

# WEMBLEY EDUCATIONAL CHARITABLE TRUST

England & Wales · Charity number 1153762

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [08681480](#)

**Registered** 2013-09-11

**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:** 3.1 THE OBJECTS OF THE CHARITY ARE, FOR THE PUBLIC BENEFIT TO ADVANCE THE EDUCATION OF PUPILS IN THE FRENCH EDUCATION SYSTEM, IN PARTICULAR BUT WITHOUT LIMITATION BY: 3.1.1 PROVIDING PREMISES AND FACILITIES IN THE WEMBLEY AREA OFFERING A FRENCH OR A BROADER BILINGUAL CURRICULUM OR PROVIDING ASSISTANCE IN ESTABLISHING, MAINTAINING, CARRYING ON, MANAGING AND DEVELOPING THE SCHOOL; 3.1.2 ANCILLARY EDUCATIONAL AND OTHER CHARITABLE ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY AT LARGE.

**Activities:** Advance the education of pupils in the French education system in the United Kingdom in particular but without limitation by providing premises/facilities in the Wembley area offering a French curriculum, providing assistance in establishing, maintaining, carrying on, managing and developing the school; ancillary educational and other charitable activities for the benefit of the community at large

## Classification

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

## Geography

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- Throughout London

## Finances

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| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2024-12-31 | £2,767,000 | £2,940,000  | £7,620,000 | 0         |
| 2023-12-31 | £2,754,000 | £2,095,000  | £7,793,000 | 0         |
| 2022-12-31 | £3,150,000 | £3,021,000  | £7,134,000 | 0         |
| 2021-12-31 | £3,152,000 | £6,004,000  | £7,005,000 | 0         |
| 2020-12-31 | £2,797,000 | £2,845,000  | £9,857,000 | 0         |

## Trustees

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| Name                                              | Role | Appointed  |
|---------------------------------------------------|------|------------|
| ARNAUD VAISSIE                                    |      | 2013-09-04 |
| 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                                 |      | 2013-09-04 |

**WEMBLEY EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1153762

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# Accounts

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# **Wembley Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2024

Company registration number  
08681480 (England and Wales)

Charity Registration number  
1153762

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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>Ms Florence Gomez<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> | 1153762                                                                                                                                                                                                                                    |
| <b>Company registration number</b> | 08681480 (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<br><br>Stone King LLP<br>16 St John's Lane<br>London<br>EC1M 4BS                                                                               |

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 16 to 18 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of 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 9 September 2013 as Wembley Educational Charitable Trust ("WECT") and obtained charitable status on 11 September 2013. In the event of the winding up of the charity each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit, 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 Wembley area, and ancillary educational and other charitable activities for the benefit of the community at large. 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**

Wembley Educational Charitable Trust owns premises in Wembley that are leased to Lycée International de Londres Winston Churchill (LIL) and premises in Ealing that are leased to Ecole André Malraux (AM). As a landlord, WECT therefore collects rents from these two schools.

Ecole André Malraux is a 200-pupil primary school from 3 to 10 years of age. The school is managed by the French State-owned Lycée Français de Londres Charles de Gaulle. The deeply discounted rent paid by AM was negotiated a few years ago and its yearly increase is protected by a 3%-cap. There is limited interaction with the school apart from renewal of insurance, collection of rent and authorisation to do works or conduct valuations.

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

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

Lycée International de Londres Winston Churchill opened in September 2015. It is an all-though school and has a board of governors who meets regularly to make key decisions for the school. WECT team members are often invited as observers during board meetings and other working groups.

In recent years, Lycée Churchill has navigated a series of significant challenges, from the effects of Brexit and the COVID-19 pandemic to increasing competition and mounting financial pressures. The introduction of VAT on school fees, the withdrawal of Mandatory Business Rates Relief, and rising National Insurance contributions for employers have further compounded these financial strains.

These challenges have resulted in year-on-year decline in the school's enrolments with 2024/2025 figures accounting for 795 students (compared to 830 the previous year). The anticipation of admission figures for next year is not positive and the Lycée Churchill is putting in place a cost-savings plan mainly focused on its staff structure.

In addition, the school is focusing on both retaining existing students and attracting new enrolments, reinforcing its position as a leading choice for families seeking a high-quality education despite these difficulties. A communication campaign was launched together with a merit-based scholarship scheme with the hope that Lycée Churchill can gain new students formerly attending British private school and for which increased fee levels due to VAT impact were not affordable any longer.

Therefore, Lycée Churchill's financial situation remains fragile due to the uncertainty associated with the current general downgraded economic situation and WECT continues to monitor the situation very carefully.

### **FINANCIAL REVIEW AND RESERVES**

During the year, the charity earned rental income of £2,704,000 (2023 - £2,702,000) and interest from term deposits of £63,000 (2023 - £52,000). There were no donations received (2023 - £nil). Total income for the year was £2,767,000 (2023 - £2,755,000).

Costs relating to charitable activities in the year, excluding the impairment charge of £1,299,000 (2023 - £371,000) amounted to £1,641,000 (2023 - £1,724,000).

Net expenditure for the year was £173,000 (2023 – net income of £659,000). The property held as a programme related investment was valued at £43,601,000 (2023 - £44,900,000). The total funds as at 31 December 2024 were £7,620,000 (2023 – £7,793,000).

### **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 the servicing of bank finance. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the current downgraded economic situation.

## FINANCIAL REVIEW AND RESERVES (continued)

### Financial position

The charity had total funds as at 31 December 2024 of £7,620,000 (2023 - £7,793,000). Once the programme related investments, long-term deposit and loan are excluded, the charity had free reserves of £1,622,000 (2023 - £1,336,000). The free reserves represent approximately 1.5 times the net operating income (excluding the impairment charge). The trustees are of the opinion that this level of free reserves is adequate. The amount of cash at bank and in hand was £2,425,000 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. The Trustees 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 WECT 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.

### Trustees

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

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#### Trustees

|                              |                         |
|------------------------------|-------------------------|
| Mr Arnaud Vaissié            |                         |
| Mr Jean-Pierre Mustier       |                         |
| Mr Richard Fairbairn         |                         |
| Ms Florence Gomez            |                         |
| 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 controlling, running, directing and operating the charity.

None of the trustees receive any remuneration for their services.

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

### **Trustees' responsibilities statement**

The trustees (who are also directors of Wembley 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.

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.

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

### **Risk management** (continued)

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

The admissions campaign currently shows a drop in enrolments for 2025/2026 compared to last year and WECT is closely monitoring the cost saving plan that will be required by Lycée Churchill to remain financially sustainable.

### **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, WECT is also supporting the schools to ensure that the planned maintenance works to the buildings are duly implemented and provisioned in the school's budget.

WECT plans to maintain its financial support to Lycée Churchill on dedicated strategy aiming at student acquisition and retention, such as communication campaigns as well as scholarship schemes.

**FUTURE PLANS** (continued)

Finally, WECT is investigating on behalf of the school the project to accommodate foreign students willing to attend 1, 2 or 3 years of secondary school at Lycée Churchill. Indeed, an increasing number of French families are choosing to strengthen their children's English proficiency by enrolling them in a "*homologuée*" (French-accredited) secondary school in an English-speaking country. Many of these students currently attend French schools abroad within the AEFÉ network or schools in France and are seeking opportunities to study abroad for one or more years in *Seconde*, *Première*, or *Terminale*.

Lycée Churchill in London is uniquely positioned to meet this growing demand, offering students the advantage of studying in one of the world's most sought-after destinations for international education.

WECT has covered the financial cost of legal advice and feasibility study that confirmed the relevance of the programme for Lycée Churchill. It is anticipated that Lycée Churchill will start implementing the required regulatory steps before September 2025 in order to implement the programme in 2026.

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:

Mr Jean-Pierre Mustier

Approved on: 24/06/2025

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

### **Opinion**

We have audited the financial statements of Wembley 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 5, 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 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.

**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 | <b>2024<br/>Total<br/>funds<br/>£'000</b> | 2023<br>Total<br>funds<br>£'000 |
|-----------------------------------------------------------|-------|-------------------------------------------|---------------------------------|
| <b>Income and expenditure</b>                             |       |                                           |                                 |
| <b>Income from:</b>                                       |       |                                           |                                 |
| Charitable activities                                     |       |                                           |                                 |
| . Provision of premises and facilities                    | 1     | <b>2,704</b>                              | 2,702                           |
| Bank interest receivable                                  |       | <b>63</b>                                 | 52                              |
| <b>Total income</b>                                       |       | <b>2,767</b>                              | 2,754                           |
| <b>Expenditure:</b>                                       |       |                                           |                                 |
| Expenditure on charitable activities                      |       |                                           |                                 |
| . Provision of premises and facilities                    | 2     | <b>2,940</b>                              | 2,095                           |
| <b>Total expenditure</b>                                  |       | <b>2,940</b>                              | 2,095                           |
| <b>Net (expenditure) income and net movement in funds</b> |       | <b>(173)</b>                              | 659                             |
| <b>Reconciliation of funds:</b>                           |       |                                           |                                 |
| Total funds brought forward at 1 January 2024             |       | <b>7,793</b>                              | 7,134                           |
| <b>Total funds carried forward at 31 December 2024</b>    |       | <b>7,620</b>                              | 7,793                           |

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 2024

|                                                      | Notes | 2024<br>£'000       | 2023<br>£'000       |
|------------------------------------------------------|-------|---------------------|---------------------|
| <b>Fixed assets</b>                                  |       |                     |                     |
| Programme related investments                        | 7     | <u>43,601</u>       | <u>44,900</u>       |
| <b>Non-current assets</b>                            |       |                     |                     |
| Debtors                                              | 8     | <u>1,931</u>        | <u>1,977</u>        |
| <b>Current assets</b>                                |       |                     |                     |
| Debtors                                              | 9     | 125                 | 117                 |
| Cash at bank and in hand                             |       | <u>2,425</u>        | <u>2,226</u>        |
|                                                      |       | <b>2,550</b>        | <b>2,343</b>        |
| <b>Liabilities:</b>                                  |       |                     |                     |
| Creditors: amounts falling due within one year       | 10    | <u>(1,845)</u>      | <u>(1,893)</u>      |
| <b>Net current assets</b>                            |       |                     |                     |
|                                                      |       | <u>706</u>          | <u>450</u>          |
| Total assets less current liabilities                |       | <b>46,237</b>       | <b>47,327</b>       |
| <b>Creditors:</b> amounts falling due after one year | 11    | <u>(38,617)</u>     | <u>(39,534)</u>     |
| <b>Total net assets</b>                              |       |                     |                     |
|                                                      |       | <u><b>7,620</b></u> | <u><b>7,793</b></u> |
| <b>The funds of the charity:</b>                     |       |                     |                     |
| Unrestricted funds                                   |       | <u>7,620</u>        | <u>7,793</u>        |
| <b>Total charitable funds</b>                        |       |                     |                     |
|                                                      |       | <u><b>7,620</b></u> | <u><b>7,793</b></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

Wembley Educational Charitable Trust  
Company Registration Number 08681480 (England and Wales)

Statement of cash flows 31 December 2024

|                                                        | Notes | 2024<br>£'000 | 2023<br>£'000 |
|--------------------------------------------------------|-------|---------------|---------------|
| <b>Cash flow from operating activities:</b>            |       |               |               |
| Net cash provided by operating activities              | A     | <b>1,027</b>  | 1,141         |
| <b>Cash flow from investing activities:</b>            |       |               |               |
| Investment income received                             |       | <b>57</b>     | 15            |
| <b>Net cash provided by financing activities</b>       |       | <b>57</b>     | 15            |
| <b>Cash flow from financing activities:</b>            |       |               |               |
| Repayment of borrowing                                 |       | <b>(885)</b>  | (854)         |
| <b>Net cash (used in) financing activities</b>         |       | <b>(885)</b>  | (854)         |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>199</b>    | 302           |
| <b>Cash and cash equivalents at 1 January 2024</b>     | B     | <b>2,226</b>  | 1,924         |
| <b>Cash and cash equivalents at 31 December 2024</b>   | B     | <b>2,425</b>  | 2,226         |

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>(173)</b>  | 659           |
| <b>Adjustments for:</b>                                                     |               |               |
| Impairment of programme related investments                                 | <b>1,299</b>  | 371           |
| Interest receivable                                                         | <b>(63)</b>   | (52)          |
| Decrease in debtors                                                         | <b>44</b>     | 47            |
| (Decrease) increase in creditors                                            | <b>(80)</b>   | 116           |
| <b>Net cash provided by operating activities</b>                            | <b>1,027</b>  | 1,141         |

**B Analysis of cash and cash equivalents**

|                                        | 2024<br>£'000 | 2023<br>£'000 |
|----------------------------------------|---------------|---------------|
| Cash at bank and in hand               | <b>2,425</b>  | 2,226         |
| <b>Total cash and cash equivalents</b> | <b>2,425</b>  | 2,226         |

**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                                       | 2,226                         | 199                 | <b>2,425</b>                       |
| Loans falling due within one year          | (885)                         | (32)                | <b>(917)</b>                       |
| Loans falling due after more than one year | (39,534)                      | 917                 | <b>(38,617)</b>                    |
| <b>Total</b>                               | <b>(38,193)</b>               | <b>1,084</b>        | <b>(37,109)</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 accounts 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.

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 Wembley area and providing assistance with establishing, maintaining, managing and developing such schools, including governance costs.

**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 other charitable organisations for purposes consistent with the charity's objectives. They are stated at fair value. The properties are 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 schools. 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.

### 1 Income from charitable activities

|               | <b>2024<br/>Total<br/>funds<br/>£'000</b> | 2023<br>Total<br>funds<br>£'000 |
|---------------|-------------------------------------------|---------------------------------|
| Rental income | <b>2,704</b>                              | 2,702                           |

### 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> | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2023<br>Total<br>funds<br>£'000 |
|----------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------|--------------------------|---------------------------|---------------------------------|
| Provision of premises and facilities         |                                   |                                    |                                           |                          |                           |                                 |
| . Charitable donations                       | —                                 | —                                  | —                                         | —                        | —                         | —                               |
| . Governance costs (note 3)                  | —                                 | 194                                | 194                                       | —                        | 194                       | 194                             |
| . Accountancy                                | —                                 | 17                                 | 17                                        | —                        | 17                        | 17                              |
| . Interest payable                           | 1,422                             | —                                  | 1,422                                     | 1,497                    | —                         | 1,497                           |
| . Bank charges                               | 1                                 | —                                  | 1                                         | 1                        | —                         | 1                               |
| . Premises costs                             | —                                 | 7                                  | 7                                         | —                        | 15                        | 15                              |
| . Impairment of programme related investment | 1,299                             | —                                  | 1,299                                     | 371                      | —                         | 371                             |
| <b>Total funds</b>                           | <b>2,722</b>                      | <b>218</b>                         | <b>2,940</b>                              | 1,869                    | 226                       | 2,095                           |

### 3 Governance costs

|                             | <b>2024<br/>Total<br/>funds<br/>£'000</b> | 2023<br>Total<br>funds<br>£'000 |
|-----------------------------|-------------------------------------------|---------------------------------|
| Legal and professional fees | <b>10</b>                                 | 9                               |
| Administrative fees         | <b>184</b>                                | 185                             |
|                             | <b>194</b>                                | 194                             |

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

The charity employed no staff during the period (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 period (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 £3,850 (2023 – £3,828), 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 | <b>14</b>                                 | 13                              |

#### 6 Taxation

Wembley 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 registered for Value Added Tax in August 2016 with the effective date of 30 September 2013. Therefore expenditure is recorded exclusive 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>44,900</b>                                                               | 45,271                                                          |
| Impairment     | <b>(1,299)</b>                                                              | (371)                                                           |
| At 31 December | <b>43,601</b>                                                               | 44,900                                                          |

The original property (54 Forty Lane, Wembley Park, HA0 9HD) is rented to Lycee International de Londres Winston Churchill, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Wembley, therefore the property is classified as a programme related investment.

**7 Investments (continued)**

In 2019 Ealing Educational Charitable Trust transferred the Ecole Andre Malraux building to the charity. The property is let for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Ealing, therefore the property is classified as a programme related investment.

On 31 December 2024 the properties in Ealing and Wembley were valued by Newmark. The valuations were 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.

**8 Debtors: amounts falling due after one year**

|               | <b>2024</b>  | 2023  |
|---------------|--------------|-------|
|               | <b>£'000</b> | £'000 |
| Other debtors | <b>1,931</b> | 1,977 |

Other debtors in both current and long-term debtors relate to a deposit held by ANEFE (Association Nationale des Ecoles Françaises de l'Etranger) as security against the bank loan (note 12).

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

|                | <b>2024</b>  | 2023  |
|----------------|--------------|-------|
|                | <b>£'000</b> | £'000 |
| Trade debtors  | <b>10</b>    | 9     |
| Other debtors  | <b>72</b>    | 70    |
| Accrued income | <b>43</b>    | 38    |
|                | <b>125</b>   | 117   |

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

|                     | <b>2024</b>  | 2023  |
|---------------------|--------------|-------|
|                     | <b>£'000</b> | £'000 |
| Trade creditors     | <b>33</b>    | 17    |
| Deferred income     | <b>667</b>   | 667   |
| Accruals            | <b>62</b>    | 66    |
| Bank loan (note 12) | <b>917</b>   | 885   |
| VAT liability       | <b>166</b>   | 258   |
|                     | <b>1,845</b> | 1,893 |

Income has been deferred because Wembley Educational Charitable Trust received rent from Lycée International de Londres Winston Churchill in December 2024 for the period covering 1 January 2025 to 31 March 2025, therefore this income will appear in next year's accounts ending 31 December 2025.

**10 Creditors: amounts falling due within one year** (continued)

The movements in deferred income are analysed below:

|                  | <b>2024</b>  | 2023  |
|------------------|--------------|-------|
|                  | <b>£'000</b> | £'000 |
| Brought forward  | <b>667</b>   | 667   |
| Released in year | <b>(667)</b> | (667) |
| Deferred in year | <b>667</b>   | 667   |
|                  | <b>667</b>   | 667   |

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

|                     | <b>2024</b>   | 2023   |
|---------------------|---------------|--------|
|                     | <b>£'000</b>  | £'000  |
| Bank loan (note 12) | <b>38,617</b> | 39,534 |

**12 Loans**

Loans repayable, included within creditors are analysed as follows:

|                                         | <b>2024</b>   | 2023   |
|-----------------------------------------|---------------|--------|
|                                         | <b>£'000</b>  | £'000  |
| Wholly repayable: within five years     | <b>5,197</b>  | 5,016  |
| Not wholly repayable: within five years | <b>34,337</b> | 35,403 |
|                                         | <b>39,534</b> | 40,419 |

In 2021 the terms of the loan with Banque Transatlantique were renegotiated: the total loan facility was reduced to £42.5m from 23 July 2021 on a 30 year term, expiring June 2051, at a fixed interest rate of 3.549%. The French State has guaranteed the repayment of the loan up to the value of £47 million. The deposit held by ANEFE forms part of the security against the loan.

**13 Related party transactions**

***KT Educational Charitable Trust***

Six of the charity's trustees are also trustees of KT Educational Charitable Trust (Company Registration Number 07057043 England and Wales).

During the current year, any administrative fees 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). There were no amounts outstanding at the year end (2023 - £nil). Wembley Educational Trust did not receive any donations from KT Educational Charitable Trust during the year (2023 - £nil).

**13 Related party transactions (continued)**

***Lyceé International de Londres***

Lyceé International de Londres is a registered charity (Company Registration Number 09033139 England and Wales) which has a common trustee, Mr Vaissié, with Wembley Educational Charitable Trust. In his roles Mr Vaissié acts in a manner which will avoid any conflicts of interests.

Rent of £2,666,667 (2023 - £2,666,667) for the year ended 31 December 2024 was charged to Lycée International de Londres. At 31 December 2024 £667,000 (2023 - £667,000) of rent relating to 2025 had been received and is included in creditors.

**14 Net assets**

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

|                                                        | <b>2024</b>    | 2023  |
|--------------------------------------------------------|----------------|-------|
|                                                        | <b>£'000</b>   | £'000 |
| <b>Unrealised gains:</b>                               |                |       |
| On programme related investment properties             | <b>2,638</b>   | 3,937 |
| <b>Total unrealised gains at 31 December 2024</b>      | <b>2,638</b>   | 3,937 |
| <b>Reconciliation of movement in unrealised gains:</b> |                |       |
| Unrealised gains at 1 January 2024                     | <b>3,937</b>   | 4,308 |
| Impairment                                             | <b>(1,299)</b> | (371) |
| <b>Total unrealised gains at 31 December 2024</b>      | <b>2,638</b>   | 3,937 |

**WEMBLEY EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1153762

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# Accounts

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**Wembley Educational  
Charitable Trust**

**Annual Report and Financial  
Statements**

31 December 2023

Company registration number  
08681480 (England and Wales)

Charity Registration number  
1153762

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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<br>Ms Florence Gomez<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> | 1153762                                                                                                                                                                                                                |
| <b>Company registration number</b> | 08681480 (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<br><br>Stone King LLP<br>16 St John's Lane<br>London<br>EC1M 4BS                                                           |

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 17 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of 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 9 September 2013 as Wembley Educational Charitable Trust ("WECT") and obtained charitable status on 11 September 2013. In the event of the winding up of the charity each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit, 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 Wembley area, and ancillary educational and other charitable activities for the benefit of the community at large. 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**

Wembley Educational Charitable Trust owns premises in Wembley that are leased to Lycée International de Londres Winston Churchill (LIL) and premises in Ealing that are leased to Ecole André Malraux (AM). As a landlord, WECT therefore collects rents from these two schools.

Ecole André Malraux is a 200-pupil primary school from 3 to 10 years of age. The school is managed by the French State-owned Lycée Français de Londres Charles de Gaulle. The deeply discounted rent paid by AM was negotiated a few years ago and its yearly increase is protected by a 3%-cap. There is limited interaction with the school apart from renewal of insurance, collection of rent and authorisation to do works or conduct valuations.

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

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

Lycée International de Londres Winston Churchill opened in September 2015. It is an all-though school and has a board of governors who meets regularly to make key decisions for the school. WECT team members are often invited as observers during board meetings and other working groups.

Although still short of around 70 pupils this year in comparison with initial projections, the school's number of registered pupils has improved to almost 830. The school's financial situation therefore remains fragile but has been solidified by a diversification of its offer and a number of cost savings, including the lower level of rent which has been fixed for the next 30 years following the successful renegotiation of WECT's State-guaranteed loan.

Within the current downgraded economic situation, the school is facing inflationary costs and will therefore need to further adjust its expense structure (including staff). Stress-test scenarios have also been prepared in the event of the school's VAT status being affected by a change in government.

### **FINANCIAL REVIEW AND RESERVES**

During the year, the charity earned rental income of £2,702,000 (2022 - £2,702,000) and interest from term deposits of £52,000 (2022 - £nil). There were no donations received (2022 - £448,000). Total income for the year was £2,755,000 (2022 - £3,150,000).

Costs relating to charitable activities in the year, excluding the impairment charge of £371,000 (2022 - £1,029,000) amounted to £1,724,000 (2022 - £1,992,000).

Net income for the year was £659,000 (2022 - £129,000). The property held as a programme related investment was valued at £44,900,000 (2022 - £45,271,000). The total funds as at 31 December 2023 were £7,793,000 (2022 - £7,134,000).

### **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 the servicing of bank finance. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the current downgraded economic situation.

### **Financial position**

The charity had total funds as at 31 December 2023 of £7,793,000 (2022 - £7,134,000). Once the programme related investments and loan are excluded, the charity had free reserves of £1,336,000 (2022 - £1,115,000). The free reserves represent approximately 1.3 times the net operating income (excluding the impairment charge). The trustees are of the opinion that this level of free reserves is adequate. The amount of cash at bank and in hand was £2,226,000 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. The Trustees 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 WECT 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.

### Trustees

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

#### Trustees

---

|                              |                         |
|------------------------------|-------------------------|
| Mr Arnaud Vaissié            |                         |
| Mr Jean-Pierre Mustier       |                         |
| Mr Richard Fairbairn         |                         |
| Ms Florence Gomez            |                         |
| 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 controlling, running, directing and operating the charity.

None of the trustees receive any remuneration for their services.

### Trustees' responsibilities statement

The trustees (who are also directors of Wembley 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;

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

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

- ◆ 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.

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 schools, this could be further affected by a potential change in VAT status given the general election scheduled for 4 July 2024, and could ultimately have the potential to affect the ability of its tenant schools to pay their rent in accordance with the lease agreements. The admissions numbers are monitored and the schools themselves are implementing their own communications strategies to ensure the schools operate at as close to full capacity as possible. One aspect of this is the introduction of the English International Programme which started at Lycée Churchill in September 2018.

### **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**

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.

Given the limited rent level from Ecole Andre Malraux combined with its solid financial situation, the Trust's priority will focus on supporting the Lycée Churchill's sustainability. A review of possible synergies and collaborations that may lead to cost savings or revenues optimisation has started in 2023 and will continue in 2024.

As landlord, WECT 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:

J P Mustier (Trustee)

Approved on: 12 June 2024

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

### **Opinion**

We have audited the financial statements of Wembley 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.

### **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 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.

**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 | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|--------------------------------------------------------|-------|-------------------------------------------|---------------------------------|
| <b>Income and expenditure</b>                          |       |                                           |                                 |
| <b>Income from:</b>                                    |       |                                           |                                 |
| Donations and legacies                                 | 1     | —                                         | 448                             |
| Charitable activities                                  |       |                                           |                                 |
| . Provision of premises and facilities                 | 2     | <b>2,702</b>                              | 2,702                           |
| Interest receivable                                    |       | <b>52</b>                                 | —                               |
| <b>Total income</b>                                    |       | <b>2,754</b>                              | 3,150                           |
| <b>Expenditure:</b>                                    |       |                                           |                                 |
| Expenditure on charitable activities                   |       |                                           |                                 |
| . Provision of premises and facilities                 | 3     | <b>2,095</b>                              | 3,021                           |
| <b>Total expenditure</b>                               |       | <b>2,095</b>                              | 3,021                           |
| <b>Net income</b>                                      |       | <b>659</b>                                | 129                             |
| <b>Net income and net movement in funds</b>            |       | <b>659</b>                                | 129                             |
| <b>Reconciliation of funds:</b>                        |       |                                           |                                 |
| Total funds brought forward at 1 January 2023          |       | <b>7,134</b>                              | 7,005                           |
| <b>Total funds carried forward at 31 December 2023</b> |       | <b>7,793</b>                              | 7,134                           |

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 2023

|                                                      | Notes | 2023<br>£'000          | 2022<br>£'000   |
|------------------------------------------------------|-------|------------------------|-----------------|
| <b>Fixed assets</b>                                  |       |                        |                 |
| Programme related investments                        | 8     | <u>44,900</u>          | <u>45,271</u>   |
| <b>Non-current assets</b>                            |       |                        |                 |
| Debtors                                              | 9     | <u>1,977</u>           | <u>2,021</u>    |
|                                                      |       | <b>1,977</b>           | <b>2,021</b>    |
| <b>Current assets</b>                                |       |                        |                 |
| Debtors                                              | 10    | <u>117</u>             | <u>83</u>       |
| Cash at bank and in hand                             |       | <u>2,226</u>           | <u>1,924</u>    |
|                                                      |       | <b>2,343</b>           | <b>2,007</b>    |
| <b>Liabilities:</b>                                  |       |                        |                 |
| Creditors: amounts falling due within one year       | 11    | <u>(1,893)</u>         | <u>(1,746)</u>  |
| <b>Net current assets</b>                            |       | <u><b>450</b></u>      | <u>261</u>      |
| Total assets less current liabilities                |       | <b>47,327</b>          | 47,553          |
| <b>Creditors: amounts falling due after one year</b> | 12    | <u><b>(39,534)</b></u> | <u>(40,419)</u> |
| <b>Total net assets</b>                              |       | <u><b>7,793</b></u>    | <u>7,134</u>    |
| <b>The funds of the charity:</b>                     |       |                        |                 |
| Unrestricted funds                                   |       | <u>7,793</u>           | <u>7,134</u>    |
| <b>Total charitable funds</b>                        |       | <u><b>7,793</b></u>    | <u>7,134</u>    |

Approved by the Trustees and signed on  
their behalf by: J P Mustier (Trustee)  
12 June 2024

Wembley Educational Charitable Trust  
Company Registration Number 08681480 (England and Wales)

Statement of cash flows 31 December 2023

|                                                        | Notes | 2023<br>£'000 | 2022<br>£'000 |
|--------------------------------------------------------|-------|---------------|---------------|
| <b>Cash flow from operating activities:</b>            |       |               |               |
| Net cash provided by operating activities              | A     | <b>1,156</b>  | 1,177         |
| <b>Cash flow from financing activities:</b>            |       |               |               |
| Repayment of borrowing                                 |       | <b>(854)</b>  | (825)         |
| <b>Net cash used in financing activities</b>           |       | <b>(854)</b>  | (825)         |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>302</b>    | 352           |
| <b>Cash and cash equivalents at 1 January 2023</b>     | B     | <b>1,924</b>  | 1,572         |
| <b>Cash and cash equivalents at 31 December 2023</b>   | B     | <b>2,226</b>  | 1,924         |

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>659</b>    | 129           |
| <b>Adjustments for:</b>                                                     |               |               |
| Impairment of programme related investments                                 | <b>371</b>    | 1,029         |
| Decrease in debtors                                                         | <b>10</b>     | 47            |
| Increase (decrease) in creditors                                            | <b>116</b>    | (28)          |
| <b>Net cash provided by (used in) operating activities</b>                  | <b>1,156</b>  | 1,177         |

**B Analysis of cash and cash equivalents**

|                                        | 2023<br>£'000 | 2022<br>£'000 |
|----------------------------------------|---------------|---------------|
| Cash at bank and in hand               | <b>2,226</b>  | 1,924         |
| <b>Total cash and cash equivalents</b> | <b>2,226</b>  | 1,924         |

**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                                       | 1,924                         | 302                 | <b>2,226</b>                       |
| Loans falling due within one year          | (854)                         | (31)                | <b>(885)</b>                       |
| Loans falling due after more than one year | (40,419)                      | 885                 | <b>(39,534)</b>                    |
| <b>Total</b>                               | <b>(39,349)</b>               | <b>1,156</b>        | <b>(38,193)</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 accounts 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 interest receivable.

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.

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 Wembley area and providing assistance with establishing, maintaining, managing and developing such schools, including governance costs.

### **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 other charitable organisations for purposes consistent with the charity's objectives. They are stated at fair value. The properties are 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 schools. 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.

### 1 Income from donations and legacies

|                    | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|--------------------|-------------------------------------------|---------------------------------|
| Donations          | —                                         | 448                             |
| <b>Total funds</b> | <b>—</b>                                  | <b>448</b>                      |

### 2 Income from charitable activities

|               | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|---------------|-------------------------------------------|---------------------------------|
| Rental income | <b>2,702</b>                              | 2,702                           |

### 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> | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2022<br>Total<br>funds<br>£'000 |
|--------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------|--------------------------|---------------------------|---------------------------------|
| Provision of premises and facilities       |                                   |                                    |                                           |                          |                           |                                 |
| . Charitable donations                     | —                                 | —                                  | —                                         | 107                      | —                         | 107                             |
| . Governance costs (note 4)                | —                                 | <b>194</b>                         | <b>194</b>                                | —                        | 329                       | 329                             |
| . Accountancy                              | —                                 | <b>17</b>                          | <b>17</b>                                 | —                        | 16                        | 16                              |
| . Interest payable                         | <b>1,497</b>                      | —                                  | <b>1,497</b>                              | 1,483                    | —                         | 1,483                           |
| . Bank charges                             | <b>1</b>                          | —                                  | <b>1</b>                                  | 2                        | —                         | 2                               |
| . Premises costs                           | —                                 | <b>15</b>                          | <b>15</b>                                 | —                        | 55                        | 55                              |
| Impairment of programme related investment | <b>371</b>                        | —                                  | <b>371</b>                                | 1,029                    | —                         | 1,029                           |
| <b>Total funds</b>                         | <b>1,869</b>                      | <b>226</b>                         | <b>2,095</b>                              | 2,621                    | 400                       | 3,021                           |

### 4 Governance costs

|                             | <b>2023<br/>Total<br/>funds<br/>£'000</b> | 2022<br>Total<br>funds<br>£'000 |
|-----------------------------|-------------------------------------------|---------------------------------|
| Legal and professional fees | <b>9</b>                                  | 9                               |
| Administrative fees         | <b>185</b>                                | 320                             |
|                             | <b>194</b>                                | 329                             |

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

The charity employed no staff during the period (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 period (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 | <b>13</b>                                 | 12                              |

**7 Taxation**

Wembley 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 registered for Value Added Tax in August 2016 with the effective date of 30 September 2013. Therefore expenditure is recorded exclusive 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>45,271</b>                                                               | 46,300                                                          |
| Impairment     | <b>(371)</b>                                                                | (1,029)                                                         |
| At 31 December | <b>44,900</b>                                                               | 45,271                                                          |

The original property (54 Forty Lane, Wembley Park, HA0 9HD) is rented to Lycee International de Londres Winston Churchill, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Wembley, therefore the property is classified as a programme related investment.

In 2019 Ealing Educational Charitable Trust transferred the Ecole Andre Malraux building to the charity. The property is let for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Ealing, therefore the property is classified as a programme related investment.

**8 Investments (continued)**

On 31 December 2023 the properties in Ealing and Wembley were valued by Gerald Eve LLP. The valuations were 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**

|               | <b>2023</b>  | 2022  |
|---------------|--------------|-------|
|               | <b>£'000</b> | £'000 |
| Other debtors | <b>1,977</b> | 2,021 |

Other debtors in both current and long-term debtors relate to a deposit held by ANEFE (Association Nationale des Ecoles Françaises de l'Étranger) as security against the bank loan (note 13).

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

|                | <b>2023</b>  | 2021  |
|----------------|--------------|-------|
|                | <b>£'000</b> | £'000 |
| Trade debtors  | <b>9</b>     | 9     |
| Other debtors  | <b>70</b>    | 74    |
| Accrued income | <b>38</b>    | —     |
|                | <b>117</b>   | 83    |

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

|                     | <b>2023</b>  | 2022  |
|---------------------|--------------|-------|
|                     | <b>£'000</b> | £'000 |
| Trade creditors     | <b>17</b>    | 35    |
| Deferred income     | <b>667</b>   | 667   |
| Accruals            | <b>66</b>    | 48    |
| Bank loan (note 13) | <b>885</b>   | 854   |
| VAT liability       | <b>258</b>   | 142   |
|                     | <b>1,893</b> | 1,746 |

Income has been deferred because Wembley Educational Charitable Trust received rent from Lycée International de Londres Winston Churchill in December 2023 for the period covering 1 January 2024 to 31 March 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>667</b>   | 667   |
| Released in year | <b>(667)</b> | (667) |
| Deferred in year | <b>667</b>   | 667   |
|                  | <b>667</b>   | 667   |

## 12 Creditors: amounts falling due after one year

|                     | 2023<br>£'000 | 2022<br>£'000 |
|---------------------|---------------|---------------|
| Bank loan (note 13) | <b>39,534</b> | 40,419        |

## 13 Loans

Loans repayable, included within creditors are analysed as follows:

|                                         | 2023<br>£'000 | 2022<br>£'000 |
|-----------------------------------------|---------------|---------------|
| Wholly repayable: within five years     | <b>5,016</b>  | 5,610         |
| Not wholly repayable: within five years | <b>35,403</b> | 35,663        |
|                                         | <b>40,419</b> | 41,273        |

In 2021 the terms of the loan with Banque Transatlantique were renegotiated: the total loan facility was reduced to £42.5m from 23 July 2021 on a 30 year term, expiring June 2051, at a fixed interest rate of 3.549%. The French State has guaranteed the repayment of the loan up to the value of £47 million. The deposit held by ANEFE forms part of the security against the loan.

## 14 Related party transactions

### ***KT Educational Charitable Trust***

Three of the charity's trustees are also trustees of KT Educational Charitable Trust (Company Registration Number 07057043 England and Wales).

During the current year, any administrative fees 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 £89,972 (2022 - £107,072). There were no amounts outstanding at the year end (2022 - £nil). Wembley Educational Trust did not receive any donation from KT Educational Charitable Trust during the year (2022 - £448,000).

### ***Lyceé International de Londres***

Lyceé International de Londres is a registered charity (Company Registration Number 09033139 England and Wales) which has a common trustee, Mr Vaissié, with Wembley Educational Charitable Trust. In his roles Mr Vaissié acts in a manner which will avoid any conflicts of interests.

Rent of £2,666,667 (2022 - £2,666,667) for the year ended 31 December 2023 was charged to Lyceé International de Londres. At 31 December 2023 £667,000 (2022 - £667,000) of rent relating to 2024 had been received and is included in creditors.

**15 Net assets**

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

|                                                        | <b>2023</b>  | 2022    |
|--------------------------------------------------------|--------------|---------|
|                                                        | <b>£'000</b> | £'000   |
| <hr/>                                                  |              |         |
| <b>Unrealised gains:</b>                               |              |         |
| On programme related investment properties             | <b>3,937</b> | 4,308   |
| <b>Total unrealised gains at 31 December 2023</b>      | <b>3,937</b> | 4,308   |
| <hr/>                                                  |              |         |
| <b>Reconciliation of movement in unrealised gains:</b> |              |         |
| Unrealised gains at 1 January 2023                     | <b>4,308</b> | 5,337   |
| Impairment                                             | <b>(371)</b> | (1,029) |
| <b>Total unrealised gains at 31 December 2023</b>      | <b>3,937</b> | 4,308   |
| <hr/>                                                  |              |         |

**WEMBLEY EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1153762

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# Accounts

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# **Wembley Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2022

Company registration number  
08681480 (England and Wales)

Charity Registration number  
1153762

## Contents

### 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<br>Ms Florence Gomez                                                                                                                               |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL                                                                                                                                                                                  |
| <b>Charity registration number</b> | 1153762                                                                                                                                                                                                                |
| <b>Company registration number</b> | 08681480 (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<br><br>Stone King LLP<br>16 St John's Lane<br>London<br>EC1M 4BS                                                           |

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 15 to 17 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of 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 9 September 2013 as Wembley Educational Charitable Trust ("WECT") and obtained charitable status on 11 September 2013. In the event of the winding up of the charity each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit, 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 Wembley area, and ancillary educational and other charitable activities for the benefit of the community at large. 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**

Wembley Educational Charitable Trust owns respectively premises in Wembley that are leased to Lycée International de Londres Winston Churchill (LIL) and premises in Ealing that are leased to Ecole Andre Malraux. As a landlord, WECT therefore collects rents from these two schools.

Ecole Andre Malraux is a 200 pupil primary school from 3 to 10 years old. The school is owned by the French state Lycée Francais de Londres Charles de Gaulle. The deeply discounted rent was negotiated a few years ago and there is limited interaction with the school apart from insurance, rent and authorisation to do works.

Lycée International de Londres Winston Churchill which opened in September 2015 is an all-though school and has a board of governors who meet regularly to make key decisions for the school.

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

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

The school levels of admission have improved and is approaching 830, although they continue to be below target. Lycée Churchill is still short of around 70 pupils this year in comparison with the initial projection. The school's financial situation therefore remains fragile but has been solidified from a number of cost savings, including the lower level of rent which has been fixed for the next 30 years.

Within the current downgraded economic situation, the school is facing inflationary costs and will therefore need to further adjust its expense's structure (including staff).

The charity had total funds as at 31 December 2022 of £7,134,000 (2021 - £7,005,000). Once the programme related investments and loan are excluded, the charity had free reserves of £1,115,000 (2021 - £739,000). The trustees are of the opinion that the free reserves are adequate. The amount of cash at bank and in hand was £1,924,000 at 31 December 2022.

## **FINANCIAL REVIEW AND RESERVES**

During the year, the charity earned rental income of £2,702,000 (2021 - £2,701,000) and donations of £448,000 (2021 - £447,000). Total income for the year was £3,150,000 (2021 - £3,152,000).

Costs relating to charitable activities in the year amounted to £3,021,000 (2021 - £6,303,000 and included one off costs of £1,777,000 in respect of the refinancing of the loan).

### **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 the servicing of bank finance. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the current downgraded economic situation.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Organisation**

The trustees meet officially in person once a year and the last AGM was held on 26 January 2023. The Trustees 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 WECT 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.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Trustees

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

#### Trustees

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Mr Arnaud Vaissié  
Mr Jean-Pierre Mustier  
Mr Richard Fairbairn  
Ms Florence Gomez

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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 controlling, running, directing and operating the charity.

None of the trustees receive any remuneration for their services.

### Trustees' responsibilities statement

The trustees (who are also directors of Wembley 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 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 schools, this could be affected by Brexit or the COVID-19 pandemic and could ultimately have the potential to affect the ability of its tenant schools to pay their rent in accordance with the lease agreements. The admissions numbers are monitored and the schools themselves are implementing their own communications strategies to ensure the schools operate at as close to full capacity as possible. One aspect of this is the introduction of the English International Programme which started at Lycée Churchill in September 2018.

### **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**

Given the limited rent level from Ecole Andre Malraux combined with its solid financial situation, the Trust's priority will focus on supporting the Lycée Churchill's sustainability. A review of possible synergies and collaborations that may lead to cost savings or revenues optimisation will be carried out in 2023.

**FUTURE PLANS** (continued)

As landlord, WECT will also ensure that the planned maintenance works to the building 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

JP Mustier

Approved on: 12 July 2023

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

### **Opinion**

We have audited the financial statements of Wembley 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.

**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.

**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: 19th July 2023

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

|                                                           | Notes | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|-----------------------------------------------------------|-------|-------------------------------------------|---------------------------------|
| <b>Income and expenditure</b>                             |       |                                           |                                 |
| <b>Income from:</b>                                       |       |                                           |                                 |
| Donations and legacies                                    | 1     | 448                                       | 447                             |
| Charitable activities                                     |       |                                           |                                 |
| . Provision of premises and facilities                    | 2     | 2,702                                     | 2,701                           |
| Interest receivable                                       |       | —                                         | 3                               |
| Bank interest receivable                                  |       | —                                         | 1                               |
| <b>Total income</b>                                       |       | <b>3,150</b>                              | <b>3,152</b>                    |
| <b>Expenditure:</b>                                       |       |                                           |                                 |
| Expenditure on charitable activities                      |       |                                           |                                 |
| . Provision of premises and facilities                    | 3     | 3,021                                     | 6,004                           |
| <b>Total expenditure</b>                                  |       | <b>3,021</b>                              | <b>6,004</b>                    |
| <b>Net income (expenditure)</b>                           |       | <b>129</b>                                | <b>(2,852)</b>                  |
| <b>Net income (expenditure) and net movement in funds</b> |       | <b>129</b>                                | <b>(2,852)</b>                  |
| <b>Reconciliation of funds:</b>                           |       |                                           |                                 |
| Total funds brought forward at 1 January 2022             |       | 7,005                                     | 9,857                           |
| <b>Total funds carried forward at 31 December 2022</b>    |       | <b>7,134</b>                              | <b>7,005</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 2022

|                                                      | Notes | 2022<br>£'000          | 2021<br>£'000          |
|------------------------------------------------------|-------|------------------------|------------------------|
| <b>Fixed assets</b>                                  |       |                        |                        |
| Programme related investments                        | 8     | <u>45,271</u>          | <u>46,300</u>          |
| <b>Non-current assets</b>                            |       |                        |                        |
| Debtors                                              | 9     | <u>2,021</u>           | <u>2,064</u>           |
|                                                      |       | <b>2,021</b>           | <b>2,064</b>           |
| <b>Current assets</b>                                |       |                        |                        |
| Debtors                                              | 10    | <u>83</u>              | <u>87</u>              |
| Cash at bank and in hand                             |       | <u>1,924</u>           | <u>1,572</u>           |
|                                                      |       | <b>2,007</b>           | <b>1,659</b>           |
| <b>Liabilities:</b>                                  |       |                        |                        |
| Creditors: amounts falling due within one year       | 11    | <u>(1,746)</u>         | <u>(1,744)</u>         |
| <b>Net current asset (liabilities)</b>               |       | <u><b>261</b></u>      | <u><b>(85)</b></u>     |
| Total assets less current liabilities                |       | <b>47,553</b>          | <b>48,279</b>          |
| <b>Creditors: amounts falling due after one year</b> | 12    | <u><b>(40,419)</b></u> | <u><b>(41,274)</b></u> |
| <b>Total net assets</b>                              |       | <u><b>7,134</b></u>    | <u><b>7,005</b></u>    |
| <b>The funds of the charity:</b>                     |       |                        |                        |
| Unrestricted funds                                   |       | <u>7,134</u>           | <u>7,005</u>           |
| <b>Total charitable funds</b>                        |       | <u><b>7,134</b></u>    | <u><b>7,005</b></u>    |

Approved by the Trustees and  
signed on their behalf by:

JP Mustier

Approved on: 12 July 2023

Wembley Educational Charitable Trust  
Company Registration Number 08681480 (England and Wales)

**Statement of cash flows** 31 December 2022

|                                                        | Notes | 2022<br>£'000       | 2021<br>£'000  |
|--------------------------------------------------------|-------|---------------------|----------------|
| <b>Cash flow from operating activities:</b>            |       |                     |                |
| Net cash provided by (used in) operating activities    | A     | <u>1,177</u>        | <u>(835)</u>   |
| <b>Cash flow from financing activities:</b>            |       |                     |                |
| Repayment of borrowing                                 |       | <u>(825)</u>        | <u>(4,059)</u> |
| <b>Net cash used in financing activities</b>           |       | <u>(825)</u>        | <u>(4,059)</u> |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>352</b>          | <b>(4,894)</b> |
| <b>Cash and cash equivalents at 1 January 2022</b>     | B     | <b>1,572</b>        | 6,466          |
| <b>Cash and cash equivalents at 31 December 2022</b>   | B     | <u><b>1,924</b></u> | <u>1,572</u>   |

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>129</b>          | <b>(2,852)</b>      |
| <b>Adjustments for:</b>                                                     |                     |                     |
| Impairment of programme related investments                                 | 1,029               | 1,645               |
| Decrease in debtors                                                         | 47                  | 449                 |
| (Decrease) in creditors                                                     | (28)                | (160)               |
| Write off of Assets under construction                                      | —                   | 83                  |
| <b>Net cash provided by (used in) operating activities</b>                  | <u><b>1,177</b></u> | <u><b>(835)</b></u> |

**B Analysis of cash and cash equivalents**

|                                        | 2022<br>£'000       | 2021<br>£'000       |
|----------------------------------------|---------------------|---------------------|
| Cash at bank and in hand               | <u>1,924</u>        | <u>1,572</u>        |
| <b>Total cash and cash equivalents</b> | <u><b>1,924</b></u> | <u><b>1,572</b></u> |

**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                                       | <u>1,572</u>                  | <u>352</u>          | <u><b>1,924</b></u>                |
| Loans falling due within one year          | (824)                         | (30)                | <b>(854)</b>                       |
| Loans falling due after more than one year | <u>(41,274)</u>               | <u>855</u>          | <u><b>(40,419)</b></u>             |
| <b>Total</b>                               | <u><b>(40,526)</b></u>        | <u><b>1,177</b></u> | <u><b>(39,349)</b></u>             |

## **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 accounts 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.

### **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 interest receivable.

**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.

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 Wembley area and providing assistance with establishing, maintaining, managing and developing such schools, including governance costs.

**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 other charitable organisations for purposes consistent with the charity's objectives. They are stated at fair value. The properties are 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 schools. 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.

### 1 Income from donations and legacies

|                                                                     | 2022<br>Total<br>funds<br>£'000 | 2021<br>Total<br>funds<br>£'000 |
|---------------------------------------------------------------------|---------------------------------|---------------------------------|
| Cash donation received from Kentish Town Education Charitable Trust | 448                             | 447                             |
| <b>Total funds</b>                                                  | <b>448</b>                      | <b>447</b>                      |

### 2 Income from charitable activities

|               | 2022<br>Total<br>funds<br>£'000 | 2021<br>Total<br>funds<br>£'000 |
|---------------|---------------------------------|---------------------------------|
| Rental income | 2,702                           | 2,701                           |

### 3 Expenditure on charitable activities

|                                               | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2022<br>Total<br>funds<br>£'000 | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2021<br>Total<br>funds<br>£'000<br>(restated) |
|-----------------------------------------------|--------------------------|---------------------------|---------------------------------|--------------------------|---------------------------|-----------------------------------------------|
| Provision of premises and facilities          |                          |                           |                                 |                          |                           |                                               |
| . Charitable donations                        | 107                      | —                         | 107                             | 86                       | —                         | 86                                            |
| . Governance costs (note 4)                   | —                        | 329                       | 329                             | —                        | 388                       | 388                                           |
| . Accountancy                                 | —                        | 16                        | 16                              | —                        | 16                        | 16                                            |
| . Interest payable                            | 1,483                    | —                         | 1,483                           | 1,941                    | —                         | 1,941                                         |
| . Bank charges                                | 2                        | —                         | 2                               | 1,777                    | —                         | 1,777                                         |
| . Legal and professional                      | —                        | —                         | —                               | —                        | 14                        | 14                                            |
| . Costs in respect of sports hall written off | —                        | —                         | —                               | 90                       | —                         | 90                                            |
| . Premises costs                              | —                        | 55                        | 55                              | —                        | 47                        | 47                                            |
| Impairment of programme related investment    | 1,029                    | —                         | 1,029                           | 1,645                    | —                         | 1,645                                         |
| <b>Total funds</b>                            | <b>2,621</b>             | <b>400</b>                | <b>3,021</b>                    | <b>5,539</b>             | <b>465</b>                | <b>6,004</b>                                  |

The 2021 figures have been restated to reanalyse costs between charitable donations and governance costs.

### 4 Governance costs

|                             | 2022<br>Total<br>funds<br>£'000 | 2021<br>Total<br>funds<br>£'000 |
|-----------------------------|---------------------------------|---------------------------------|
| Legal and professional fees | 9                               | 10                              |
| Administrative fees         | 320                             | 378                             |
|                             | <b>329</b>                      | <b>388</b>                      |

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

The charity employed no staff during the period (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 period. No trustees were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties.

**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 | <b>12</b>                                 | 10                              |

**7 Taxation**

Wembley 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 registered for Value Added Tax in August 2016 with the effective date of 30 September 2013. Therefore expenditure is recorded exclusive 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>46,300</b>                                                               | 47,945                                                          |
| Impairment     | <b>(1,029)</b>                                                              | (1,645)                                                         |
| At 31 December | <b>45,271</b>                                                               | 46,300                                                          |

The original property (54 Forty Lane, Wembley Park, HA0 9HD) is rented to Lycéé International de Londres Winston Churchill, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Wembley, therefore the property is classified as a programme related investment.

In 2019 Ealing Educational Charitable Trust transferred the Ecole Andre Malraux building to the charity. The property is let for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Ealing, therefore the property is classified as a programme related investment.

**8 Investments (continued)**

On 31 December 2021 the properties in Ealing and Wembley were valued by Gerald Eve LLP. The valuations were 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 in Wembley was valued by Gerald Eve LLP and the trustees have used this valuation to inform their assessment of the value of the property in Ealing.

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

|               | 2022<br>£'000 | 2021<br>£'000 |
|---------------|---------------|---------------|
| Other debtors | 2,021         | 2,064         |

Other debtors in both current and long-term debtors relate to a deposit held by ANEFE as security against the bank loan (note 13).

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

|               | 2022<br>£'000 | 2021<br>£'000 |
|---------------|---------------|---------------|
| Trade debtors | 9             | 9             |
| Other debtors | 74            | 78            |
|               | <b>83</b>     | <b>87</b>     |

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

|                     | 2022<br>£'000 | 2021<br>£'000 |
|---------------------|---------------|---------------|
| Trade creditors     | 35            | 100           |
| Deferred income     | 667           | 667           |
| Accruals            | 48            | 13            |
| Bank loan (note 13) | 854           | 824           |
| VAT liability       | 142           | 140           |
|                     | <b>1,746</b>  | <b>1,744</b>  |

Income has been deferred because Wembley Educational Charitable Trust received rent from Lycée International de Londres Winston Churchill in December 2022 for the period covering 1 January 2023 to 31 March 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  | 667           | 667           |
| Released in year | (667)         | (667)         |
| Deferred in year | 667           | 667           |
|                  | <b>667</b>    | <b>667</b>    |

## 12 Creditors: amounts falling due after one year

|                     | 2022<br>£'000 | 2021<br>£'000 |
|---------------------|---------------|---------------|
| Bank loan (note 13) | 40,419        | 41,274        |

During the prior year the terms of the loan with Banque Transatlantique were renegotiated. The total loan facility from 23 July 2021 was reduced to £42.5m on a 30 year term expiring June 2051 at a fixed rate of interest of 3.549%. The French State has guaranteed the repayment of the loan up to the value of £47 million. The deposit held by ANEFE forms part of the security against the loan.

## 13 Loans

Loans repayable, included within creditors are analysed as follows:

|                                         | 2022<br>£'000 | 2021<br>£'000 |
|-----------------------------------------|---------------|---------------|
| Wholly repayable: within five years     | 5,610         | 5,415         |
| Not wholly repayable: within five years | 35,664        | 36,683        |
|                                         | <b>41,274</b> | <b>42,098</b> |

## 14 Related party transactions

### *KT Educational Charitable Trust*

Three of the charity's trustees are also trustees of KT Educational Charitable Trust (Company Registration Number 07057043 England and Wales).

During the current year, Wembley Educational Charitable Trust paid for administrative fees of £107,072 (2021 - £86,152) incurred by KT Educational Charitable Trust. This has been treated as a donation in the year. Wembley Educational Trust received donations of £448,000 (2021: £447,000) from KT Educational Charitable Trust during the year.

### *Lyceé International de Londres*

Rent of £2,666,667 (2021 - £2,666,667) for the year ended 31 December 2022 was charged to Lyceé International de Londres. At 31 December 2022 £667,000 (2021 - £667,000) of rent relating to 2022 had been received and is included in creditors.

Lyceé International de Londres is a registered charity (Company Registration Number 09033139 England and Wales) which has a common trustee, Mr Vaissié, with Wembley Educational Charitable Trust. In his roles Mr Vaissié acts in a manner which will avoid any conflicts of interests.

**15 Net assets**

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

|                                                        | <b>2022</b>    | 2021    |
|--------------------------------------------------------|----------------|---------|
|                                                        | <b>£'000</b>   | £'000   |
| <hr/>                                                  |                |         |
| <b>Unrealised gains:</b>                               |                |         |
| On programme related investment properties             | <b>4,308</b>   | 5,337   |
| <b>Total unrealised gains at 31 December 2022</b>      | <b>4,308</b>   | 5,337   |
| <hr/>                                                  |                |         |
| <b>Reconciliation of movement in unrealised gains:</b> |                |         |
| Unrealised gains at 1 January 2022                     | <b>5,337</b>   | 6,982   |
| Impairment                                             | <b>(1,029)</b> | (1,645) |
| <b>Total unrealised gains at 31 December 2022</b>      | <b>4,308</b>   | 5,337   |
| <hr/>                                                  |                |         |

**WEMBLEY EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1153762

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# Accounts

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# **Wembley Educational Charitable Trust**

## **Annual Report and Financial Statements**

31 December 2021

Company registration number  
08681480 (England and Wales)

Charity Registration number  
1153762

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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>Ms Florence Gomez                                                                                                                               |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL                                                                                                                                                                                  |
| <b>Charity registration number</b> | 1153762                                                                                                                                                                                                                |
| <b>Company registration number</b> | 08681480 (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<br><br>Stone King LLP<br>16 St John's Lane<br>London<br>EC1M 4BS                                                           |

## **Trustees' report** 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 18 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of 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 9 September 2013 as Wembley Educational Charitable Trust ("WECT") and obtained charitable status on 11 September 2013. In the event of the winding up of the charity each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit, 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 Wembley area, and ancillary educational and other charitable activities for the benefit of the community at large. 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**

Wembley Educational Charitable Trust set up the Lycée International de Londres Winston Churchill (LIL) which opened in September 2015.

Lycée International de Londres Winston Churchill has a board of governors who meet regularly to make key decisions for the school.

The school levels of admission continue to be below target; with around 800 pupils, Lycée Churchill is still short of around 100 pupils this year in comparison with the initial projection, probably due to the cumulated context of Covid-19 and Brexit. The school's financial situation therefore remains fragile and a major cost savings and streamlining plan has been put in place by the board of governors to align the cost structure with the downgraded revenues.

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

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

For the last few years the Trustees have investigated the possibility of renegotiating the conditions of the loan in partnership with the French Ministry of Finance, the French Ministry of Foreign Affairs and the current lender Banque Transatlantique. The restructuring process of the bank loan has finally been completed after months of negotiations; the payment schedule of the new loan is now making the business model of the Trust more sustainable.

Net expenditure for the year was £2,852,000 (2020 – net income of £2,552,000). The result for the year includes £1,777,000 in respect of the early settlement of previous bank finance; £90,000 in respect of costs written off relating to an aborted project to build a sports hall; £1,645,000 in respect of the impairment of programme related investments. The properties held as programme related investments were revalued at 31 December 2021 with a net decrease in value of £1,645,000, mainly due to the reduction in rent level and the extension of the lease agreement. Following restructuring the loan liabilities have decreased as the Trust has made an early repayment of the loan amount.

The charity had total funds as at 31 December 2021 of £7,005,000 (2020 - £9,857,000). Once the programme related investments and loan are excluded, the charity had free reserves of £739,000 (2020 - £5,661,000). The trustees are of the opinion that the free reserves are adequate. The amount of cash at bank and in hand was £1,572,000 at 31 December 2021.

## **FINANCIAL REVIEW AND RESERVES**

During the year, the charity earned rental income of £2,701,000 (2020 - £2,373,000), interest of £3,000 (2020 - £81,000), bank interest of £1,000 (2020 - £3,200) and donations of £447,000 (2020 - £340,000). Total income for the year was £3,152,000 (2020 - £2,797,000).

Costs relating to charitable activities in the year amounted to £6,004,000 (2020 - £2,845,000) and included costs in respect of the refinancing of the loan.

### **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 the servicing of 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.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Organisation**

The trustees usually meet officially in person once a year but due to the pandemic these meetings were held online with zoom. The last AGM was held on 21 January 2021 and during the renegotiation of the loan, a number of additional discussions were held . The Trustees 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 WECT 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 period:

#### **Trustees**

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Mr Arnaud Vaissié  
Mr Jean-Pierre Mustier  
Mr Richard Fairbairn  
Ms Florence Gomez

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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 controlling, running, directing and operating the charity.

None of the trustees receive any remuneration for their services.

### **Trustees' responsibilities statement**

The trustees (who are also directors of Wembley 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;

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

**Trustees' responsibilities statement** (continued)

- ◆ 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.

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 schools, this could be affected by Brexit or the COVID-19 pandemic and could ultimately have the potential to affect the ability of its tenant schools to pay their rent in accordance with the lease agreements. The admissions numbers are monitored and the schools themselves are implementing their own communications strategies to ensure the schools operate at as close to full capacity as possible. One aspect of this is the introduction of the English International Programme which started at Lycée Churchill in September 2018.

**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**

More marketing efforts will be made on promoting the very successful early years section as well as the International Baccalaureate stream, which have both proven to be profitable avenues for the Lycee school.

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.

J P Mustier

Approved by the Board of Trustees:

Trustee

Approved on: 06 July 2022

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

**Opinion**

We have audited the financial statements of Wembley 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.

**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.

**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 July 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 and legacies                                                                      | 1     | 447                                       | 340                             |
| Charitable activities                                                                       |       |                                           |                                 |
| . Provision of premises and facilities                                                      | 2     | 2,701                                     | 2,373                           |
| Interest receivable                                                                         |       | 3                                         | 81                              |
| Bank interest receivable                                                                    |       | 1                                         | 3                               |
| <b>Total income</b>                                                                         |       | <b>3,152</b>                              | <b>2,797</b>                    |
| <b>Expenditure:</b>                                                                         |       |                                           |                                 |
| Expenditure on charitable activities                                                        |       |                                           |                                 |
| . Provision of premises and facilities                                                      | 3     | 6,004                                     | 2,845                           |
| <b>Total expenditure</b>                                                                    |       | <b>6,004</b>                              | <b>2,845</b>                    |
| <b>Net expenditure before gains on revaluation of programme related investment property</b> |       | <b>(2,852)</b>                            | <b>(48)</b>                     |
| <b>Gain on revaluation of programme related investment property</b>                         | 9     | <b>—</b>                                  | <b>2,600</b>                    |
| <b>Net (expenditure) income and net movement in funds</b>                                   | 6     | <b>(2,852)</b>                            | <b>2,552</b>                    |
| <b>Reconciliation of funds:</b>                                                             |       |                                           |                                 |
| Total funds brought forward at 1 January 2021                                               |       | 9,857                                     | 7,305                           |
| <b>Total funds carried forward at 31 December 2021</b>                                      |       | <b>7,005</b>                              | <b>9,857</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 2021

|                                                      | Notes | 2021<br>£'000   | 2020<br>£'000 |
|------------------------------------------------------|-------|-----------------|---------------|
| <b>Fixed assets</b>                                  |       |                 |               |
| Tangible assets                                      | 8     | —               | 83            |
| Programme related investments                        | 9     | 46,300          | 47,945        |
|                                                      |       | <b>46,300</b>   | 48,028        |
| <b>Non-current assets</b>                            |       |                 |               |
| Debtors                                              | 10    | 2,064           | 2,270         |
|                                                      |       | <b>2,064</b>    | 2,270         |
| <b>Current assets</b>                                |       |                 |               |
| Debtors                                              | 11    | 87              | 330           |
| Cash at bank and in hand                             |       | 1,572           | 6,466         |
|                                                      |       | <b>1,659</b>    | 6,796         |
| <b>Liabilities:</b>                                  |       |                 |               |
| Creditors: amounts falling due within one year       | 12    | (1,744)         | (1,080)       |
| <b>Net current (liabilities) assets</b>              |       |                 |               |
|                                                      |       | <b>(85)</b>     | 5,716         |
| Total assets less current liabilities                |       |                 |               |
|                                                      |       | <b>48,279</b>   | 56,014        |
| <b>Creditors: amounts falling due after one year</b> |       |                 |               |
|                                                      | 13    | <b>(41,274)</b> | (46,157)      |
| <b>Total net assets</b>                              |       |                 |               |
|                                                      |       | <b>7,005</b>    | 9,857         |
| <b>The funds of the charity:</b>                     |       |                 |               |
| Unrestricted funds                                   |       | <b>7,005</b>    | 9,857         |
| <b>Total charitable funds</b>                        |       |                 |               |
|                                                      |       | <b>7,005</b>    | 9,857         |

Approved by the Trustees and  
signed on their behalf by:

J P Mustier

Approved on: 06 July 2022

Wembley Educational Charitable Trust  
Company Registration Number 08681480 (England and Wales)

## Statement of cash flows 31 December 2021

|                                                        | Notes | 2021<br>£'000  | 2020<br>£'000 |
|--------------------------------------------------------|-------|----------------|---------------|
| <b>Cash flow from operating activities:</b>            |       |                |               |
| Net cash used in operating activities                  | A     | <b>(835)</b>   | (530)         |
| <b>Cash flow from financing activities:</b>            |       |                |               |
| Repayment of borrowing                                 |       | <b>(4,059)</b> | (338)         |
| <b>Net cash provided by financing activities</b>       |       | <b>(4,059)</b> | (338)         |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>(4,894)</b> | (868)         |
| <b>Cash and cash equivalents at 1 January 2021</b>     | B     | <b>6,466</b>   | 7,334         |
| <b>Cash and cash equivalents at 31 December 2021</b>   | B     | <b>1,572</b>   | 6,466         |

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>(2,852)</b> | 2,552         |
| <b>Adjustments for:</b>                                                     |                |               |
| Profit on revaluation of programme related investments                      | —              | (2,545)       |
| Impairment of programme related investments                                 | <b>1,645</b>   | —             |
| Decrease (increase) in debtors                                              | <b>449</b>     | (58)          |
| (Decrease) in creditors                                                     | <b>(160)</b>   | (479)         |
| Write off of Assets under construction                                      | <b>83</b>      | —             |
| <b>Net cash used in operating activities</b>                                | <b>(835)</b>   | (530)         |

### B Analysis of cash and cash equivalents

|                                        | 2021<br>£'000 | 2020<br>£'000 |
|----------------------------------------|---------------|---------------|
| Cash at bank and in hand               | <b>1,572</b>  | 6,466         |
| <b>Total cash and cash equivalents</b> | <b>1,572</b>  | 6,466         |

### 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                                       | 6,466                         | (4,894)             | <b>1,572</b>                       |
| Loans falling due within one year          | —                             | (824)               | <b>(824)</b>                       |
| Loans falling due after more than one year | (46,157)                      | 4,883               | <b>(41,274)</b>                    |
| <b>Total</b>                               | <b>(39,691)</b>               | <b>(835)</b>        | <b>(40,526)</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 accounts 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**

For the last few years the Trustees have investigated the possibility of renegotiating the conditions of the loan in partnership with the French Ministry of Finance, the French Ministry of Foreign Affairs and the current lender Banque Transatlantique. The restructuring process of the bank loan has finally been completed after months of negotiations; the payment schedule of the new loan is now making the business model of the Trust more sustainable. 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.

### **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 interest receivable.

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.

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 Wembley area and providing assistance with establishing, maintaining, managing and developing such schools, including governance costs.

### **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.

**Allocation of support and governance costs** (continued)

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.

**Tangible fixed assets**

***Assets under construction***

Assets under construction are accounted for at costs based up on the value of architects' certificates and other related costs. Items below £1,000 are not capitalised.

**Programme related investments**

Programme related investments comprise freehold property used by other charitable organisations for purposes consistent with the charity's objectives. They are stated at fair value. The properties are 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 schools. 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.

**Principal accounting policies** 31 December 2021

**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.

### 1 Income from donations and legacies

|                                                                     | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|---------------------------------------------------------------------|-------------------------------------------|---------------------------------|
| Cash donation received from Kentish Town Education Charitable Trust | <b>447</b>                                | 340                             |
| <b>Total funds</b>                                                  | <b>447</b>                                | 340                             |

### 2 Income from charitable activities

|               | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|---------------|-------------------------------------------|---------------------------------|
| Rental income | <b>2,701</b>                              | 2,373                           |

### 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> | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2020<br>Total<br>funds<br>£'000<br>(restated) |
|-----------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------|--------------------------|---------------------------|-----------------------------------------------|
| Provision of premises and facilities          |                                   |                                    |                                           |                          |                           |                                               |
| . Charitable donations                        | <b>86</b>                         | —                                  | <b>86</b>                                 | 79                       | —                         | 79                                            |
| . Governance costs (note 4)                   | —                                 | <b>388</b>                         | <b>388</b>                                | —                        | 318                       | 318                                           |
| . Accountancy                                 | —                                 | <b>16</b>                          | <b>16</b>                                 | —                        | 16                        | 16                                            |
| . Interest payable                            | <b>1,941</b>                      | —                                  | <b>1,941</b>                              | 2,344                    | —                         | 2,344                                         |
| . Bank charges                                | <b>1,777</b>                      | —                                  | <b>1,777</b>                              | 1                        | —                         | 1                                             |
| . Legal and professional                      | —                                 | <b>14</b>                          | <b>14</b>                                 | —                        | 38                        | 38                                            |
| . Costs in respect of sports hall written off | <b>90</b>                         | —                                  | <b>90</b>                                 | —                        | —                         | —                                             |
| . Premises costs                              | —                                 | <b>47</b>                          | <b>47</b>                                 | —                        | 49                        | 49                                            |
| Impairment of programme related investment    | <b>1,645</b>                      | —                                  | <b>1,645</b>                              | —                        | —                         | —                                             |
| <b>Total funds</b>                            | <b>5,539</b>                      | <b>465</b>                         | <b>6,004</b>                              | 2,424                    | 421                       | 2,845                                         |

The 2020 figures have been restated to reanalyse costs between charitable donations and governance costs.

### 4 Governance costs

|                             | <b>2021<br/>Total<br/>funds<br/>£'000</b> | 2020<br>Total<br>funds<br>£'000 |
|-----------------------------|-------------------------------------------|---------------------------------|
| Legal and professional fees | <b>10</b>                                 | 10                              |
| Administrative fees         | <b>378</b>                                | 308                             |
|                             | <b>388</b>                                | 318                             |

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

The charity employed no staff during the period (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 period. No trustees were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties.

**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 | <b>10</b>                                 | 10                              |

**7 Taxation**

Wembley 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 registered for Value Added Tax in August 2016 with the effective date of 30 September 2013. Therefore expenditure is recorded exclusive of VAT where applicable.

**8 Tangible fixed assets**

|                                           | <b>Assets<br/>under<br/>construction<br/>£'000</b> |
|-------------------------------------------|----------------------------------------------------|
| <b>Cost</b>                               |                                                    |
| At 1 January 2021                         | <b>83</b>                                          |
| Write off                                 | <b>(83)</b>                                        |
| At 31 December 2021                       | <b>—</b>                                           |
| <b>Depreciation</b>                       |                                                    |
| At 1 January 2021 and<br>31 December 2021 | <b>—</b>                                           |
| <b>Net book values</b>                    |                                                    |
| At 31 December 2021                       | <b>—</b>                                           |
| At 31 December 2020                       | <b>—</b>                                           |

The assets under construction related to the potential construction of a sports hall at Lycée International de Londres Winston Churchill. The trustees have decided not to proceed with the project and the costs have been written off.

**9 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>47,945</b>                                                               | 45,400                                                          |
| Release of provision for retention | —                                                                           | (55)                                                            |
| Impairment                         | <b>(1,645)</b>                                                              | —                                                               |
| Revaluation                        | —                                                                           | 2,600                                                           |
| At 31 December                     | <b>46,300</b>                                                               | 47,945                                                          |

The original property (54 Forty Lane, Wembley Park, HA0 9HD) is rented to Lyceé International de Londres Winston Churchill, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Wembley, therefore the property is classified as a programme related investment.

In 2019 Ealing Educational Charitable Trust transferred the Ecole Andre Malraux building to the charity. The property is let for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Ealing, therefore the property is classified as a programme related investment.

On 31 December 2021 the properties in Ealing and Wembley were valued by Gerald Eve LLP. The valuations were 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.

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

|               | <b>2021<br/>£'000</b> | 2020<br>£'000 |
|---------------|-----------------------|---------------|
| Other debtors | <b>2,064</b>          | 2,270         |

Other debtors in both current and long-term debtors relate to a deposit held by ANEFE as security against the bank loan (note 13).

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

|                | <b>2021<br/>£'000</b> | 2020<br>£'000 |
|----------------|-----------------------|---------------|
| Trade debtors  | <b>9</b>              | 8             |
| Accrued income | —                     | 274           |
| Other debtors  | <b>78</b>             | 48            |
|                | <b>87</b>             | 330           |

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

|                     | <b>2021</b>  | 2020  |
|---------------------|--------------|-------|
|                     | <b>£'000</b> | £'000 |
| Trade creditors     | <b>100</b>   | 74    |
| Deferred income     | <b>667</b>   | 667   |
| Accruals            | <b>13</b>    | 87    |
| Bank loan (note 14) | <b>824</b>   | —     |
| VAT liability       | <b>140</b>   | 252   |
|                     | <b>1,744</b> | 1,080 |

Income has been deferred because Wembley Educational Charitable Trust received rent from Lycée International de Londres Winston Churchill in December 2021 for the period covering 1 January 2022 to 31 March 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>667</b>   | 700   |
| Released in year | <b>(667)</b> | (700) |
| Deferred in year | <b>667</b>   | 667   |
|                  | <b>667</b>   | 667   |

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

|                     | <b>2021</b>   | 2020   |
|---------------------|---------------|--------|
|                     | <b>£'000</b>  | £'000  |
| Bank loan (note 14) | <b>41,274</b> | 46,157 |

During the year the terms of the loan with Banque Transatlantique were renegotiated. The total loan facility from 23 July 2021 was reduced to £42.5m on a 30 year term expiring June 2051 at a fixed rate of interest of 3.549%.The French State has guaranteed the repayment of the loan up to the value of £47 million. The deposit held by ANEFE forms part of the security against the loan.

**14 Loans**

Loans repayable, included within creditors are analysed as follows:

|                                         | <b>2021</b>   | 2020   |
|-----------------------------------------|---------------|--------|
|                                         | <b>£'000</b>  | £'000  |
| Wholly repayable: within five years     | <b>5,415</b>  | —      |
| Not wholly repayable: within five years | <b>36,683</b> | 46,157 |
|                                         | <b>42,098</b> | 46,157 |

## 15 Related party transactions

### ***KT Educational Charitable Trust***

Three of the charity's trustees are also trustees of KT Educational Charitable Trust (Company Registration Number 07057043 England and Wales).

During the current year, Wembley Educational Charitable Trust paid for administrative fees of £86,152 (2020 - £78,532) incurred by KT Educational Charitable Trust. This has been treated as a donation in the year. Wembley Educational Trust received donations of £447,000 (2020: £340,000) from KT Educational Charitable Trust during the year.

### ***Lyceé International de Londres***

Rent of £2,666,667 (2020 - £2,333,000) for the year ended 31 December 2021 was charged to Lyceé International de Londres. At 31 December 2021 £667,000 (2020 - £667,000) of rent relating to 2022 had been received and is included in creditors.

Lyceé International de Londres is a registered charity (Company Registration Number 09033139 England and Wales) which has a common trustee, Mr Vaissié, with Wembley Educational Charitable Trust. In his roles Mr Vaissié acts in a manner which will avoid any conflicts of interests.

## 16 Net assets

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

|                                                        | 2021<br>£'000 | 2020<br>£'000 |
|--------------------------------------------------------|---------------|---------------|
| <b>Unrealised gains:</b>                               |               |               |
| On programme related investment properties             | 5,337         | 6,982         |
| <b>Total unrealised gains at 31 December 2021</b>      | <b>5,337</b>  | <b>6,982</b>  |
| <b>Reconciliation of movement in unrealised gains:</b> |               |               |
| Unrealised gains at 1 January 2021                     | 6,982         | 4,437         |
| Gain arising on revaluation in the year                | —             | 2,600         |
| Impairment                                             | (1,645)       | —             |
| Adjustments in the year                                | —             | (55)          |
| <b>Total unrealised gains at 31 December 2021</b>      | <b>5,337</b>  | <b>6,982</b>  |

## 17 Post balance sheet events

The rental agreement with Lycee International de Londres has been renegotiated and is in the process of being agreed and signed. The new agreement keeps the rent at £3.2m per annum and extends the term of the lease to 15 June 2051.

**WEMBLEY EDUCATIONAL CHARITABLE TRUST**

England & Wales - Charity number 1153762

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# Accounts

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**Wembley Educational  
Charitable Trust**

**Annual Report and Financial  
Statements**

31 December 2020

Company registration number  
08681480 (England and Wales)

Charity Registration number  
1153762

## Contents

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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<br>Ms Florence Gomez                                                                                                                               |
| <b>Registered office</b>           | 23 Cromwell Road<br>London<br>SW7 2EL                                                                                                                                                                                  |
| <b>Charity registration number</b> | 1153762                                                                                                                                                                                                                |
| <b>Company registration number</b> | 08681480 (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<br><br>Stone King LLP<br>16 St John's Lane<br>London<br>EC1M 4BS                                                           |

## **Trustees' report** 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, applicable laws and the requirements of 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 9 September 2013 as Wembley Educational Charitable Trust ("WECT") and obtained charitable status on 11 September 2013. 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 charity each member guarantees a sum not exceeding £10.

### **Objectives**

The objectives for which the charity is established are to advance, for the public benefit, 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 Wembley area, and ancillary educational and other charitable activities for the benefit of the community at large. 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**

Wembley Educational Charitable Trust set up the Lycée International de Londres Winston Churchill (LIL) which opened in September 2015.

Lycée International de Londres Winston Churchill has a board of governors who meet regularly to make key decisions for the school.

The school levels of admission continue to be below target; with 840 pupils, Lycée Churchill is short of 100 pupils this year in comparison with the initial projection.

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

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

The cumulated context of Covid-19 and Brexit seems to have worsened the situation regarding Lycée Churchill's pupil intakes. The school's financial situation therefore remains fragile and a major cost savings and streamlining plan has been put in place by the board of governors to align the cost structure with the downgraded revenues.

## **FINANCIAL REVIEW AND RESERVES**

During the year, the charity earned rental income of £2,373,000 (2019 - £2,035,000), interest of £81,000 (2019 - £87,000), bank interest of £3,200 (2019 - £9,800) and donations of £340,000 (2019 - £2,092,000). Total income for the year was £2,797,000 (2019 - £4,224,000). In 2019, donations received represented the net assets of French Education Charitable Trust and Ealing Educational Charitable Trust which transferred in to the charity in 2019 (see note 1 to the financial statements).

Costs relating to charitable activities in the year amounted to £2,845,000 (2019 - £2,881,000).

Net income for the year was £2,552,000 (2019 – net income of £1,343,000). The properties held as programme related investments were revalued at 31 December 2020 with an increase in value of £2,600,000. As at 31 December 2020 the charity had total funds of £9,857,000 (2019 - £7,305,000).

### **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 the servicing of 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 as at 31 December 2020 of £9,857,000 (2019 - £7,306,000). Once the programme related investments and long-term loan are excluded, the charity had free reserves of £5,661,000 (2019 - £6,009,000). In the light of the uncertainties due to the Covid-19 pandemic, the trustees are of the opinion that the free reserves are adequate.

## **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 WECT 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.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Trustees

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

| Trustees               | Appointed/resigned |
|------------------------|--------------------|
| Mr Arnaud Vaissié      |                    |
| Mr Jean-Pierre Mustier |                    |
| Mr Richard Fairbairn   |                    |
| Ms Florence Gomez      |                    |

### Key management personnel

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

None of the trustees receive any remuneration for their services.

### Trustees' responsibilities statement

The trustees (who are also directors of Wembley 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 schools, this could be affected by Brexit or the current COVID-19 pandemic and could ultimately have the potential to affect the ability of its tenant schools to pay their rent in accordance with the lease agreements. The admissions numbers are monitored and the schools themselves are implementing their own communications strategies to ensure the schools operate at as close to full capacity as possible. One aspect of this is the introduction of a new English International Programme which started at Lycée Churchill in September 2018.

### **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**

With the declining intakes especially on the French stream, the board of governors have instructed the school management to broaden its outreach towards local (and away from the French expat community): as a result, the Lycée Churchill has successfully opened an early years section (3 years old) and is planning to open a toddler section next year (2 years old). Growing demand is also recorded for the International Baccalaureate stream which has started to attract a number of British families.

Both streams prove to be profitable avenues for the school and more marketing efforts should focus on promoting them to local fairs.

**FUTURE PLANS** (continued)

The drastic deficit reduction programme plans to reduce the costs by £1.2M and the implementation of this scheme is closely monitored by the Finance Committee of the school. Additional restructuring measures will need to be taken if the admissions numbers continue to fall.

In parallel, WECT Trustees have been in close discussion with the French Ministry of Finance and lender Banque Transatlantique with a view to restructuring the conditions of the loan that was signed in 2013; this refinancing would benefit from 3 factors: an early repayment of the loan by WECT, a maturity extension of the loan and better interest rates. If successful, this restructuring would result in a significant reduction in loan repayments and as a consequence a reduction in the rent collected from Lycée Churchill.

Approved by the Board of Trustees:

Jean-Pierre Mustier

Trustee

Approved on: 26 August 2021

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

**Opinion**

We have audited the financial statements of Wembley 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 | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|------------------------------------------------------------------------------------|-------|-------------------------------------------|---------------------------------|
| <b>Income and expenditure</b>                                                      |       |                                           |                                 |
| <b>Income from:</b>                                                                |       |                                           |                                 |
| Donations and legacies                                                             | 1     | <b>340</b>                                | 2,092                           |
| Charitable activities                                                              |       |                                           |                                 |
| . Provision of premises and facilities                                             | 2     | <b>2,373</b>                              | 2,035                           |
| Interest receivable                                                                |       | <b>81</b>                                 | 87                              |
| Bank interest receivable                                                           |       | <b>3</b>                                  | 10                              |
| <b>Total income</b>                                                                |       | <b>2,797</b>                              | 4,224                           |
| <b>Expenditure:</b>                                                                |       |                                           |                                 |
| Expenditure on charitable activities                                               |       |                                           |                                 |
| . Provision of premises and facilities                                             | 3     | <b>2,845</b>                              | 2,881                           |
| <b>Total expenditure</b>                                                           |       | <b>2,845</b>                              | 2,881                           |
| <b>Net (expenditure)/income before gains on revaluation of investment property</b> |       | <b>(48)</b>                               | 1,343                           |
| <b>Gain on revaluation of investment property</b>                                  | 9     | <b>2,600</b>                              | —                               |
| <b>Net income and net movement in funds</b>                                        |       | <b>2,552</b>                              | 1,343                           |
| <b>Reconciliation of funds:</b>                                                    |       |                                           |                                 |
| Total Funds brought forward at 1 January 2020                                      |       | <b>7,305</b>                              | 5,962                           |
| <b>Total funds carried forward at 31 December 2020</b>                             |       | <b>9,857</b>                              | 7,305                           |

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 24 form part of these financial statements.

**Balance sheet** 31 December 2020

|                                                      | Notes | 2020<br>£'000 | 2019<br>£'000 |
|------------------------------------------------------|-------|---------------|---------------|
| <b>Fixed assets</b>                                  |       |               |               |
| Tangible assets                                      | 8     | 83            | 83            |
| Programme related investments                        | 9     | 47,945        | 45,400        |
|                                                      |       | <u>48,028</u> | <u>45,483</u> |
| <b>Non-current assets</b>                            |       |               |               |
| Debtors                                              | 10    | 2,270         | 2,308         |
|                                                      |       | <u>2,270</u>  | <u>2,308</u>  |
| <b>Current assets</b>                                |       |               |               |
| Debtors                                              | 11    | 330           | 234           |
| Cash at bank and in hand                             |       | 6,466         | 7,334         |
|                                                      |       | <u>6,796</u>  | <u>7,568</u>  |
| <b>Liabilities:</b>                                  |       |               |               |
| Creditors: amounts falling due within one year       | 12    | (1,080)       | (1,559)       |
|                                                      |       | <u>5,716</u>  | <u>6,009</u>  |
| <b>Net current assets</b>                            |       |               |               |
|                                                      |       | <u>5,716</u>  | <u>6,009</u>  |
| Total assets less current liabilities                |       | 56,014        | 53,800        |
| <b>Creditors:</b> amounts falling due after one year | 13    | (46,157)      | (46,495)      |
|                                                      |       | <u>9,857</u>  | <u>7,305</u>  |
| <b>Total net assets</b>                              |       |               |               |
|                                                      |       | <u>9,857</u>  | <u>7,305</u>  |
| <b>The funds of the charity:</b>                     |       |               |               |
| Unrestricted funds                                   | 15    | 9,857         | 7,305         |
| <b>Total charitable funds</b>                        |       | <u>9,857</u>  | <u>7,305</u>  |

Approved by the Trustees and  
signed on their behalf by:

Jean-Pierre Mustier

Approved on: 26 August 2021

Wembley Educational Charitable Trust  
Company Registration Number 08681480 (England and Wales)

**Statement of cash flows** 31 December 2020

|                                                                                                             | Notes | 2020<br>£'000 | 2019<br>£'000  |
|-------------------------------------------------------------------------------------------------------------|-------|---------------|----------------|
| <b>Cash flow from operating activities:</b>                                                                 |       |               |                |
| Net cash provided by (used in) operating activities                                                         | A     | <b>(530)</b>  | 463            |
| <b>Cash flow from investing activities:</b>                                                                 |       |               |                |
| Programme related investment transferred from Ealing Educational Charitable Trust – Charity Number: 1155483 |       | —             | (1,100)        |
| <b>Net cash used in investing activities</b>                                                                |       | <b>—</b>      | <b>(1,100)</b> |
| <b>Cash flow from financing activities:</b>                                                                 |       |               |                |
| Repayment of borrowing                                                                                      |       | <b>(338)</b>  | —              |
| Cash inflows from new borrowing                                                                             |       | —             | 60             |
| <b>Net cash provided by financing activities</b>                                                            |       | <b>(338)</b>  | <b>60</b>      |
| <b>Change in cash and cash equivalents in the year</b>                                                      |       | <b>(868)</b>  | <b>(577)</b>   |
| <b>Cash and cash equivalents at 1 January 2020</b>                                                          | B     | <b>7,334</b>  | 7,911          |
| <b>Cash and cash equivalents at 31 December 2020</b>                                                        | B     | <b>6,466</b>  | <b>7,334</b>   |

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>2,552</b>   | 1,343         |
| <b>Adjustments for:</b>                                                     |                |               |
| Gain on revaluation of programme related investments                        | <b>(2,545)</b> | —             |
| (Increase) decrease in debtors                                              | <b>(58)</b>    | 115           |
| (Decrease) in creditors                                                     | <b>(479)</b>   | (995)         |
| <b>Net cash provided by (used in) operating activities</b>                  | <b>(530)</b>   | <b>463</b>    |

**B Analysis of cash and cash equivalents**

|                                        | 2020<br>£'000 | 2019<br>£'000 |
|----------------------------------------|---------------|---------------|
| Cash at bank and in hand               | <b>6,466</b>  | 7,334         |
| <b>Total cash and cash equivalents</b> | <b>6,466</b>  | <b>7,334</b>  |

**C Analysis of changes in net debt**

|                                            | At 1 January<br>2020<br>£'000 | Cash flows<br>£'000 | New loans<br>£'000 | Other non-cash<br>changes<br>£'000 | At 31<br>December<br>2020<br>£'000 |
|--------------------------------------------|-------------------------------|---------------------|--------------------|------------------------------------|------------------------------------|
| Cash                                       | 7,334                         | (868)               | —                  | —                                  | <b>6,466</b>                       |
| Loans falling due within one year          | (600)                         | 600                 | —                  | —                                  | —                                  |
| Loans falling due after more than one year | (46,495)                      | 338                 | —                  | —                                  | <b>(46,157)</b>                    |
| <b>Total</b>                               | <b>(39,761)</b>               | <b>70</b>           | <b>—</b>           | <b>—</b>                           | <b>(39,691)</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 accounts 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.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, suppliers and the wider economy. 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. Since the end of the financial year, the Covid-19 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 Covid-19 on our finances is set out in the trustees' report on pages 6 and 7 and attention is drawn to this.

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 interest receivable.

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.

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 recognition** (continued)

- ◆ 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 Wembley area and providing assistance with establishing, maintaining, managing and developing such schools, including governance costs.

**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.

**Tangible fixed assets**

***Assets under construction***

Assets under construction are accounted for at costs based up on the value of architects' certificates and other related costs, including finance costs incurred to 31 December 2019. Items below £1,000 are not capitalised.

**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 properties were 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.

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

### **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 2020

**1 Income from donations and legacies**

|                                                                                       | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|---------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------|
| Donation of assets from Ealing Educational Charitable Trust – Charity Number: 1155483 | —                                         | 1,240                           |
| Donation of assets from French Education Charitable Trust – Charity Number: 1153763   | —                                         | 522                             |
| Cash donation received from Kentish Town Education Charitable Trust                   | <b>340</b>                                | 330                             |
| <b>Total funds</b>                                                                    | <b>340</b>                                | <b>2,092</b>                    |

**2 Income from charitable activities**

|               | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|---------------|-------------------------------------------|---------------------------------|
| Rental income | <b>2,373</b>                              | 2,035                           |

**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> | Direct<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2019<br>Total<br>funds<br>£'000 |
|--------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------|--------------------------|---------------------------|---------------------------------|
| Provision of premises and facilities |                                   |                                    |                                           |                          |                           |                                 |
| . Charitable donations               | —                                 | —                                  | —                                         | 96                       | —                         | 96                              |
| . Governance costs (note 4)          | —                                 | <b>397</b>                         | <b>397</b>                                | —                        | 380                       | 380                             |
| . Accountancy                        | —                                 | <b>16</b>                          | <b>16</b>                                 | —                        | 15                        | 15                              |
| . Interest payable                   | <b>2,344</b>                      | —                                  | <b>2,344</b>                              | 2,272                    | —                         | 2,272                           |
| . Bank charges                       | <b>1</b>                          | —                                  | <b>1</b>                                  | 2                        | —                         | 2                               |
| . Legal and professional             | —                                 | <b>38</b>                          | <b>38</b>                                 | —                        | 23                        | 23                              |
| . Repairs and maintenance            | —                                 | —                                  | —                                         | —                        | 40                        | 40                              |
| . Premises costs                     | —                                 | <b>61</b>                          | <b>61</b>                                 | —                        | 52                        | 52                              |
| <b>Total funds</b>                   | <b>2,345</b>                      | <b>500</b>                         | <b>2,845</b>                              | 2,370                    | 510                       | 2,881                           |

**4 Governance costs**

|                             | <b>2020<br/>Total<br/>funds<br/>£'000</b> | 2019<br>Total<br>funds<br>£'000 |
|-----------------------------|-------------------------------------------|---------------------------------|
| Legal and professional fees | <b>10</b>                                 | 14                              |
| Administrative fees         | <b>387</b>                                | 366                             |
|                             | <b>397</b>                                | 380                             |

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

The charity employed no staff during the period (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 period. No trustees were reimbursed for expenses incurred relating to travel and accommodation in the performance of their duties.

**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 | <b>10</b>                                 | 11                              |

**7 Taxation**

Wembley 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 registered for Value Added Tax in August 2016 with the effective date of 30 September 2013. Therefore expenditure is recorded exclusive of VAT where applicable.

**8 Tangible fixed assets**

|                                           | <b>Assets<br/>under<br/>construction<br/>£'000</b> |
|-------------------------------------------|----------------------------------------------------|
| <b>Cost</b>                               |                                                    |
| At 1 January 2020                         | 83                                                 |
| Additions                                 | —                                                  |
| At 31 December 2020                       | <b>83</b>                                          |
| <b>Depreciation</b>                       |                                                    |
| At 1 January 2020 and<br>31 December 2020 | —                                                  |
| <b>Net book values</b>                    |                                                    |
| At 31 December 2020                       | <b>83</b>                                          |
| At 31 December 2019                       | <b>83</b>                                          |

The assets under construction relate to the potential construction of a sports hall at Lycée International de Londres Winston Churchill.

## 9 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>45,400</b>                                                               | 44,300                                                          |
| Transferred from Ealing Educational Charitable Trust – Charity<br>Number: 1155483 | —                                                                           | 1,100                                                           |
| Release of provision for retention                                                | <b>(55)</b>                                                                 | —                                                               |
| Revaluation                                                                       | <b>2,600</b>                                                                | —                                                               |
| At 31 December                                                                    | <b>47,945</b>                                                               | 45,400                                                          |

The original property (54 Forty Lane, Wembley Park, HA0 9HD) is rented to Lycee International de Londres Winston Churchill, a registered charity, for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Wembley, therefore the property is classified as a programme related investment.

In 2019 Ealing Educational Charitable Trust transferred the Ecole Andre Malraux building to the charity. The property is let for purposes consistent with the charity's objectives; running a bilingual (French and English) school in Ealing, therefore the property is classified as a programme related investment.

On 31 December 2020 the properties were independently valued by a professional chartered surveyor (Gerald Eve LLP) on a fair value basis which takes into consideration the rental charge. The chartered surveyor is a member of the Royal Institution of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards, Professional Standards, January 2020 amendment and Financial Reporting Standard 102. There is a fixed charge over the freehold property let to Lycée International de Londres Winston Churchill (see note 13).

## 10 Debtors: amounts falling due after one year

|               | <b>2020<br/>£'000</b> | 2019<br>£'000 |
|---------------|-----------------------|---------------|
| Other debtors | <b>2,270</b>          | 2,308         |

Other debtors in both current and long-term debtors relate to a deposit held by ANEFE as security against the bank loan (note 13).

## 11 Debtors: amounts falling due within one year

|                | <b>2020<br/>£'000</b> | 2019<br>£'000 |
|----------------|-----------------------|---------------|
| Trade debtors  | <b>8</b>              | 9             |
| Accrued income | <b>274</b>            | 193           |
| Other debtors  | <b>48</b>             | 32            |
|                | <b>330</b>            | 234           |

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

|                     | <b>2020</b>  | 2019  |
|---------------------|--------------|-------|
|                     | <b>£'000</b> | £'000 |
| Trade creditors     | <b>74</b>    | 80    |
| Deferred income     | <b>667</b>   | 700   |
| Accruals            | <b>87</b>    | 98    |
| Loans               | <b>—</b>     | 600   |
| Retention provision | <b>—</b>     | 55    |
| VAT liability       | <b>252</b>   | 25    |
|                     | <b>1,080</b> | 1,559 |

Income has been deferred because Wembley Educational Charitable Trust received rent from Lycée International de Londres Winston Churchill in December 2020 for the period covering 1 January 2021 to 31 March 2021, therefore this income will appear in next year's accounts ending 31 December 2021. The movements in deferred income are analysed below:

|                  | <b>2020</b>  | 2019  |
|------------------|--------------|-------|
|                  | <b>£'000</b> | £'000 |
| Brought forward  | <b>700</b>   | 600   |
| Released in year | <b>(700)</b> | (600) |
| Deferred in year | <b>667</b>   | 700   |
|                  | <b>667</b>   | 700   |

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

|           | <b>2020</b>   | 2019   |
|-----------|---------------|--------|
|           | <b>£'000</b>  | £'000  |
| Bank loan | <b>46,157</b> | 46,495 |

The original total loan facility available is £40 million and was granted at an indexed and interest-bearing rate, using the monthly average of the 1-year GBP LIBOR plus 1.96% per annum. The loan offered the option to switch from the indexed interest rate to a fixed interest rate and the trustees decided to exercise this option on 30 June 2014. Since then, the interest has been charged at an annual fixed rate of 4.8%. The total duration of the loan is 25 years, therefore the loan balance has been treated as a creditor due in more than one year.

The French State has guaranteed the repayment of the loan, including the capitalised interest coming from the deferred payments, up to the value of the £47 million of capital plus all interest, commission, fees and other payments due. The deposit held by ANEFE forms part of the security against the loan.

#### 14 Related party transactions

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

French Education Charitable Trust (Company Registration Number 08679804 England and Wales) was incorporated on 6 September 2013. Three of the trustees of Wembley Educational Charitable Trust were also trustees of French Education Charitable Trust. During 2014 Wembley Educational Charitable Trust received a loan, interest free and repayable on demand, of £400,000 from French Education Charitable Trust. In 2019 French Education Charitable Trust transferred its assets and liabilities to Wembley Educational Charitable Trust and was dissolved on 1 October 2019. The loan was cancelled on transfer of the assets and liabilities. During the current year, Wembley Educational Charitable Trust paid for administrative fees of £nil (2019 - £8,912) incurred by French Education Charitable Trust.

##### ***KT Educational Charitable Trust***

Three of the charity's trustees are also trustees of KT Educational Charitable Trust (Company Registration Number 07057043 England and Wales).

During 2014 KT Educational Charitable Trust provided an interest free, repayable on demand, loan of £600,000 to Wembley Educational Charitable Trust. This loan was fully repaid in the year.

During the current year, Wembley Educational Charitable Trust paid for administrative fees of £78,532 (2019 - £26,919) incurred by KT Educational Charitable Trust. This has been treated as a donation in the year.

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

During the year, Wembley Educational Charitable Trust paid for administrative fees of £nil (2019 - £9,039) incurred by Ealing Educational Charitable Trust.

In 2019 Ealing Educational Charitable Trust transferred its assets and liabilities to Wembley Educational Charitable Trust and was dissolved on 22 October 2019. Until 22 October 2019, three of the charity's trustees were also trustees of Ealing Educational Charitable Trust (Company Registration Number 08845363 England and Wales).

##### ***Lyceé International de Londres***

Rent of £2,333,000 (2019 - £2,000,000) for the year ended 31 December 2020 was charged to Lyceé International de Londres. At 31 December 2020 £667,000 (2019 - £700,000) of rent relating to 2020 had been received and is included in creditors.

Lyceé International de Londres is a registered charity (Company Registration Number 09033139 England and Wales) which has a common trustee, Mr Vaissié, with Wembley Educational Charitable Trust. In his roles Mr Vaissié acts in a manner which will avoid any conflicts of interests.

##### ***Lester Aldridge LLP***

Mr Richard Fairbairn, a trustee of Wembley Educational Charitable Trust, is a partner at Lester Aldridge LLP. During the year Lester Aldridge LLP charged the charity £nil (2019 - £1,862) in relation to work carried out in respect of the transfer of the Andre Malraux School building from Ealing Educational Charitable Trust to Wembley Educational Trust.

**15 Net assets**

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

|                                                        | <b>2020</b>  | 2019  |
|--------------------------------------------------------|--------------|-------|
|                                                        | <b>£'000</b> | £'000 |
| <b>Unrealised gains:</b>                               |              |       |
| On investment properties                               | <b>6,982</b> | 4,437 |
| <b>Total unrealised gains at 31 December 2020</b>      | <b>6,982</b> | 4,437 |
| <b>Reconciliation of movement in unrealised gains:</b> |              |       |
| Unrealised gains at 1 January 2020                     | <b>4,437</b> | 4,437 |
| Add: net gains arising on revaluation in the year      | <b>2,600</b> | —     |
| Adjustments in the year                                | <b>(55)</b>  | —     |
| <b>Total unrealised gains at 31 December 2020</b>      | <b>6,982</b> | 4,437 |

**16 Post balance sheet events**

In early 2021 the trustees began discussions with the French Ministry of Finance and Banque Transatlantique with a view to restructuring the conditions of the loan that was signed in 2013. On 23 July 2021 the restructuring was complete and a new loan agreement signed. The restructuring has resulted in the loan amount reducing from £46.1m to £42.5m and an early repayment fee of £1.8m. The refinancing benefits both WECT and Lycée Churchill as it will result in a significant reduction in loan repayments and as a consequence a reduction in the rent collected from Lycée Churchill.