 10    | <u>806</u>      | <u>825</u>      |
| <b>Current assets</b>                                |       |                 |                 |
| Debtors  | 9     | 31              | 623             |
| Cash at bank and in hand                             |       | <u>2,085</u>    | <u>1,340</u>    |
|  |       | <b>2,116</b>    | 1,963           |
| <b>Liabilities:</b>                                  |       |                 |                 |
| Creditors: amounts falling due within one year       | 11    | <u>(869)</u>    | <u>(919)</u>    |
| <b>Net current assets</b>                            |       |                 |                 |
|  |       | <u>1,247</u>    | <u>1,044</u>    |
| Total assets less current liabilities                |       | <b>29,753</b>   | 24,169          |
| <b>Creditors:</b> amounts falling due after one year | 12    | <u>(22,253)</u> | <u>(22,823)</u> |
| <b>Total net assets</b>                              |       |                 |                 |
|  |       | <u>7,500</u>    | <u>1,346</u>    |
| <b>The funds of the charity:</b>                     |       |                 |                 |
| Unrestricted funds                                   |       | <u>7,500</u>    | <u>1,346</u>    |
| <b>Total charitable funds</b>                        |       | <u>7,500</u>    | <u>1,346</u>    |

Approved by the Trustees and  
signed on their behalf by:

Jean-Pierre Mustier

Approved on: 26 August 2021

KT Educational Charitable Trust  
Company Registration Number 07057043 (England and Wales)

## Statement of cash flows 31 December 2020

|   | Notes | 2020<br>£'000 | 2019<br>£'000 |
|---|-------|---------------|---------------|
| <b>Cash inflow from operating activities:</b>           |       |               |               |
| Net cash provided by operating activities               | A     | <b>1,225</b>  | 481           |
| <b>Cash inflow (outflow) from financing activities:</b> |       |               |               |
| Cash inflows from new borrowing                         |       | —             | —             |
| Repayments of borrowing                                 |       | <b>(480)</b>  | (464)         |
| <b>Net cash used in financing activities</b>            |       | <b>(480)</b>  | (464)         |
| <b>Change in cash and cash equivalents in the year</b>  |       | <b>745</b>    | 17            |
| <b>Cash and cash equivalents at 1 January 2020</b>      | B     | <b>1,340</b>  | 1,323         |
| <b>Cash and cash equivalents at 31 December 2020</b>    | B     | <b>2,085</b>  | 1,340         |

### Notes to the cash flow statement for the year to 31 December 2020.

#### A Reconciliation of net movement in funds to net cash flow from operating activities

|   | 2020<br>£'000  | 2019<br>£'000 |
|---|----------------|---------------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>6,154</b>   | 605           |
| <b>Adjustments for:</b>   |                |               |
| Gain on revaluation of programme related investments                        | <b>(5,400)</b> | —             |
| Decrease in debtors   | <b>611</b>     | 18            |
| Increase (decrease) in creditors  | <b>(140)</b>   | (142)         |
| <b>Net cash provided by operating activities</b>                            | <b>1,225</b>   | 481           |

#### B Analysis of cash and cash equivalents

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| Cash at bank and in hand               | <b>2,085</b>  | 1,340         |
| <b>Total cash and cash equivalents</b> | <b>2,085</b>  | 1,340         |

#### C Analysis of changes in net debt

|  | At 1 January<br>2020<br>£'000 | Cash flows<br>£'000 | New loans<br>£'000 | Other non-<br>cash<br>changes<br>£'000 | At 31<br>December<br>2020<br>£'000 |
|--|-------------------------------|---------------------|--------------------|--|------------------------------------|
| Cash                                       | 1,340                         | 745                 | —                  | —                                      | <b>2,085</b>                       |
| Loans falling due within one year          | (480)                         | (15)                | —                  | —                                      | <b>(495)</b>                       |
| Loans falling due after more than one year | (22,823)                      | 570                 | —                  | —                                      | <b>(22,253)</b>                    |
| <b>Total</b>                               | <b>(21,963)</b>               | <b>1,300</b>        | <b>—</b>           | <b>—</b>                               | <b>(20,663)</b>                    |

## **Principal accounting policies** 31 December 2020

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

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2020 with comparative information for the year ended 31 December 2019.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the valuation of programme related investment properties.

Estimates used in the accounts, particularly with respect to the value of programme related investment properties are subject to a greater degree of uncertainty and volatility.

As set out in these accounting policies under “going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

### **Assessment of going concern**

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

**Assessment of going concern** (continued)

The full impact on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic is still unknown. The Covid19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of our control. The impact of Covid19 on our finances is set out in the trustees' report on pages 3 and 4.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees of the charity have concluded that the charity will have sufficient reserves to meet liabilities as they fall due.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, rental income and charges for management services.

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

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term. Fees for management services are recognised on an accruals basis.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity.

**Expenditure recognition** (continued)

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to the provision of premises and facilities for schools offering a French or broader bilingual curriculum in the Kentish Town area, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the proportion of time spent on the activity.

**Programme related investments**

Programme related investments comprise freehold property used by another charitable organisation for purposes consistent with the charity's objectives. They are stated at fair value. At 31 December 2020 the property was independently valued by a professional chartered surveyor on a fair value basis which takes into consideration rental charge and the current use of the premises as a school. The value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

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

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

## **Principal accounting policies** 31 December 2020

### **Creditors and provisions** (continued)

Bank loans are a basic financial instrument and are recognised at their transaction value, which is normally the principal amount advanced plus transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised through the statement of financial activities using the effective interest method.

### **Funds structure**

The funds of the charity are unrestricted and can be expended at the discretion of the trustees in line with the governing document of the charity.

Notes to the financial statements 31 December 2020

**1 Donations**

|           | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|-----------|---|---------------------------------|
| Donations | <b>79</b>                                 | 27                              |

**2 Income from charitable activities**

|               | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|---------------|---|---------------------------------|
| Rental income | <b>1,717</b>                              | 1,666                           |

**3 Expenditure on charitable activities**

|                                      | <b>Direct<br/>costs<br/>£'000</b> | <b>Support<br/>costs<br/>£'000</b> | <b>2020<br/>Total<br/>funds<br/>£'000</b> |
|--------------------------------------|-----------------------------------|------------------------------------|---|
| Provision of premises and facilities |                                   |                                    |   |
| . Charitable donations               | <b>340</b>                        | —                                  | <b>340</b>                                |
| . Accountancy services               | —                                 | <b>6</b>                           | <b>6</b>                                  |
| . Interest payable                   | —                                 | <b>700</b>                         | <b>700</b>                                |
| . Governance costs (note 4)          | —                                 | <b>85</b>                          | <b>85</b>                                 |
| . Repairs and maintenance            | —                                 | —                                  | —   |
| <b>2020 Total funds</b>              | <b>340</b>                        | <b>794</b>                         | <b>1,131</b>                              |

|                                      | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2019<br>Total<br>funds<br>£'000 |
|--------------------------------------|--------------------------|---------------------------|---------------------------------|
| Provision of premises and facilities |                          |                           |                                 |
| . Charitable donations               | 330                      | —                         | 330                             |
| . Accountancy services               | —                        | 9                         | 9                               |
| . Interest payable                   | 715                      | —                         | 715                             |
| . Governance costs (note 4)          | —                        | 33                        | 33                              |
| . Repairs and maintenance            | —                        | 1                         | 1                               |
| <b>2019 Total funds</b>              | <b>1,045</b>             | <b>43</b>                 | <b>1,088</b>                    |

## Notes to the financial statements 31 December 2020

### 4 Governance costs

|                             | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|-----------------------------|---|---------------------------------|
| Legal and professional fees | —   | 6                               |
| Administrative fees         | <b>85</b>                                 | 27                              |
|                             | <b>85</b>                                 | 33                              |

### 5 Staff costs, remuneration of key management and trustees' expenses and remuneration

The charity employed no staff during the year (2019 - none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprises the trustees. None of the Trustees received any remuneration for their services during the year (2019 - none). No trustees (2019 - none) were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties (2019 - £nil).

### 6 Net income and net movement in funds

This is stated after charging

|                            | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|----------------------------|---|---------------------------------|
| Auditor's remuneration     |   |                                 |
| . Audit fee – current year | <b>7</b>                                  | 6                               |

### 7 Taxation

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

The charity is not registered for Value Added Tax and therefore expenditure is recorded inclusive of VAT where applicable.

## 8 Investments

|                | <b>Programme<br/>related<br/>investment<br/>property<br/>2020<br/>£'000</b> | Programme<br>related<br>investment<br>property<br>2019<br>£'000 |
|----------------|---|---|
| At 1 January   | <b>22,300</b>   | 22,300  |
| Revaluation    | <b>5,400</b>  | —   |
| At 31 December | <b>27,700</b>   | 22,300  |

The property at 87 Holmes Road, Kentish Town, NW5 3AX is let to Collège Français Bilingue de Londres Limited, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) School in the London Borough of Camden, therefore the property is classified as a programme related investment.

On 31 December 2020 the property was independently valued by a professional chartered surveyor (Gerald Eve LLP) on a fair value basis which takes into consideration rental charge. The chartered surveyor is a member of the Royal Institution of Chartered Surveyors. The valuation was prepared in accordance with the requirements of Royal Institution of Chartered Surveyors (RICS) Professional Standards, January 2020 amendment and Financial Reporting Standard 102. There is a fixed charge over this property (see note 11).

## 9 Debtors; amounts falling due within one year

|   | <b>2020<br/>£'000</b> | 2019<br>£'000 |
|---|-----------------------|---------------|
| Loan – Wembley Educational Charitable Trust (note 13) | —                     | 600           |
| Other debtors   | <b>31</b>             | 23            |
|   | <b>31</b>             | 623           |

## 10 Debtors; amounts falling due after one year

|               | <b>2020<br/>£'000</b> | 2019<br>£'000 |
|---------------|-----------------------|---------------|
| Other debtors | <b>806</b>            | 825           |
|               | <b>806</b>            | 825           |

## 11 Creditors: amounts falling due within one year

|                              | <b>2020<br/>£'000</b> | 2019<br>£'000 |
|------------------------------|-----------------------|---------------|
| Trade creditors and accruals | <b>7</b>              | 6             |
| Deferred income              | <b>292</b>            | 283           |
| Bank loans                   | <b>495</b>            | 480           |
| Other creditors              | <b>75</b>             | 150           |
|                              | <b>869</b>            | 919           |

## Notes to the financial statements 31 December 2020

### 11 Creditors: amounts falling due within one year (continued)

Income has been deferred because KT Educational Charitable Trust received rent from Collège Français Bilingue De Londres in December 2020 for the period covering 1 January 2020 to 28 February 2020, therefore this income will appear in next year's accounts ending 31 December 2021. The movements in deferred income are analysed below:

|                  | 2020<br>£'000 | 2019<br>£'000 |
|------------------|---------------|---------------|
| Brought forward  | 283           | 275           |
| Released in year | (283)         | (275)         |
| Deferred in year | 292           | 283           |
|                  | <b>292</b>    | <b>283</b>    |

### 12 Creditors: amounts falling due after one year

|                                | 2020<br>£'000 | 2019<br>£'000 |
|--------------------------------|---------------|---------------|
| Bank loans                     | 20,403        | 20,898        |
| Loan from French Embassy Trust | 1,850         | 1,850         |
| Other creditors                | —             | 75            |
|                                | <b>22,253</b> | <b>22,823</b> |

### 13 Loans

Loans repayable, included within creditors are analysed as follows:

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| Wholly repayable: within five years     | 2,791         | 2,564         |
| Not wholly repayable: within five years | 18,107        | 18,814        |
|   | <b>20,898</b> | <b>21,378</b> |

At 31 December 2020 bank loans totalling £20,898,000 (2019 – £21,378,000) were secured by fixed charges over the charity's freehold property at Holmes Road, London.

At 31 December 2020, the balance of £20,898,000 (2019 – £21,378,000) comprised two loans from Banque Transatlantique. The loans are for a period of thirty years from September 2017. Interest is charged at a fixed rate of 3.3%.

A loan of £800,000 (2019 – £800,000) was granted to the charity by the French Embassy Trust on an interest free, unsecured basis, repayable when the charity is in a position to do so without detriment to its banking and other funding arrangements. The loan is guaranteed by the French Embassy.

A loan of £1,050,000 (2019 – £1,050,000) was granted to the charity by the French Embassy Trust for the purpose of funding a deposit payable to ANEFÉ.

#### 14 Related party transactions

##### **Wembley Educational Charitable Trust**

Wembley Educational Charitable Trust (Company Registration Number 08681480 England and Wales) was incorporated on 9 September 2013. Three Trustees of KT Educational Charitable Trust are also directors of Wembley Educational Charitable Trust. During 2014, KT Educational Charitable Trust provided an interest free, repayable on demand loan of £600,000 to Wembley Educational Charitable Trust. The amount was transferred to a savings account at Banque Transatlantique in the name of Wembley Educational Charitable Trust. At 31 December 2020, the full loan had been repaid. In addition, during the year, administrative fees of £78,532 (2019 – £26,919) incurred by the charity were paid by Wembley Educational Charitable Trust on behalf of KT Educational Charitable Trust. This has been treated as a donation in the year.

##### **Ealing Educational Charitable Trust**

Ealing Educational Charitable Trust (Company Registration Number 08845363 England and Wales) was incorporated on 14 January 2014. Three Trustees of KT Educational Charitable Trust were also directors of Ealing Educational Charitable Trust. On 11 February 2014, the charity transferred ownership of the investment property leased to the school André Malraux to Ealing Educational Charitable Trust. During 2019 Ealing Educational Charitable Trust transferred its assets and liabilities to Wembley Educational Charitable Trust and was dissolved on 22 October 2019.

##### **French Education Charitable Trust**

French Education Charitable Trust (Company Registration Number 08679804 England and Wales) was incorporated on 6 September 2013, and was the parent entity of KTECT. During 2019 French Education Charitable Trust transferred its assets and liabilities to Wembley Educational Trust and was dissolved on 1 October 2019.

#### 15 Net assets

The total unrealised gains as at 31 December 2020 constitute movements on revaluation and are as follows:

|  | 2020<br>£'000 | 2019<br>£'000  |
|--|---------------|----------------|
| <b>Unrealised gains/(losses):</b>                              |               |                |
| On investment properties                                       | 2,920         | (2,480)        |
| <b>Total unrealised gains/(losses) at 31 December 2020</b>     | <b>2,920</b>  | <b>(2,480)</b> |
| <b>Reconciliation of movement in unrealised gains/(losses)</b> |               |                |
| Unrealised losses at 1 January 2020                            | (2,480)       | (2,480)        |
| Less: in respect to disposals in the year                      | —             | —              |
|  | (2,480)       | (2,480)        |
| Add: net gains arising on revaluation in the year              | 5,400         | —              |
| <b>Total unrealised gains/(losses) at 31 December 2020</b>     | <b>2,920</b>  | <b>(2,480)</b> |