

Company Registration Number: 08540597

Charity Registration Number: 1153859

**EDUCATION AND TRAINING FOUNDATION**

(Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the year ended 31 March 2025

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## **WELCOME**

During 2024–25, the Education and Training Foundation (ETF) continued to deliver on its mission as the professional body for the Further Education (FE) and Skills sector. Guided by its strategic plan, ETF has supported teachers, trainers, leaders and governors across the sector through its training and development programmes, professional body membership and professional statuses. The charity's work remains focused on raising professional standards and fostering high-quality teaching in FE and Skills, leading to improved learner outcomes and driving local and national economic growth and prosperity.

This report outlines ETF's performance and impact across its four strategic goals: driving professionalism, improving teaching and learning, championing inclusion, and enabling sector change. Key achievements during the year include the expansion of professional status programmes such as Qualified Teacher Learning and Skills (QTLS) status and Advanced Teacher Status (ATS), the successful launch of the new Specialist Status in Education for Sustainable Development (SSESD), and the delivery of high-quality continuing professional development (CPD) programmes to thousands of practitioners. ETF also strengthened its inclusive practice offer, supported nearly 3,000 participants through its Leadership and Governance programmes, and continued to lead national delivery of Apprenticeship Workforce Development and T Level Professional Development.

The report also provides an overview of ETF's financial position, governance arrangements, and risk management framework. It reflects the charity's commitment to transparency, accountability, and continuous improvement.

Looking ahead to 2025–26, ETF will continue to focus on delivering world-class CPD, growing its membership and professional statuses, enhancing digital infrastructure, and strengthening its profile and partnerships across the sector. The Board remains confident in the charity's ability to respond to sector needs and deliver meaningful impact for the FE and Skills workforce.

## **1. ABOUT ETF**

We are the professional body for the whole Further Education (FE) and Skills sector. Our training and development programmes, professional body membership and professional statuses elevate professionalism. A trusted partner in skills development, we support government and regional bodies with evidence-based workforce strategies. We set the quality standards for teaching and leadership, deliver continuing professional development (CPD) and are home to the QTLS and ATS professional statuses.

Raising teaching standards enhances career opportunities for teachers, improves their students' outcomes and helps them to succeed in sustainable employment. Our approach not only drives national economic growth but also cultivates more prosperous local communities.

Together, we promote professionalism, improve teaching standards and champion inclusion, and so enable sector change.

## 2. STRATEGIC REPORT

ETF's strategic plan, *Together we transform*, was launched in 2023–24 and outlined four strategic goals (further information on the strategy can be found on our website <https://www.etfoundation.co.uk/about-us/our-strategy/>). Through our strategy we set out how we plan to support everyone working in FE and Skills by championing the vital role of educators and leaders in transforming the lives of learners aged 14 and over. We have prioritised working in partnership for the benefit of the sector, and set out the bold ambition for the charity to drive professionalism, improve teaching and learning, champion inclusion and enable sector change for a thriving FE and Skills sector. The four strategic goals are as follows:

- **Drive professionalism:** we champion professionalism and grow the evidence base of education and leadership practice, making FE and Skills a rewarding career destination
- **Improve teaching and learning:** we ensure consistency in learner experience by setting clear competences and conduct required to enter and maintain professional status within FE and Skills
- **Champion inclusion:** we tackle inequalities in the FE and Skills workforce, supporting routes to employment and career development by providing lifelong learning to all
- **Enable sector change:** we convene sector change and respond to the FE and Skills workforce needs by working in partnership.

In the following sections, you'll find more detail about the impact ETF has made in 2024–25, reporting against our four strategic goals. Section 2.6 of the Strategic Report provides further information about our priorities in 2025–26. If you would like to read more about the charity's impact, our full Impact Report (2024) is available on ETF's website (<https://www.et-foundation.co.uk/about-us/governance/documents/>).

### 2.1 Drive professionalism

In 2024–25, ETF continued to deliver its flagship professional status programmes, **QTLS** and **ATS**, supporting educators across the FE and Skills sector in evidencing and enhancing their professional practice. This year, **615** FE and Skills practitioners were awarded with QTLS status, while **16** professionals achieved ATS and were conferred Chartered Teacher Status via the Chartered College of Teaching. Following discussions with DfE, all members with QTLS status are listed on the DfE's central record of qualified teachers managed by the Teacher Regulation Agency.

Key achievements included the introduction of more inclusive eligibility criteria and enhanced guidance within the e-portfolio Knowledge Base, resulting in a 26% reduction in resubmission rates at the QTLS application stage. These improvements significantly enhanced the participant experience and reduced pressure on support teams. **99%** of professionals who achieved QTLS said it had a positive impact on their teaching practice and **99%** also agreed QTLS had a positive impact on the outcomes of their learners, with **94%** noting organisational benefits. **100%** of professionals who achieved ATS said that it has had a positive impact on their practice, learners and colleagues. However, ATS portfolio submission rates remain relatively low (48% for the October 2023 cohort, submitting in December 2024), indicating a need for further support and engagement strategies to improve completion. Continued cross-team collaboration will be essential to sustaining progress and addressing these challenges.

In 2024–25, ETF continued to drive professional standards for teachers and leaders through the **Professional Standards** Self-Assessment Tool. This tool supports practitioners to reflect on their practice, values and skills against a nationally recognised framework of 20 professional standards.

A total of 5,874 self-assessments were completed during the year, reflecting substantial sector engagement. Of these, 47% were members of ETF's professional membership body, with 1,623 completions from individuals holding QTLS and 104 from those with ATS. This high level of participation underscores the sector's ongoing dedication to reflective practice and continuous improvement.

The self-assessment tool provided valuable insights into sector-wide confidence and development needs. For those professionals who completed the self-assessment, their top three perceived strengths were:

- Promote and support positive learner behaviour, attitudes and wellbeing
- Value and champion diversity, equality of opportunity, inclusion and social equity
- Inspire, motivate, and raise aspirations of learners by communicating high expectations and a passion for learning.

The top three perceived areas for development were:

- Promote and embed education for sustainable development (ESD) across learning and working practices
- Develop enrichment and progression opportunities for learners through collaboration with employers, higher education and/or community groups
- Critically review and apply your knowledge of educational research, pedagogy, and assessment to develop evidence-informed practice.

The data collected has reinforced the charity's leadership in professional development by informing targeted strategies to enhance teaching quality and learner outcomes. This work exemplifies ETF's strategic role in fostering a confident, skilled, and future-focused education workforce.

In response to sector-wide demand for professional development in sustainability, ETF launched the **Specialist Status in Education for Sustainable Development (SSESD)** as a pilot initiative in 2024–25. Developed in collaboration with the Environmental Association of Universities and Colleges (EAUC) and supported by an expert panel, the programme aims to equip professionals in the FE and Skills sector with the knowledge and recognition to lead on sustainability.

The pilot cohort saw 21 registrations, with 17 participants submitting portfolios and 15 being successfully awarded the status following moderation. Participant feedback highlighted high satisfaction with both the content and delivery of the programme. The pilot also informed refinements through evaluation from stakeholders including participants, moderators, and external experts. A key achievement was the successful transition from pilot to commercial delivery, with 64 registrations for the first commercial cohort beginning in April 2025. Areas for improvement include enhancing participant retention and communication. The SSESD represents a significant step in embedding sustainability leadership within the sector and aligns with the charity's strategic commitment to enabling sector change.

The **Research Further programme** continues to play a vital role in advancing practitioner-led research within the Further Education (FE) sector. It is a collaborative initiative between the Association of Colleges (AoC), NCFE, Edge Foundation and ETF. In 2024–25, the programme supported 12 scholars to undertake postgraduate research, with four alumni now contributing their expertise to the initiative.

Scholars have made over 60 contributions to sector events, publications, and podcasts, including 42 thought leadership pieces published via the AoC *Think Further* initiative. They have also delivered sessions at the AoC conference, run a series of webinars, and established research groups within their institutions – enhancing CPD and sector-wide dialogue.

## 2.2 Improve teaching and & learning

In 2024–25, ETF continued to deliver a robust programme of CPD to enhance the teaching of **maths, English and ESOL** (English for speakers of other languages) for post-16 learners. The offer included a wide range of live online sessions, supported by rigorous quality assurance through observations, surveys, and focus groups.

Key achievements included high levels of participant engagement, driven by the use of interactive tools. Trainers were consistently praised for their subject expertise and effective online delivery, contributing to

increased confidence among educators. **94%** of participants reported satisfaction with the overall learning experience, and the programme achieved a Net Promoter Score of 49, indicating strong endorsement.

Areas for improvement were identified through feedback, including the need to streamline session content to allow more time for collaboration and practical application. Greater consistency in referencing ETF Professional Standards during delivery was also recommended. Additionally, the format of National Maths Network sessions will be reviewed to better support peer networking and knowledge exchange. ETF remains committed to refining its offer to ensure it meets the evolving needs of practitioners and supports improved outcomes for learners across the sector.

In 2024–25, the charity maintained a strong and engaged **membership community**, with **22,617** members across England, Wales, Scotland, and the Channel Islands. The annual retention rate rose by five percentage points to 93% between 2023-24 and 2024-25, which is above the industry average for professional bodies<sup>1</sup> and reflects improved member engagement and satisfaction.

Individual membership via 50 ETF partners accounted for 18% of the total membership, demonstrating the value placed on individual membership by our organisational partners and the relevance of the professional development offer for their staff.

Through the year, 24 member events were delivered, attracting 1,410 attendees. Topics ranged from Artificial Intelligence (AI) in education to inclusive teaching practices. Feedback was overwhelmingly positive: **97%** of attendees were satisfied with their experience, and **95%** reported improved knowledge, resulting in a Net Promoter Score of 77, indicating a very high level of customer satisfaction.

While overall membership numbers dipped slightly due to improved data cleansing, the increase in retention and engagement signals a positive trajectory. Future improvements being considered include expanding reach through Communities of Practice and local activity, specifically to engage underrepresented groups, and enhancing the visibility of member benefits to support continued professional growth and impact.

The **T Level Professional Development (TLPD) programme** continues to play a vital role in supporting the delivery of T Levels across the FE and Skills sector. Between 1 April 2024 and 31 March 2025, the programme recorded over **11,800** engagements from more than **6,300** individuals, reflecting strong and sustained demand for high-quality professional development for leaders, teachers, trainers and support staff delivering T Levels.

In 2024–25, the TLPD offer was refreshed to better meet the evolving needs of the sector. New 'Part 2' courses were introduced for all subject-specific T Level areas, alongside enhanced provision for non-subject-specific topics such as assessment and pedagogy. These developments support more experienced providers and promote deeper engagement with T Level delivery.

Accessibility was improved through shorter, more flexible course formats and increased regional and peer networking opportunities. Tailored support for smaller providers, including schools, was also expanded.

Impact data from August 2024 to March 2025 shows that **93%** of TLPD participants reported that the delivery has improved their knowledge, and **94%** said the training would have a positive impact on their practice. The inaugural TLPD National T Level Conference, delivered in partnership with the AoC, attracted over 400 delegates and has led to the planning of two national conferences in the next academic year.

This year's **Teaching and Learning Conference** brought together over 300 educators, policymakers, and sector leaders to explore how teaching excellence and inclusive practice can drive social mobility and economic growth. Held at a pivotal moment in national education policy, the conference addressed key

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<sup>1</sup> Industry average is 86% - Memberwise (2025) Membership calculator. Accessed at: <https://memberwise.org.uk/membership-retention-calculator/>

themes including digital transformation, inclusive pedagogy, professional standards, and workforce development.

Highlights included keynote contributions from Ofsted, the Department for Education, and Ofqual, alongside practitioner-led sessions on Artificial Intelligence (AI), neurodiversity, and cultural competence. The event showcased the impact of ETF programmes such as QTLS and ATS, and reinforced the sector's role in tackling socio-economic inequalities.

Feedback praised the conference's relevance, thought leadership, and collaborative spirit. Areas for improvement include expanding opportunities for practitioner voice and ensuring follow-up mechanisms to embed learning. The conference reaffirmed ETF's commitment to sector-led improvement and the centrality of teaching in delivering national opportunity.

This year also saw ETF launch the **Initial Teacher Education (ITE) network**, which was established to address a longstanding gap in sector-wide support for teacher educators. Responding to demand identified through the ITE Forum, Universities' Council for the Education of Teachers (UCET) Forum, and direct provider engagement, the network aims to foster professional dialogue, share best practice, and strengthen peer collaboration.

A pilot event for the ITE network successfully brought together **66** attendees from across the sector. Feedback was overwhelmingly positive, with attendees commenting on the value of discussions on AI in teaching and professional practice, and expressing an interest in future topics such as the ITE Inspection Framework and student assessment integrity. The ITE Network represents a promising step towards sustained professional engagement and sector-led improvement in teacher education.

### 2.3 Champion Inclusion

ETF's national Centres for Excellence in SEND (Special Educational Needs and Disabilities) provide expert support for leaders, managers and practitioners, with the aim of improving their knowledge and confidence in putting in place effective support for learners with SEND. Part of a Department for Education (DfE)-funded national programme, our flagship centres in 2024–25 were Oldham College, City College Norwich, Weston College and Natspec.

2024–25 was a very successful year with the programme exceeding all reach key performance indicators (KPIs) with **3314** engagements across live online and Community of Practice events. In addition, **27** providers completed Peer Reviews, which gave them an insight into their strengths and areas for improvement in relation to provision for SEND learners. The sector continues to value the offer with a **96%** satisfaction rating for the courses. Via the Peer Reviews, providers have reported on increased confidence in the future of their SEND delivery as well as improved employer engagement strategies. The programme overall highlighted the importance of relationship building with learners and parents, across departments and with employers. Employers have seen the positive contribution that learners with SEND have on society and have been more engaged in supporting young people with SEND into the workplace.

Work next year will continue to focus on supporting colleges to improve consistency of teaching, learning and support across all different curricula and sites and promotion of a whole college approach to inclusion.

In 2024–25, ETF launched a new **Cultural Competence** webinar series, engaging over **140** participants. Topics included recruitment, retention, and inclusive leadership, with overwhelmingly positive feedback highlighting the value of lived experience and dynamic, discussion-led formats. The series builds on prior thought leadership pieces published in *FE News*, reinforcing ETF's commitment to inclusive professionalism and anti-racist practice in teaching and leadership in the FE and Skills sector. While early feedback is strong, future improvements include expanding reach, securing long-term impact data, and developing case studies. Future sessions will explore inclusive teaching, curriculum design, and education's role in wider societal change.



ETF has been working in partnership with the **Black Leadership Group** (BLG) since May 2021, contributing to the Inaugural Symposium report “Leading Anti-Racism in Further Education: For Movement Not A Moment” (linked to [here](#)). ETF and BLG have been working together on a range of areas including: improving outcomes and representation for learners, staff and leadership (including governance); enhancing workforce succession planning and the talent pipeline of Black staff in the FE sector; influencing policy and practice; and sharing and cascading excellence and innovation in anti-racist practice. Examples of this work include:

- Leading with integrity in an Ethnically Diverse Britain webinar, attended by 27 Senior Leaders.
- System Leadership: Organisational Allyship session (led by ETF CEO) at the BLG annual conference.
- Support with the Ethnic Equity in education campaign, and more specifically with the Ethnic Representation Index
- Anti racism training, facilitated by BLG for ETF's senior leaders.

In 2024–25, ETF's **Inclusive Leadership** programme supported **599** participants through a multi-strand offer designed to promote equity, wellbeing, and inclusive practice across the FE and Skills sector. The programme included 197 engagements with online Inclusive Leadership workshops, 40 participants in the Equality, Diversity and Inclusion (EDI) coaching programme, and 362 engagements at mental health and wellbeing webinars.

A key achievement this year was the successful transition of the Inclusive Leadership programme from in-person to online delivery. This shift significantly improved accessibility and flexibility, with **100%** of participants reporting satisfaction with their learning experience and feeling better equipped to lead change within their organisations. Similarly, the EDI coaching strand received **100%** satisfaction, while the mental health webinars maintained a strong **98%** satisfaction rate.

The programme continues to address sector-wide priorities by equipping leaders and practitioners with the tools to foster inclusive environments and support staff wellbeing. Feedback indicates that participants value the practical relevance and accessibility of the content. However, opportunities remain to strengthen the programme's long-term impact by developing formal case studies and securing participant consent for follow up. This would enhance the evidence base and support continuous improvement in future iterations of the offer.

## 2.4 Enable sector change

In 2024–25, ETF supported **3,064** participants through its Leadership and Governance (L&G) programmes, spanning middle and senior leaders, governors, and aspiring leaders. These programmes, delivered through a blend of modular courses and thematic webinars, aimed to build strategic capability, confidence, and resilience across the FE and Skills sector.

Participants reported consistently high satisfaction, with many programmes receiving a **100%** satisfaction rating and very positive Net Promoter Scores. Notably, senior leadership confidence in their roles rose from 94% to 100% post-programme, and the proportion of leaders allocating time and resources to organisational improvement doubled from 44% to 87%.

Key achievements included leaders and governors reporting enhanced strategic thinking, improved change management skills, and increased collaboration across institutions after taking part in the programme. ETF also expanded access by increasing free course places offered from 20% to 50%, contributing to greater participation from underrepresented groups.

Areas for improvement include strengthening long-term impact tracking and further embedding equity and diversity across all leadership pathways. Nonetheless, the programme's experiential design, peer learning networks, and mentorship opportunities have proven instrumental in developing confident, reflective, and future-ready leaders.

The ETF **Further Forward Leaders Conference**, held in March 2025, brought together senior professionals from across the FE and Skills sector to explore the role of skills in driving national renewal and economic growth. The event focused on systems leadership and the importance of collective action in ensuring the sector's impact is recognised and understood by policymakers, employers, and the wider public. Delegates engaged in thoughtful dialogue on how to better communicate the sector's value and align efforts to meet future challenges. The conference reflected growing momentum behind the skills agenda and a shared commitment to sector-wide collaboration.

In 2024–25, ETF continued to lead a strong consortium of delivery partners in providing CPD for **Apprenticeship Workforce Development (AWD)**. Our diverse offer reached a wide range of approved providers while delivering targeted, tailored support to those most in need.

Engagement in our live online and on-demand online courses confirmed the ongoing value and relevance of the programme. Participant feedback consistently highlighted that learners appreciated both the flexibility of our on-demand courses and the opportunity provided by live sessions to work closely with peers and share valuable experiences. All eight on-demand courses experienced increased volumes, with enrolments reaching 3,268 and completions at 1,449 – doubling participation compared to 2023–24. Our 127 live sessions reached over 1,550 individuals from approximately 650 providers, with a total of 2,840 participations marking a 78% increase over 2023/24.

Bespoke support assisted 31 organisations, each receiving an average of 13.9 days of CPD. An additional 51 providers benefited from tailored in-house support delivered through 54 sessions, averaging 36 participants per session. Despite challenges with assignment approval processes, this support resulted in measurable improvements, including Qualification Achievement Rate gains of 52% to 70%, reduced withdrawal rates, improved functional skills pass rates, and enhanced governance.

Our Apprenticeship Action Groups were streamlined from 10 to 7 to ensure value for money. In total, 259 participants were supported in identifying changes to enhance Apprenticeship Accountability Framework markers, particularly in areas such as retention and achievement, with 93% reporting that their engagement helped advance their implementation plans.

Satisfaction ratings exceeded 93% across programme areas and reached **95%** overall, with **96%** of respondents indicating that they would apply their learning to influence future planning and share insights with colleagues. These outcomes reflect the quality and impact of our provision, comprising well-developed content delivered by skilled facilitators and underpinned by a strong quality assurance framework.

In 2024–25, four **Technical Teaching Fellowships** were awarded, each delivering innovative projects to advance technical education across the sector. The initiative is funded by a partnership between ETF and the Royal Commission for the Exhibition of 1851, who aim to increase the means of industrial education and extend the influence of science and art upon productive industry through postgraduate fellowships and scholarships. Fellowship project topics included embedding sustainability across the technical curriculum, AI in education (and whether this could impact teacher retention), and 3D modelling for teaching, learning and assessment in rural Wales. The projects have contributed to ETF's strategic aims of championing inclusion, sustainability, and digital innovation.

Fellows shared their expertise nationally and internationally, including at the Festival of Education and through global partnerships. Notably, Jen Deakin presented her AI work to HRH Princess Anne and published two books, while William Davies disseminated his practice across the UK, India, and Germany.

The full impact data will be available in November 2025, and early indications suggest Technical Teaching Fellowship projects have positively impacted colleagues, other providers and educators regionally. Potential future improvements to the Fellowship programme include aligning the reporting cycle with ETF's impact framework and introducing pre- and post-programme evaluation to better capture outcomes

## 2.5 Overview of performance against 2024–25 key objectives

In 2024–25, ETF implemented a new set of Objectives and Key Results (OKRs) aligned with its four strategic goals and business plan. These guided internal priorities and supported Board oversight during a period of strategic transition.

Priority targets for 2024/25

Target 2024/25	Area	Position at end March 2025	Commentary
Income from membership, CPD and accreditation: £2.2m	Membership, Accreditation and CPD	£2.1m of income achieved in Membership, Accreditation and CPD	Individual membership income target met. Partner membership income and numbers were less than forecast. Uptake of some new CPD launches was lower than expected, accreditation over-performed.
Income from contract-funded CPD: £16.6m (Government) £1.3m (non-Government)	Contracts	Contract income target met	Majority of contract KPIs met or exceeded. Financial targets met.
Participation in QTLS and ATS: 740 participants	Status and Standards	804 participants registered for 2024 cohorts - 8% over target	As well as exceeding targets for existing statuses, 2024/25 saw the launch of the new specialist status for sustainability in education.

ETF also enhanced its digital infrastructure with the rollout of a new Learning Management System and improved CRM (Customer Relationship Management) and data capabilities. While some income and activity targets were not fully met, lessons learned are informing 2025–26 planning. Governance and employee engagement were strengthened through a new pay framework, regular staff surveys, and continued implementation of recommendations from the 2023–24 governance review.

## 2.6 Plans for 2025–26

The strategic goals will continue to drive ETF's activities in 2025–26, focusing on the impact we have on professionals working within the FE and Skills sector. When considering the charity's updated three-year business plan and financial model (at the end of 2024–25), the Board and Executive reflected on the dynamic external operating context (including across policy, FE and Skills workforce, and providers), which was creating an evolving demand for high-quality development for teachers and leaders. It noted that this presented both challenges and opportunities for ETF.

Business planning enhancements were made in 2024–25 that were translated in 2025–26 into improvements in performance measurement and reporting. The Board and Executive have agreed new objectives for 2025–26, which will help the charity to prioritise and ensure a continued focus on achieving the strategic goals:

1. Deliver world-class contract and grant funded CPD through high quality provision, including Apprenticeship Workforce Development, TLPD and Leadership and Governance.
2. Support professionalism by delivering effective communities and professional networks through the growth of our membership for practitioners and partnerships with sector organisations.
3. Increase the number of professionals holding an ETF status.
4. Provide high-quality CPD for individuals and organisations aligning with sector need.
5. Build and maintain the profile and reputation of ETF in the sector and with key stakeholders and decision makers.
6. Deliver a roadmap of digital transformation, improving the customer journey and internal processes and reporting.
7. Engage, inform, develop and retain our people, through an enriching internal communications plan and engagement programme to enhance staff understanding of their role in achieving ETF's strategic objectives, creating a sense of purpose and empowering high impact teams to drive results.

## 2.7 2024-25 financial summary

ETF's total income from its charitable activities in the year was £20.0m (2023–24: £23.3m) and £0.4m from trading activities (2023–24: £0.3m). Total: £20.4m (2023–24: £23.6m).

ETF's activities in the year generated cash and cash equivalents of £0.4m (2023-24: £1.1m) resulting in an end of year cash balance of £9.9m (2023-24: £9.5m). Debtors at the end of the year were £2.9m (2023-24: £4.8m) and creditors were £4.0m (2023-24: £5.4m).

Total income for the charity comprises:

- £0.0075m from government grant (2023–24: £0m)
- £16.6m from government contracts (2023–24: £19.9m)
- £1.3m from non-government contracts (2023–24: £1.1m)
- £2.1m from membership and accreditation (2023–24: £2.3m)
- £0.4m from other income and non-government grants (2023–24: £0.3m).

ETF's total expenditure for the year was £21.0m (2023–24: £25.3m) and included:

- £18.9m for programme and sector development (2023–24: £23.5m)
- £0.5m for research and data (2023–24: £0.4m)
- £1.6m for membership and accreditation (2023–24: £1.4m).

Overall, ETF is reporting a deficit for the year of £0.6m (2023–24: £1.7m deficit).

## 2.8 Policies: reserves, going concern and investment

Restricted reserves at the end of the year were £0.2m (2023–24: £0.6m). This represents the balance on unspent grants from DfE and income from leadership and governance courses run by ETF and funded by DfE to be spent as agreed with DfE.

Unrestricted reserves carried forward at the end of the year were £8.9m (2023–24 £9.1m). Unrestricted reserves are available to support ETF's charitable purposes and strategy, and to provide financial resilience and flexibility.

The reserves level of £5.3m set last financial year is still in place and will support the charity to be financially resilient and flexible, and secure the charity against sudden loss of income or provide for an orderly wind-down in the unlikely event this should be necessary. Total unrestricted reserves of £8.9m include this reserves policy of £5.3m. The Board continues to monitor the reserves, mindful of the future economic sustainability challenges of the organisation, seeking to move away from primary reliance on Government contract delivery, into a much more diverse revenue and surplus generating charity supporting education and training delivery for the FE and Skills sector and beyond. The current reserves level enables

the Board to support the Executive to make the right investment choices whilst transforming its business operating model.

The level of reserves carried forward, together with the level of cash resources and the existing contractual agreements in place, mean ETF can continue as a going concern and meet its liabilities as they fall due. A robust three-year business plan update has been undertaken, which shows that reserves and cash reserves are not expected to fall below the agreed policy levels.

During the financial year, the Board agreed that the VAT rebate of £224k received from HMRC in the 2023–24 financial year should be offered as a refund to our members. Members requested their rebates to the sum of £42k and the balance of this fund of £182k has been used to create a designated fund to be used for the future development of membership services.

Free reserves at year end were £8.4m (2023–24: £8.4m) (free reserves being total reserves, less restricted reserves, designated reserves and fixed assets).

Year ending 31 March 2025 £'000	
Total reserves held	9,134
Restricted reserves	239
<b>Unrestricted funds</b>	<b>8,895</b>
Designated funds	182
Reserves held in fixed assets and investment in ETFS	272
<b>Free reserves</b>	<b>8,441</b>

## 2.9 Investment policy

ETF holds its funds with A-rated banks, with sufficient funds for operational need held in immediate access accounts. A sweep facility operates with each of these banks to ensure that cash in excess of this operational need is moved to higher interest-earning deposit accounts on a daily basis.

ETF maintains a Treasury and Investment Policy which outlines the investments allowed, both in terms of liquidity and business development. ETF also maintains a Reserves Policy and a Cash Reserves Policy. The Board will continue to keep its investment policy under review to maximise the investment return, with targets set within the budget, consistent with the concern to ensure the security of its resources.

The investment target for 2024–25, based on expected interest rates and average cash balances, was set in line with prevailing UK interest rates. ETF's surplus funds were held in cash during the period, and investment income totalled £313k (Prior year £215k). Interest rates on the accounts ranged between 1.5% and 3.75% (gross). This performance reflected the effective use of sweep facilities and compliance with the policy's principles of security, liquidity, and return.

## 2.10 Grant making

As part of its charitable purpose to support the Further Education (FE) and skills sector, ETF makes grant payments to providers to enhance the quality and impact of teaching and learning. During the year, ETF awarded grants under the Apprentice Workforce Development (AWD) contract to support training and development for staff delivering apprenticeships in the sector. These grants enable providers to access targeted workforce development opportunities, directly contributing to ETF's objective of building the capability and capacity of the FE workforce.

All grant awards are approved by the DfE and are subject to robust due diligence and monitoring processes, ensuring funds are used effectively and in line with UK Charity Commission guidance on public benefit.

## **2.11 Statement on Trustee Duties and Stakeholder Engagement (aligned with Section 172 CA 2006)**

In fulfilling their duties as directors of a charitable company, the trustees of ETF have acted in a way that promotes the success of the charity and delivers public benefit in accordance with Section 172 of the Companies Act 2006. Trustees consider the long-term impact of their decisions on ETF's strategic goals, beneficiaries, employees, funders, and partners across the FE and Skills sector.

Decisions are taken with careful regard to ETF's charitable purpose, the sustainability of services, responsible stewardship of public funds, and maintaining the trust of stakeholders. Trustees receive regular reporting on stakeholder feedback, operational delivery, risk, and financial performance, and they engage directly with key government departments, sector representatives, and delivery partners. Environmental, social, and ethical considerations are also taken into account in strategic planning, digital investment, and procurement activity. Trustees remain committed to ensuring ETF upholds high standards of transparency, integrity, and public accountability.

## **3. TRUSTEES' REPORT**

This Trustees' Report supports the Statutory Report by providing an overview of the charity's governance, the critical risks and their management, along with key policies and legal and compliance matters. In the interest of brevity, this report is kept at a high level. Those interested in the charity's governance arrangements will find further information on ETF's website and are welcome to contact the Company Secretary (Dr Gina Hobson) for more information.

ETF is a registered charity and a company limited by guarantee. It is regulated by the Charity Commission. The trustees (who are also the directors for the purposes of the Companies Act 2006) present their report and financial statements of the results of the charity for the year ended 31 March 2025 ('the year'). The trustees confirm that they have referred to the Charity Commission's guidance on public benefit and adopted the Charity Governance Code.

The accounts have been prepared in accordance with the policies set out in note 1 to the financial statements and comply with ETF's Articles of Association ('the Articles'), applicable law and the requirements of the Charities Statement of Recommended Practice and Financial Reporting Standard (FRS 102).

### **3.1 Governance**

The ETF Board aspires to be a high performing board. It takes its responsibilities seriously and aims to demonstrate good practice in its ways of working. This section provides some highlighted detail on the Board's responsibilities, the Members and their responsibilities, and how trustees are supported by the charity.

ETF's Board members are the charity's trustees. The Board oversees the work of ETF. It sets strategic direction, ensures proper financial and governance arrangements are in place, and ensures that ETF remains focused on supporting educators and leaders working in the FE and Skills sector.

As a charity and a company limited by guarantee, ETF also has Company Members. The Company Members of ETF are representative organisations with a unique stake in ensuring that FE and Skills professionals get the support and development they need and deserve. Company Members have a meaningful role in the stewardship of ETF and help to shape the FE and Skills sector workforce strategy. The six Company Members are the Association of Colleges (AoC, Founding Member), HOLEX (Founding

Member), AELP (Founding Member), the National Union of Students (NUS), NatSpec and the Trades Union Congress (TUC).

Trustees are appointed and reappointed by the ETF Board. A recruitment procedure outlines how the Board seeks the input of ETF's Members in the recruitment of new trustees. Trustees may serve a maximum of two three-year terms on the Board (with a third term permitted in exceptional circumstances). Further detail is available in the Articles. The beginning-to-end process as a trustee, including a comprehensive induction, training and appraisal, is described in ETF's trustee journey. On appointment and each year, trustees are asked to adopt a code of conduct and declare their interests. Trustees' interests are reviewed at each Board and committee meeting. Trustee and Board effectiveness is routinely reviewed, including through meeting review discussions at the end of every Board and committee meeting, plus surveys. In 2024/25 ETF's trustees (and particularly the Chair) undertook increased and visible external and stakeholder engagement, recognising the critical ambassadorial role which trustees hold.

In 2023–24 an external governance review was completed by the National Council for Voluntary Organisations (NCVO); it reported positively on the charity's governance arrangements. An action plan to respond to the report recommendations and further strengthen the charity's governance was developed and implemented through 2024–25. Some of the highlighted improvements include:

- Strengthening of trustee and committee chair role descriptions
- Increased diversity of the Board through the recruitment of four new trustees
- Introduction and appointment of a lead trustee for safeguarding, people and culture
- Reviewed and assessed all committees
- Updating of the committee terms of reference
- Introduction of a new committee (Education, Quality and Standards; EQS) which will oversee and ensure the quality and standards of the charity's educational provision (e.g. training and development, statuses, membership). Its main responsibilities are to oversee and advise the ETF Board on the quality of provision, outcomes and impact.
- Expanded remit of the Finance Committee to now include performance oversight (now Finance and Performance (F&P) Committee).

The delivery of the governance action plan is being led by the Company Secretary and overseen by the Chair of the Audit and Risk Committee.

As a result of the introduction of the new EQS Committee and the expansion of the role of the Finance and Performance Committee, which has brought together the oversight of all aspects of the charity's provision, the SET Management Board (SMB) was disbanded at the end of 2024. The significant work of the SMB was recognised through a joint event involving ETF's Company Members, Board and the SMB.

In 2024–25, a growth programme was introduced to support the delivery of the strategic and business plans. The programme focused on three areas critical to the delivery of the strategy: commercial readiness; digital transformation; and people and culture. Capability and capacity in these areas were increased, business plans developed and, in 2025–26, these functions were moved into business as usual activities.

The key outcomes from the strands include:

- Commercial readiness: introducing processes and systems to strengthen financial sustainability and income diversification. It has focused on new product and service development and positioning membership at the heart of the charity.
- Digital transformation: enhancing the quality and effectiveness of technology used across our operations, focusing on improving the customer experience, supporting growth, and future-proofing the charity.
- People and culture: implementing a cultural programme, through a new People Plan, which enables a productive and positive culture and supports the achievement of our strategic objectives.

### 3.2 Key risks and risk management

Through 2024–25 a review of risk management and reporting was undertaken. The purpose was to ensure the charity continued to: i) have a strong system of risk management embedded in the organisation and ii) increase the resilience of the organisation to prepare and respond to known and unknown risks in a measured way. At the end of 2024–25 a streamlined Corporate Risk Register (CRR) was introduced.

The Board's oversight of risk comprises:

- a regular review of the principal strategic and operational risks faced by the charity
- at least twice per year consideration by the Audit and Risk Committee of the operation of the risk management policy, along with scrutiny of the CRR, key strategic risks and the mitigating actions, making recommendations and reports to the Board where necessary
- delegation of the day-to-day oversight of risk to the CEO
- monthly consideration and update of ETF's corporate risk register by the Executive Board and Leadership Team.

All risks and planned actions are recorded in the risk register, assigned owners and overseen by the Executive Board.

In 2024–25, the Board and Executive identified and monitored key risks to ETF's strategic delivery:

Summary risk description	Gross risk score*	Mitigations	Net risk score*
Need to adapt quickly to strategic change and implement & communicate new strategy effectively	25	Investment in people plan and external and internal communications	20
Contracts (including TLPD) ending, impacting sustainability of the organisation	20	Detailed contract exit planning Diversification of income streams New business development	20
Potential reductions in government funding and/or changes in policy	16	Enhanced financial modelling Strengthened funder relationships	12

\* Combines impact and likelihood ratings, with a max score of 25

Risks related to organisational resilience (such as an unforeseen macro-environmental event or cultural challenges) were addressed through tested business continuity plans, cyber security training, and a People Plan focused on staff engagement and capability. Oversight by the Audit and Risk Committee ensured risks were actively managed and aligned with strategic priorities.



### 3.3 Streamlined Energy and Carbon Reporting (SECR)

ETF continues to voluntarily report under the Streamlined Energy and Carbon Reporting (SECR) framework. This reflects our strong commitment to transparency and our strategic alignment with the UK's net-zero ambitions. Our electricity supply is 100% renewable and backed by Renewable Energy Guarantees of Origin (REGO), certified by The Carbon Trust.

Emissions and energy consumption summary:

Emission source	2024–25	2023–24	2022–23	Unit of measurement
Combustion of gas (Scope 1)	55,926	51,623***	35,202***	kWh
	10.23	9.44	6.44	tCO <sub>2</sub> e
Purchased electricity (Scope 2)	38,723	41,517	44,074	kWh
(market based)	0	0	0	tCO <sub>2</sub> e
Waste (Scope 3)	1.85	1,710	1,777	kg
Waste water (Scope 3)	192.69	98.31	76.69	m <sup>3</sup>
	0.04	0.05	0.04	tCO <sub>2</sub> e
Water (Scope 3)	192.69	98.31	76.69	m <sup>3</sup>
	0.07	0.02	0.01	tCO <sub>2</sub> e
Business travel – employee-owned vehicles (Scope 3)	12.41	19.25	22.94	tCO <sub>2</sub> e
Business travel – public transport (Scope 3)	6.37	4.37	5.26	tCO <sub>2</sub> e
<b>Total gross based on above</b>	<b>29.12**</b>	<b>33.13</b>	<b>34.69</b>	<b>tCO<sub>2</sub>e</b>
Normalisation metric	162	156	193	Headcount
<b>Intensity ratio</b>	<b>0.18</b>	<b>0.21</b>	<b>0.18</b>	<b>gross tCO<sub>2</sub>e/Headcount</b>

\*\*ETF's greenhouse gas emissions on the above categories for 2024–25 were 29.12 tCO<sub>2</sub>e, representing a 12% reduction from 2023–24 and a 16% reduction from the 2022–23 baseline. This improvement reflects the ongoing effectiveness of our energy management and sustainability measures.

\*\*\* The figure for gas was stated incorrectly for the last few years as the wrong calculation method was applied to the data provided. The figure has been restated here to facilitate comparison.

Key observations:

- Scope 1 emissions (from gas combustion) increased modestly to 10.23 tCO<sub>2</sub>e, due to higher gas usage during the heating season.
- Scope 2 (market-based electricity emissions) remained at zero, as ETF continues to procure 100% REGO-backed renewable electricity.
- Business travel using employee-owned vehicles declined significantly, continuing a multi-year downward trend, while public transport emissions increased slightly, indicating a modal shift toward lower-carbon travel options.
- Water and wastewater emissions increased due to higher consumption, which will be a focus area for further review.
- ETF's carbon intensity ratio improved from 0.21 to 0.18 tCO<sub>2</sub>e per FTE, reflecting continued operational efficiency and more targeted emissions reduction.

Looking ahead ETF remains committed to continuous improvement in our carbon performance. In 2025–26, we will:

- Investigate increases in gas and water consumption and introduce targeted efficiency measures.
- Enhance staff engagement around commuting choices, guided by the findings from our 2024 commuting survey.
- Use insights from our supply chain emissions assessment to identify reduction opportunities and engage suppliers in climate action.
- Strengthen Scope 3 data coverage and quality, particularly in categories like home working and procurement.
- Continue integrating carbon considerations across operations to support our long-term contribution to the net-zero transition within the FE and Skills sector.

### **3.3.1 Fundraising statement**

ETF had no fundraising activities nor links with third-party fundraising organisations requiring disclosure under Section 162A of the Charities Act 2011. No fundraising complaints have been logged in this year or the prior year.

### **3.4 Policies report, including pay policy**

The Board keeps an overview of ETF's policies, procedures and processes; it routinely receives a policy list and review schedule. We continue to systematically draft, review and update our policy documents for approval by the Executive or the Board, as appropriate. All policies are stored centrally on ETF's intranet and key documents are circulated to staff. In 2024–25, the Board reviewed and approved the updated Financial Regulations.

The Board considers the key management personnel of the charity to be the members of the Executive Board. The Board has agreed a pay policy, which refers to regular benchmarking. The pay of staff is reviewed by the Board's Remuneration and Search Committee, taking into account variables including performance of the organisation, climate in the education and training, public and voluntary sectors, affordability for ETF, attracting and retaining excellent staff, cost of living indices and sector benchmarks. The Board's Remuneration and Search Committee makes recommendations to the Board, which is responsible for final decisions. At the end of 2023–24, an externally led review and benchmarking of staff pay took place, with the recommendations being rolled out through 2024–25.

### 3.5 Trustees and advisors

#### Trustees

ETF is governed by a Board of Trustees. Those trustees who served during the year and up to the date on which this report was approved are as follows:

	Appointed	Reappointed	Resigned
Mr A Carey	9 December 2024		
Ms S Ejaz	9 December 2024		
Mr J Graham	27 March 2019	12 January 2022	9 December 2024
Mr W Ilowski	3 May 2022	4 November 2024	
Ms L Leith OBE	11 December 2020	8 November 2023	
Mr M Malcomson CBE	9 December 2024		
Mr A McConnell OBE (Finance Chair)	22 July 2019	12 January 2022 and 7 May 2025 (for a shortened third term under exceptional circumstances)	
Mr G McDonald CBE	11 November 2021	4 November 2024	
Ms B McLeish OBE DL	9 December 2024		
Sir Frank McLoughlin CBE (Chair)	1 January 2024		
Ms R Musson (Audit and Risk Chair)	13 December 2019	8 November 2022	
Dr S Parrett CBE	11 November 2021	4 November 2024	
Mr P Singh	11 December 2020	8 November 2023	
Ms R Spellman OBE	27 March 2019	12 January 2022	9 December 2024

#### Officers

CEO Dr Katerina Kolyva

Company Secretary Dr Gina Hobson (resigned 30 November 2023, reappointed 1 July 2024<sup>2</sup>)  
Chloe Annetts (appointed as Interim Company Secretary 22 January 2024, resigned 30 June 2024)

#### Registered office

Education and Training Foundation, 157–197 Buckingham Palace Road, London SW1W 9SP

#### Auditor

RSM UK Audit LLP, 25 Farringdon Street, London, EC4A 4AB

#### Solicitor

Stone King LLP, Boundary House, 91 Charterhouse Street, London EC1M 6HR

#### Bankers

Royal Bank of Scotland, 62–63 Threadneedle Street, London EC2R 8LA  
Barclays Bank, 1 Churchill Place, London E14 5HP

<sup>2</sup> Dr Gina Hobson was absent from the charity between Jan 2024 and July 2024 on sabbatical

Should you have any comment regarding our programmes or the content of this report, please get in touch with the Chief of Staff to the Chair and CEO ([gina.hobson@etfoundation.co.uk](mailto:gina.hobson@etfoundation.co.uk)). You can find more information about ETF's public benefit and impact on the website: <https://www.etfoundation.co.uk/governance/documents/>.

### 3.6 Statement of responsibilities of the trustees

The trustees are responsible for preparing the Strategic Report, Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including 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
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the 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.

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

### 3.7 Disclosure of information to the auditors

The trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which ETF's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that ETF's auditors are aware of that information.

The Report of the Trustees, which incorporates the requirements of the Strategic Report and the Directors' Report as set out in the Companies Act 2006 (Strategic Report and Trustees' Report) Regulations 2013, was approved by the Board, in their capacity as trustees and company directors, and signed on its behalf on 16<sup>th</sup> July 2025 by:



Sir Frank McLoughlin CBE  
Chair



Dr Katerina Kolyva  
CEO

#### **4. INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE EDUCATION AND TRAINING FOUNDATION**

##### **Opinion**

We have audited the financial statements of Education and Training Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise Statement of Financial Activities (including the Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

##### **Other information**

The other information comprises the information included in the Strategic Report and Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Strategic Report and Trustees' 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.

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report have 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 Directors' Report, the Strategic Report or the Trustees' Report.

We have nothing to report in respect of the following matters where 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.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out in section 3.6, 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations (GDPR). We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgements and estimates and sample testing income completeness and cut off.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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.

*HCatchpool*

Hannah Catchpool (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

6th August 2025



**5. STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 March 2025**  
**(Including the Income and Expenditure Account)**

		2024-25			2023-24		
	Note	Unrestricted £000	Restricted £000	Total £000	Unrestricted £000	Restricted £000	Total £000
<b>Income:</b>							
Income from charitable activities:							
Grant Income	3	-	75	75	3	49	52
Contract Income	4	17,931	-	17,931	21,023	-	21,023
Professional Development		229	72	301	272	206	478
Accreditation		445	-	445	301	-	301
Membership		1,293	-	1,293	1,456	-	1,456
		19,898	147	20,045	23,055	255	23,310
Income from trading activities:							
Other income	5	39	-	39	45	-	45
Investment Income	6	313	-	313	215	-	215
<b>Total Income</b>		<b>20,250</b>	<b>147</b>	<b>20,397</b>	<b>23,315</b>	<b>255</b>	<b>23,570</b>
<b>Expenditure:</b>							
Expenditure on charitable activities:	7	(20,494)	(510)	(21,004)	(24,798)	(477)	(25,275)
<b>Total Expenditure</b>		<b>(20,494)</b>	<b>(510)</b>	<b>(21,004)</b>	<b>(24,798)</b>	<b>(477)</b>	<b>(25,275)</b>
<b>Net (expenditure) and movement in funds for the year</b>							
		<b>(244)</b>	<b>(363)</b>	<b>(607)</b>	<b>(1,483)</b>	<b>(222)</b>	<b>(1,705)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		9,139	602	9,741	10,622	824	11,446
<b>Total funds carried forward</b>		<b>8,895</b>	<b>239</b>	<b>9,134</b>	<b>9,139</b>	<b>602</b>	<b>9,741</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 28-40 form part of these financial statements.

## 6. BALANCE SHEET as at 31 March 2025

	Note	2025 £000	2024 £000
<b>Fixed assets</b>			
Intangible assets	13	130	581
Tangible assets	13	141	181
		<u>271</u>	<u>762</u>
Investment in subsidiary	14	1	1
		<u>272</u>	<u>763</u>
<b>Current assets</b>			
Debtors	15	2,884	4,808
Cash at bank and in hand		9,943	9,544
		<u>12,827</u>	<u>14,352</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	16	(3,965)	(5,374)
<b>Net current assets</b>		<u>8,862</u>	<u>8,978</u>
<b>Total assets less current liabilities</b>		<u>9,134</u>	<u>9,741</u>
<b>Net assets</b>		<u>9,134</u>	<u>9,741</u>
Unrestricted income funds	19	8,895	9,139
Restricted income funds	20	239	602
<b>Total funds</b>		<u>9,134</u>	<u>9,741</u>

The notes on pages 28-40 form part of these financial statements.

These financial statements were approved by the Trustees and authorised for issue on 16<sup>th</sup> July 2025 and were signed on their behalf by:

*Frank McLoughlin*

Sir Frank McLoughlin CBE  
Chair

## 7. STATEMENT OF CASH FLOWS For the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Cash provided by operating activities	22	297	1,410
Cash flows from investing activities			
Interest income		313	215
Purchase of fixed assets		(211)	(539)
Increase in cash and cash equivalents in the year		399	1,086
Cash and cash equivalents at the beginning of the year		9,544	8,458
Total cash and cash equivalents at the end of the year		<u>9,943</u>	<u>9,544</u>

## 8. NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation

The financial statements have been prepared on the basis of historical cost in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 Charities SORP (FRS102), the Charities Act 2011 and the Companies Act 2006. ETF meets the definition of a public benefit charity under FRS 102. The financial statements are prepared in pounds sterling, which is the functional currency of the charity. Monetary amounts shown in these financial statements are rounded to the nearest £'000.

#### b) Going concern

The accounts have been prepared on a going concern basis. ETF will be able to meet its obligations in full for at least 12 months following the signing of these accounts.

The Board has considered the longer-term position of ETF and its financial strength. In reviewing multi-year budget forecasts, cashflow forecasts and considering the current level of reserves, the Trustees were satisfied that ETF is in a strong position and were satisfied with the preparation of the accounts on a going concern basis.

#### c) Group financial statements

The financial statements show the results for just the charity. The charity's wholly owned subsidiary, ETF Services Ltd (ETFS), was dormant in the financial years to 31 March 2025 and 31 March 2024 and therefore consolidated financial statements were not required.

#### d) Income

All income is recognised in the financial statements when ETF has absolute entitlement, there is a probability of receipt, and the amount is measurable.

- **Grants:** Specifically, income from government and other grants is recognised when ETF has unconditional entitlement to the funds. Income is deferred and recognised as a liability when grants are received in advance of the period in which the donor has specified that the expenditure is to take place. Where specific instructions are received from the grant maker relating to the use of the funds for specific purposes, the amounts are accounted for within restricted income.
- **Contracts:** Income from government and other contracts is recognised over the period of the contract on an accruals basis. Income from government contracts is only recognised when there is entitlement under the contract once agreed milestones have been met and certified by the DfE.
- **Membership and professional services income:** Income from membership subscriptions is recognised evenly over the period of membership subscription year which is 1st April to 31st March. Income from registration onto accreditation schemes is recognised over the period of the accreditation programme and is accrued evenly from the beginning of the course till the end of the evaluation.
- **Income from professional development** is recognised when ETF has full entitlement to the funds in line with delivery of each course. Income is deferred and recognised as a liability when payment for courses is received in advance. These are courses that are paid for externally and are generated in addition to courses delivered under the L&G contract.

- Any additional fee income generated from courses that are delivered as part of the Leadership & Governance DfE contract are treated as restricted income as future expenditure of these funds must be agreed in advance with the DfE.

e) Expenditure and liabilities

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

Direct costs include all costs relating directly to delivering charitable activities. Staff costs include staff delivering charitable services (allocated directly) and those providing back-office services (apportioned based on the costs directly allocated to each activity). Overhead costs include accommodation, depreciation, IT, stationery, general office expenses and governance. These are also apportioned in line with direct cost allocation.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Fund accounting

Grants or donations received for specific projects are treated as restricted funds.

Designated funds are those unrestricted funds which have been set aside by Trustees for a specific future purpose.

Unrestricted funds are available for general use by ETF or to meet possible shortfalls in revenue or unforeseen increases in expenditure, investment in business development initiatives and generally for the furtherance of the charitable objective to support the improvement of teaching and learning in the FE sector.

g) Taxation

The charity meets the requirements as set out in Paragraph 1 Schedule 6 of the Finance Act 2012 as a charitable company for UK corporation tax purposes. As such, it is potentially exempt from income tax in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

No tax charge has arisen in the year.

h) Fixed assets and depreciation

Individual fixed assets or groups of assets costing in excess of £5,000 are capitalised at cost and depreciated /amortised over their estimated useful life on a straight-line basis as follows:

Tangible assets

- Computer hardware – 3 years
- Furniture and fittings – 5 years

Intangible assets

- Software development – 3 years

A full year's depreciation/amortisation is charged in the year an asset is commissioned, irrespective of the precise date of purchase during the year.

i) Financial instruments

ETF only has financial assets and liabilities which qualify as basic financial instruments, initially recognised at transaction value, and subsequently measured at their settlement value.

j) Pensions

ETF pensions are with Aviva operating under a salary sacrifice scheme.

ETF contributes 6 per cent of employee's pensionable salary into this scheme.

In the financial year 2024-25 employer contributions of £444,897 (2023-24: £542,532) were paid to Aviva.

k) Staff termination costs

Redundancy costs are recognised in the accounts when (a) the decision about staff leaving has been made, (b) it is likely that such payments will be required, and (c) the amount to be paid can be reliably assessed.

l) Impairment of assets

ETF recognises the obligation to assess the carrying value of its assets at each reporting date to ensure they are not stated at more than their recoverable amount. Where indicators of impairment are identified an estimation will be undertaken to estimate the recoverable amount and the carrying amount of the asset will be reduced accordingly.

m) Leases

ETF does not have any finance leases.

For the operating lease that ETF has the annual rentals are charged to the income and expenditure account on a straight line basis over the lease term.

Where rent free or other incentives are received for entering into an operating lease these are accounted for as a reduction to the expense and recognised on a straight line basis over the lease term.

## 1.1 Accounting Estimates and Areas of Judgement.

a) Estimates

Included in the accounts is an estimation of the costs that will be required to return the leased office space back to its original condition. The amounts were arrived at after a survey done by the lessor noting the significant work that had been done to the office space over the years. It is estimated that it will cost £120k to carry out these works at the end of the lease on 31 January 2027.

b) Judgement

A key judgement made during the year was to write off the costs related to the Learning Management System after an impairment review. The review revealed the platform was a licensed service rather than a bespoke asset controlled by the charity. The amount written off represented capitalised costs to date less the accumulated depreciation i.e Net book value. This totalled £216k.

## 2. Legal status of ETF

ETF is a company limited by guarantee and a registered charity. It has no share capital. In the event of being wound up, the liability in respect of the guarantee is limited to £1,000 per member of the charity.

## 3. Grants

In the year to 31 March 2025, ETF received the following grants:

A grant from the Welsh government of £7.5k (2023-24: Nil) for the promotion of Technical Fellowships in Wales.

ETF received two non-government grants:

A grant of £52k (2023–24: £53k) from the Royal Commission for Technical Teaching Fellowships associated with TVET-Technical and Vocational Education and Training. The unfulfilled conditions associated with the grant at the end of 2023-24 were met during the financial year.

A grant payment of £15k from the Education Endowment Foundation towards raising the educational attainment of disadvantaged pupils in schools in England. This grant payment is part of a multi- year grant agreement that will terminate on Spring Term 2027 and be funded up to the amount of £199k over the life of the project.

#### 4. Contracts

In the year to 31 March 2025, ETF received income from four government contracts, £16,596k (2023-24: £19,899k) and two non-government contracts, one with the National Association for Special Educational Needs £1,124k (2023-24:£1,124k) and one with Empowering Education Ltd which funds the Multiply contract £211k. This was funded by DfE last year (2023-24: £124k).

The most significant government contract was for T Level Professional Development (TLPD). The total of £16,596k (2023–24: £19,899) shown above includes £11,482k (2023–24: £12,275k) from the TLPD contract.

#### 5. Other income

Other income comprises tickets sold at the annual SET conference and income generated from exhibition stands and sponsors which came to £39k (2023-24 £29k).

Other activities that generated income related to consultancy, panel, chairing and OFSTED inspections Nil (2023-24 £16k).

#### 6. Investment income

All the group's investment income of £312,643 (2023–24: £214,295) arises from money held in interest-bearing deposit accounts.

#### 7. Analysis of expenditure on charitable activities

	Direct cost & grants £000	Direct staff cost £000	Indirect staff cost £000	Overhead cost £000	2024-25 Total cost £000	2023-24 Total cost £000
Professional development	3,809	3,392	1,643	1,419	10,263	18,677
Sector development	3,670	2,390	1,383	1,195	8,638	4,848
Research and data	218	162	87	75	542	362
Membership and accreditation	617	478	250	216	1,561	1,388
<b>2024-25 Total cost</b>	<b>8,314</b>	<b>6,422</b>	<b>3,363</b>	<b>2,905</b>	<b>21,004</b>	<b>25,275</b>
<b>2023-24 Total Cost</b>	<b>10,744</b>	<b>7,195</b>	<b>4,822</b>	<b>2,514</b>	<b>25,275</b>	

Direct and indirect staff costs comprise payroll £8,917k (2023-24: £11,259k) and other staff related costs £868k (2023-24: £758k).

## 7.1 Allocation of support costs

Allocated to charitable activities as indirect staff cost £3,363k (2023-24: £4,822k) and overhead costs £2,905k (2023-24: £2,514k).

	2024-25	2023-24
Governance	188	113
Executive, Legal and Compliance	1,007	1,595
Finance, Procurement & Facilities	1,310	1,470
Human Resources	804	858
Information Technology	2,101	2,323
Marketing & Communications	858	977
	<b>6,268</b>	<b>7,336</b>

## 8. Grants Awarded

A total grants figure of £98k was awarded to 5 training providers as part of the Apprentice Workforce Development (AWD) contract (2023-24: 223k). A complete list of recipients of government grants awarded by ETF can be provided on request to the Company Secretary.

## 9. Net income for the year

This is stated after charging:

	2024-25 £000	2023-24 £000
Operating leases - property	313	309
Governance costs:		
External Auditor's remuneration		
- Audit fees	57	57
Other Advice		
- Other non- audit services	25	19
- Legal and Professional	44	52
Internal Auditor's remuneration	17	46
Trustees remuneration & expenses	45	42
	<b>188</b>	<b>216</b>
In addition to the Audit fees the External Auditors were paid for non audit work.		
Delivery of the Leadership and Governance Contract	107	106
Other services	47	19
	<b>154</b>	<b>125</b>
Depreciation and Amortisation	486	611
Net amount of impairment of fixed assets	216	-



## 10. Staff

The average number of staff, including senior post holders, employed by ETF during the year ended 31 March 2025, expressed as full-time equivalents (FTEs):

	2024-25	2023-24
Total number of FTEs	144	176
Average number of staff	149	180

There were 86 staff in operational/teaching, 50 in administration and 8 in management (2023-24: staff in operation/teaching 107, administration 58 and 11 management).

Staff costs included within expenditure on charitable activities are:

	2024-25 £000	2023-24 £000
Salaries and wages	7,572	9,256
Social Security costs	775	959
Pension costs	445	543
Redundancy	125	122
Termination award	-	379
	<b>8,917</b>	<b>11,259</b>

Redundancy payments were made in line with statutory entitlements following individual role cessations as part of ongoing workforce review and optimisation and was funded through ETF's working capital.

The number of employees whose emoluments fell within the following bands was:

	2024-25	2023-24
£60,001 - £70,000	13	24
£70,001 - £80,000	1	14
£80,001 - £90,000	3	6
£90,001 - £100,000	2	4
£100,001 - £110,000	-	1
£110,001 - £120,000	2	-
£120,001 - £130,000	1	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

The payment bandings include payments in relation to staff redundancy.

During the financial year ETF's structure included an Executive Board comprising the CEO, Chief of Staff, and Executive Directors. These were considered to be the key management personnel by the Board of Trustees.

At 1 April 2024 this comprised the CEO, Executive Director of Corporate Services, Executive Director of Education and Standards and Chief of Staff (noting that the incumbent was on a career break to 1 July 2024). The following roles were added over the course of the financial year: Executive Director of Development & Delivery (October 2024) and Executive Director of Membership & Sales (January 2025).

In 2024-25, this comprised 4.5 FTE (2023-24: 4.8 FTE).

The total cost of employing the key management personnel and the highest paid employee was as follows:

	<u>Key management personnel</u>		<u>Highest paid individual</u>	
	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>
	£	£	£	£
Salaries and wages	573,022	521,392	160,000	155,571
Social Security costs	69,937	62,020	20,383	19,784
Pension costs	33,291	31,287	9,600	9,334
Redundancy	-	57,382	-	-
	<u>676,250</u>	<u>672,081</u>	<u>189,983</u>	<u>184,689</u>

## 11. Trustees' remuneration and expenses

	<u>2024-25</u>	<u>2023-24</u>
	£	£
A McConnell	8,000	8,000
R Musson	8,000	8,000
F McLoughlin	20,000	5,000
Reimbursement of trustees' expenses	<u>8,775</u>	<u>6,201</u>
	<u>44,775</u>	<u>42,201</u>

ETF's Articles of Association permits the remuneration of the Chair of the Board and up to two other Directors known as relevant Directors, one of which must be the Chair of the Audit and Risk Committee.

In the financial year ended 31 March 2025 the Chair of the Board, the Chair of the Audit and Risk Committee and the Chair of the Finance Committee managed significant and complex activities on behalf of ETF and were remunerated according to the conditions stipulated in Article 10 of ETF's Articles.

The Chair of the Board (F McLoughlin), The Chair of the Audit and Risk Committee (R Musson) and the Chair of the Finance Committee (A McConnell) were contracted and remunerated for the work they carried out during the financial year ended 31 March 2025.

No pension contributions were made on their behalf.

As the maximum number of Trustees permitted by the Articles were employed during the financial year, no other Trustee received any remuneration or any other benefit from ETF in the financial year.

Travel, accommodation and subsistence expenses were reimbursed to eight Trustees during the year (2023–24: seven Trustees).

## 12. Related party transactions

AoC, AAETO-HOLEX, NUS, Natspec, TUC and AELP were the Members of ETF throughout 2024–25. All are considered to be related parties by virtue of their rights under the Articles of Association and are consulted about the recruitment of Trustees.

In addition, a number of Trustees and Executive Directors were employed by, or held unremunerated positions, in a variety of organisations, which are also considered to be related parties on the basis of the potential influence they could have. The Board considers this to be appropriate and requires that Trustees comply with its conflicts of interest policy.

Other than direct services to the Board (e.g. audit), the Board has no involvement in any of ETF's processes for assessing tenders. Similarly, no potentially conflicted Trustees take part in supplier performance reviews when the supplier is a related party.

ETF has entered into contractual arrangements with the following organisations which fall within the definition of related parties under FRS102:

	2024-25 Spend	2024-25 Income	2023-24 Spend	2023-24 Income	2024-25 balance due (to)/from	2023-24 balance due (to)/from
	£000	£000	£000	£000	£000	£000
Activate Learning	-	-	13	-	-	-
Association of Employment and Learning Providers	368	-	410	-	(51)	(72)
Association of Adult Education and Training Organisations	52	-	79	-	(17)	(10)
Association of Colleges (AoC)	805	13	1,192	-	(368)	(275)
AoC Regional Office - East Midlands (EMFEC)	-	-	2	-	-	(2)
AoC Create Limited	223	-	287	-	(18)	(140)
The National Learning & Work Institute	1	-	9	-	-	-
NatSpec	240	-	75	-	-	-
Kirklees College	2	10	8	11	2	-
New City College	-	13	-	13	-	-
Black FE Leadership Group	6	-	5	-	-	-
Dicketts Development Consulting Ltd	-	-	22	-	-	(17)
Oxford Business School	-	-	666	-	-	(161)
London South East Colleges	46	-	-	3	-	-
BVDE Quality Solutions	1	-	-	-	-	-
City Lit	-	31	-	3	31	-
Education Endowment Fund	-	15	-	-	-	-
Walsall College	3	10	-	12	-	-
Newcastle College Group	10	-	-	8	-	-
	<b>1,757</b>	<b>92</b>	<b>2,768</b>	<b>50</b>	<b>(421)</b>	<b>(677)</b>

### 13. Fixed assets

	Computer Software Intangible £000	Computer Hardware Tangible £000	Furniture & Fittings Tangible £000	Total Tangible £000	Total Fixed assets £000
<b>Cost</b>					
Opening Balance 1 April 2024	1,665	391	180	571	2,236
Additions	152	59	-	59	211
Closing Balance 31 March 2025	<b>1,817</b>	<b>450</b>	<b>180</b>	<b>630</b>	<b>2,447</b>
<b>Depreciation, Amortisation &amp; Impairment</b>					
Opening Balance 1 April 2024	1,084	316	74	390	1,474
Charge in year	387	59	40	99	486
Impairment losses	216	-	-	-	216
Closing Balance 31 March 2025	<b>1,687</b>	<b>375</b>	<b>114</b>	<b>489</b>	<b>2,176</b>
<b>Net Book Value 31 March 2025</b>	<b>130</b>	<b>75</b>	<b>66</b>	<b>141</b>	<b>271</b>
<b>Net book Value 31 March 2024</b>	<b>581</b>	<b>75</b>	<b>106</b>	<b>181</b>	<b>762</b>

During the year, an impairment was recognised in relation to capitalised software development costs for a digital platform which, following reassessment, no longer met the recognition criteria for an intangible asset under FRS 102 and the Charities SORP. The platform is now deemed to be a licensed service rather than

a bespoke asset controlled by the charity. As such, the net book value was written off in full and the impairment charge recognised within charitable expenditure in the Statement of Financial Activities

#### 14. Investments – charity

The charity holds the entire allotted share capital of £1,000 in its wholly owned subsidiary, ETF Services Ltd, which is incorporated in the United Kingdom. The shares are called-up and fully paid. The subsidiary has been dormant since it transferred its assets to ETF on 7 July 2021; as a result, no consolidated accounts are prepared.

#### 15. Debtors

	2025	2024
	£000	£000
Trade Debtors	2,665	4,439
Prepayments	156	122
Accrued Income	59	247
Other debtors	4	-
	<u>2,884</u>	<u>4,808</u>

#### 16. Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Trade Creditors	1,626	2,652
Accruals	1,358	1,319
Deferred Income (see note 17)	234	179
Taxation & Social Security	247	263
Amounts owing to subsidiary	1	1
Other creditors	499	960
	<u>3,965</u>	<u>5,374</u>

#### 17. Deferred income

Deferred income comprises the SET membership fees, including corporate partners in respect of 2025–26 invoiced before 31 March 2025, consultancy fees paid in advance of work carried out in 2024–25, workbook submission fees received for QTLS accreditation applications which had not been assessed by year end, and course attendance fees invoiced which relate to courses which were due to take place on or after 1 April 2025. Included also was deferred income for the Multiply contract and AWD grants awarded as part of the AWD contract.

	<b>2025</b> <b>£000</b>	<b>2024</b> <b>£000</b>
Balance at 1 April 2024	179	265
Amount released to income earned from charitable activities	(179)	(265)
Amount deferred in year	234	179
Balance at 31 March 2025	<u>234</u>	<u>179</u>

Total deferred income in the charity comprises QTLS/ATS income of £99k (2023–24: £74k), membership fees in advance of £32k (2023–24: £73k), consultancy fees £9k (2023–24:£13k) Basic Skills course and CPD event £17k (2023-24:£15k) TVET grant £Nil (2023-24:£4k) grant payments included as part of the AWD contract and the Multiply Contract £77k (23-24:Nil).

#### 18. 2024–25 – Analysis of net assets in funds

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
Fixed assets -includes investment in subsidiary	272	-	272
Cash in bank and in hand	9,711	232	9,943
Other net (liabilities)/assets	(1,088)	7	(1,081)
	<u>8,895</u>	<u>239</u>	<u>9,134</u>

#### 2023-24 Analysis of net assets in funds

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
Fixed assets	762	-	762
Cash in bank and in hand	8,942	602	9,544
Other (liabilities)	(565)	-	(565)
	<u>9,139</u>	<u>602</u>	<u>9,741</u>

#### 19. Analysis of movements in unrestricted funds

	<b>Funds at start of year £000</b>	<b>Incoming resources £000</b>	<b>Resources expended £000</b>	<b>Transfers £000</b>	<b>Funds at end of year £000</b>
<b>2024-25</b>					
Designated funds, of which:					
SET VAT	-	-	-	182	182
Fixed assets reserves includes investment in ETFS Ltd	762	-	(491)	1	272
General fund - Free reserves	8,377	20,250	(20,003)	(183)	8,441
	<u>9,139</u>	<u>20,250</u>	<u>(20,494)</u>	<u>-</u>	<u>8,895</u>
<b>2023-24</b>					
Designated funds, of which:					
- Wind-down of ETF	3,000	-	-	(3,000)	-
- Strategic investment reserve	600	-	(600)	-	-
Fixed assets reserves	834	-	(72)	-	762
General fund - Free reserves	6,188	23,315	(24,126)	3,000	8,377
	<u>10,622</u>	<u>23,315</u>	<u>(24,798)</u>	<u>-</u>	<u>9,139</u>

From 1 April 2023 ETF moved away from creating a designated fund for orderly wind-down in favour of a broader reserves policy. The reserves policy for the year ended 31 March 2025 is still set at £5.3m and will support the charity to be financially resilient and flexible, and secure the charity against sudden loss of income or provide for an orderly wind-down if necessary.

SET VAT is a designated fund as detailed in note 2.7 in the Trustees' Report

Free reserves are currently in excess of this minimum reserves level at £8.4m.

The reserves policy will be reviewed annually along with the cash reserves policy as part of the budget process and any significant reforecast or organisational change during the year.

The movement of funds on fixed asset reserves, which was created in 2022-23, relates to resources expended on fixed assets net of depreciation, reduced by the written down value of impaired assets during the financial year. This fund represents a level of general funds not available for immediate use due to it being tied up in fixed assets.

The investment of £1,000 in ETFS Ltd has been transferred out of free reserves and now forms part of the fixed assets reserves.

## 20. Analysis of movements in restricted funds

	Funds at start of year £000	Incoming resources £000	Resources expended £000	Funds at end of year £000
<b>2024-25</b>				
DfE grant	69	-	-	69
TVET	-	60	(60)	-
EEF	-	15	(15)	-
Leadership & Governance course fees	533	72	(435)	170
	<u>602</u>	<u>147</u>	<u>(510)</u>	<u>239</u>
<b>2023-24</b>				
DfE grant	69	-	-	69
TVET	-	49	(49)	-
Leadership & Governance course fees	755	206	(428)	533
	<u>824</u>	<u>255</u>	<u>(477)</u>	<u>602</u>

DfE grant refers to unspent balance of a grant programme that is no longer ongoing and is owed back to DfE. A decision on how this will be released will be made in the 2025/26 financial year.

Leadership and governance course fees is income generated by virtue of the DfE Leadership & Governance contract. It will be spent on similar activities agreed between the DfE and ETF.

TVET refers to a grant received from the Royal Commission for Technical Teaching Fellowships and a grant from the Welsh Government. EEF refers to a grant from The Educational Endowment fund please see note 3 for details on the income received for both these funds.

## 21. Lease commitments

ETF had the following total lease commitments as at 31 March

	2024-25 £000	2023-24 £000
<b>Operating lease - property rental</b>		
Payments due within one year	448	337
Payments due within one and two years	373	-
	<u>821</u>	<u>337</u>

The lease is in respect of the ETF office based in London. The lease was extended for another two years commencing on 1 February 2025 and expiring on 31 January 2027.

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

	2024-25	2023-24
	£000	£000
<b>Net movement in funds</b>	(607)	(1,705)
Add back depreciation charge	486	611
Add back loss on impairment of fixed assets	216	-
Deduct interest received	(313)	(215)
Decrease in debtors	1,924	3,464
(Decrease) in creditors	(1,409)	(745)
<b>Net cash provided by operating activities</b>	<b>297</b>	<b>1,410</b>