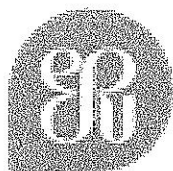


THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2022

CHARITY NUMBER: 273136

ROYAL CHARTER REGISTRATION NUMBER: RC000177

THE ENGLISH-SPEAKING UNION OF THE COMMONWEALTH REPORT AND ACCOUNTS TO 31 MARCH 2022



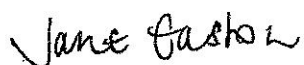
ENGLISH-SPEAKING UNION

discovering voices

INTRODUCTION

Welcome to the Annual Report and Accounts for the English-Speaking Union for 2021/22. The second year of COVID restrictions gave the ESU further evidence of the detrimental impact of lockdown on the educational development of young people in socially disadvantaged communities. The 'learning gap' has been widely reported in the press, and it was clear that the English-Speaking Union had an even greater role to play in supporting schools, teachers, parents and pupils with training and resources for spoken language and communication skills.

In response to the demand from teachers for online training in oracy education, the ESU has made significant developments to its educational strategy. These are set out on page 10. Throughout the year, the ESU's highly-valued members, alumni and volunteers have provided invaluable support to the ESU Board and staff to ensure the growth of the charity's reach and impact. Always putting our beneficiaries to the fore, we continue to champion the right of every child to develop a confident voice, good listening skills, critical thinking and the ability to debate, enabling them to play a full part in society and to become advocates for themselves and others.



Jane Easton, Director-General

GOVERNANCE

Name and Registered Office of the Charity

The full name of the Charity is The English-Speaking Union of the Commonwealth.

The registered office and principal operating address is Dartmouth House, 37 Charles Street, London W1J 5ED.

The Charity is registered in England and Wales under registration number 273136.

Structure and Objectives

The English-Speaking Union (ESU) was founded in 1918 as an unincorporated association. In 1922, the association was incorporated under the Companies Act as a company limited by guarantee and without share capital. In 1957, the ESU was granted a Royal Charter in which its charitable objectives are set out, and this remains its governing document. Those objectives are:

... to promote within the United Kingdom and other countries of the Commonwealth, the United States of America, Europe and elsewhere the mutual advancement of education of the English-speaking peoples of the world, in particular (but without in any way limiting the generality of the foregoing) respecting their heritage, traditions and aspirations, the events and issues of the day affecting them, their inter-relationships and the use of English as a shared language and means of international communication of knowledge and understanding: provided always that the foregoing aims and objects shall at all times be pursued in a non-political and non-sectarian manner.

We outline below the approaches we use to meet these aims.

There is a worldwide network of 54 national English-Speaking Unions, each of which is independent from the English-Speaking Union of the Commonwealth (England and Wales) and operates according to its own jurisdiction. Coordination of international activity is spearheaded from the headquarters in Dartmouth House through the International Council, for which the ESU provides the secretariat, a development framework and core funding.

In addition, the ESU has 20 local branches across England and Wales, which host and coordinate a range of activities, enabling the charity to reach more young people regionally.

Public Benefit

Our educational work in schools with teachers, children and young people focuses on teacher training, speech and debate programmes, competitions and cultural exchanges. We continue to focus our charitable resources on oracy (speaking and listening) in state schools in disadvantaged areas, introducing a wide range of young people of all ages, backgrounds and abilities to public speaking and debate.

We teach confident communication and critical thinking skills to help empower young citizens to engage with the world and key issues, and to feel confident in expressing their opinions. We show them the benefits of listening to the opinions of others, even when those views are at odds with their own. We teach young people how to make up their own minds, thereby giving them the power to formulate and express their opinions and avoid being ignored.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The ESU's charitable purpose is enshrined in its object 'to advance education'.

Summary of Achievements and Performance

The ESU was formed in the belief that more effective communication between nations would lead to improved global understanding and lasting peace - a movement so inspirational that a transatlantic fundraising campaign back in the 1920s enabled the purchase of the ESU International Headquarters at Dartmouth House in Mayfair. In a normal year, the property assets of the Charity produce income to cover administrative costs, so that all fundraising goes directly to the educational outreach of the Charity. During 2021/22, central staffing and administrative costs were reduced in response to exceptionally low levels of traded income from events and hospitality. This allowed the charity to continue to support its beneficiaries through targeted oracy resources for schools, with a marked shift towards online engagement.

Sir Evelyn Wrench set up the English-Speaking Union in 1918 to promote better communication between peoples of all cultures and countries. The ESU celebrated its Centenary year in 2018 with events to reconnect ESU members and alumni, and so many of these supporters and volunteers continue to work with the charity nationally and internationally to help change lives and communities for the better. Today, in our diverse communities and with significant societal challenges, there has never been a greater need to understand different perspectives and opinions both within the UK and internationally. We all need to listen to and consider other points of view; to evaluate false arguments and distinguish fake news from real. We need to be able to disagree without being disagreeable. The ESU teaches these skills. The need to develop confident communicators, critical thinkers and empowered citizens able to thrive in our ever-changing world has never been more important. The ESU continues to deliver its programmes, training and competitions through a strong and diverse branch network with a committed group of members, mentors, judges and volunteers, and drawing on an extensive alumni network.

Making a Difference: The English-Speaking Union's Impact

The trustees draw regularly on independent national research to address areas of educational need and have invested in programmes to meet those requirements.

Disadvantaged children are 2.3 times more likely to be identified as having speech, language and communication needs than those in more affluent areas.
(The Communication Trust)



ESU Oracy in Action programmes are aimed at schools with over 20% of students with free school meals or English as an additional language.

High quality spoken dialogue in primary classrooms can significantly improve children's educational attainment from improving SATs results in maths and science to improving reading writing and reasoning skills
(The Communication Trust)



The ESU worked with over 4,000 primary school children to improve their speaking and listening skills.

97% of teachers 94% of employers and 88% of young people believe that **life skills such as confidence, motivation, resilience and communication** are as important, or more important than, academic qualifications
(The Sutton Trust)



ESU programmes and competitions build teamwork, leadership, resilience, and cognitive and communication skills.

The All-Party Parliamentary Group on Oracy has provided further evidence that oracy education improves academic outcomes, underpins literacy and vocabulary acquisition, supports wellbeing and confidence, enables young people to have access to employment and thrive in life beyond school, and develops citizenship and agency.

81% of headteachers and 60% of classroom teachers said oracy should be essential or high priority as schools re-open. 78% of pupils said their schools should prioritise oracy (APPG Speak for Change Report 2021)



ESU programmes provide teacher CPD and classroom resources to support schools during the post-COVID 'catch-up' agenda and beyond

Teaching Programmes

Due to COVID-19, the ESU was forced to suspend most face-to-face programme delivery during 2021-22, but the popular Discover Your Voice (DYV) workshops which over the years have introduced many young people to the art of debating and public speaking resumed early in 2022. Continuing Professional Development (CPD), supporting the strategic aim of equipping teachers for sustainable oracy provision in schools, continued online, and the ESU took the opportunity to trial a number of new approaches which will be launched in the 2022/23 academic year. Debate Academy, the ESU's residential summer debate training programme for 14- to 18-year-olds, which was postponed in 2020 and 2021 is set to resume in August 2022 with additional subsidised places to ensure accessibility for all applicants.

Online speech and debate programmes and the live finals of the ESU's oracy competitions again made a positive impact, with 2,400 young participants in the UK, and over one million worldwide.

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With business and social communication continuing online post-pandemic, admissions tutors and employers welcome the experience students have gained with the ESU, learning to adapt persuasive speech and debate for online presentation.

Key Statistics

In this Annual Report 2021-22, the financial data is for the year to 31st March 2022, whilst the 2021-22 impact figures include activities held in the full academic year to 31st August 2022.

	2021-22	2020-21
Oracy in Action (serving disadvantaged communities) Direct delivery to Key Stage 2 pupils aged 9-11 CPD training for teachers	Research and test phase, due to launch September 2022	-
Discover Your Voice workshops	850 students from 20 workshops and the 2021 London Careers Festival	Cancelled due to COVID
Schools' Mace Debating Competition	820 students from 271 schools	606 students from 202 schools
ESU-Churchill Public Speaking Competition	576 students from 192 schools	447 Students from 149 schools
Performing Shakespeare competition	2,900 students from 141 schools	1,239 students from 60 schools
Branch-led competitions and workshops ESU activities in Colchester, Ouse Valley and South Wales for primary and secondary school students	200 students from 40 schools	Cancelled due to COVID
House of Lords 'talking days' & Lords Chamber Debate	Cancelled due to COVID	Cancelled due to COVID
Debate Academy (a week-long residential summer camp)	Cancelled in 2021, but 100+ places available in 2022, with extensive bursary support	Cancelled due to COVID
International Public Speaking Competition (London-hosted) National competitions across the globe, with the final normally in London, but online in 2021	1 million+ participants from 35 countries (a number of qualifying competitions were disrupted by COVID)	1 million+ participants from 42 countries
International Debate Tours young people trained by ESU debate coaches	300 students in Denmark and Japan	Cancelled due to COVID

Competitions

In 2021-22, the three national schools' competitions - ESU-Churchill Public Speaking competition, Schools' Mace debating competition and Performing Shakespeare competition - reached an impressive number of participants. The charity was able to run the competitions in a hybrid form, with the early rounds on electronic platforms, allowing greater participation from new and returning schools, and with the finals in person. 150 trained volunteer judges supported local and regional heats, culminating in national finals, with 4,290 participants from across England and Wales.

The Performing Shakespeare competition (Years 7-9; ages 11-14) supports the English Key Stage 3 curriculum, and develops confidence, creativity and self-expression.

Competition remains a key element of many ESU activities, enabling students to work together with others from different backgrounds and providing the prestige to heighten interest in speech and debate and the subjects tackled. Our national competitions continue to be significant. ESU branch members provide volunteer support at a regional level by organising and judging the local heats of the UK Public Speaking competition and the regional finals of the Performing Shakespeare competition, and we celebrate the way in which they have responded so effectively to the huge increase in participant numbers this year.

International

The International Public Speaking Competition (IPSC) offers participants a chance to experience a true meeting of minds and the opportunity to take part in valuable cultural exchange. The 2022 competition and international final ran successfully online, across multiple time zones and with the high quality of engagement, public speaking and shared experience which characterises this significant event. Volunteers in nearly 60 countries have taken part in regular online International Forum meetings, hosted in turn by member countries, to expand debate and dialogue. This in turn supports the educational and cultural developments promoted globally under the ESU banner.

The Secondary School Exchange programme has been in existence since 1928 enabling young people to spend a transformational gap year in a private high school in the USA or in the UK. It provides a rich cultural experience, where scholars benefit from a new appreciation of different perspectives and increase their confidence. The 2021/22 scholars have benefitted particularly from the opportunity to travel and study abroad after the confines of their A-level years.

Scholarships, Bursaries and Awards

The diverse portfolio of scholarships, enabled by historic restricted funds, continue to support the work of researchers and scholars from the domains of teaching, librarianship, the clergy, music, art history and the physical sciences.

The provision of bursaries across all programmes ensures access based on merit. The US-based Lindemann scholarships for UK post-doctoral students have been extended from 12 to 24 months to maximise research impact, and the returning scholars run science engagement seminars for schools benefitting up to 300 students annually.

Strategic Partnerships

Cooperation and collaboration are two of the ESU's founding principles and we continue to build on partnerships with like-minded organisations and educational bodies to reach a more diverse audience and to advocate for the benefits oracy interventions in schools.

New in 2021/22 have been a number of research partnerships, aimed at strengthening further the evidence base and practitioner focus of the ESU's educational programmes,

including collaborations with the University of Cardiff and the University of Sussex.

The ESU works in partnership with *The Week Junior*, the award-winning current affairs magazine for children aged 8-14, to create 'The Big Debate' page, looking at topical and controversial issues. All topics are designed to develop informed views about civil society, and remain an accessible resource while schools are closed.

Valued partnerships include The Oracy Network, The Communication Trust, the Fair Education Alliance, Voice 21, the House of Lords, the International Churchill Society, the John Smith Trust, the Queen's Foundation, the Chartered College of Teaching, Mighty Oak Public Speaking, Sotheby's Institute of Art, NACE and the ARK Schools network.

A funding partnership with the International Churchill Society supports the ESU-Churchill Public Speaking competition.

The Oracy Network

Established in November 2016 by the ESU and Voice 21, the Oracy Network brings together charities, schools and agencies dedicated to promoting oracy education. The Network has high-profile supporters in education and academia and established the Oracy All-Party Parliamentary Group in 2018.

In 2020-21 the Oracy APPG committed to 'helping every child to be a confident communicator and find their voice in order to succeed in school and life beyond'. The ESU was a major contributor to the 'Speak for Change' Inquiry and May 2021 Report. The ESU continues to advocate for oracy to be the third pillar of the school curriculum alongside literacy and numeracy.

Membership and Branches

The ESU's c. 4,000 members and 20 branches support charitable activities across the country through educational work and through their support of school and community engagement, and fundraising. Face to face member events were suspended during the pandemic, but they resumed in late 2021 alongside online talks and debates. We acknowledge with gratitude their continuing commitment to oracy development and speaking and listening skills. The Board would like to put on record its enormous appreciation of the contributions of all ESU volunteers, branches and supporters.

Communications

The ESU advocates for oracy education, internationalism and member-based volunteering, and provides accessible content for teachers, young people, members and supporters through a content-rich website (www.esu.org). In 2022 the magazine 'Dialogue' celebrated Her Majesty The Queen's Platinum Jubilee and her remarkable 70-year patronage of the English-Speaking Union

There are over 20,000 ESU followers on Facebook, Twitter and LinkedIn. Previous investment in cloud-based systems has proved invaluable for hybrid working and events,

business continuity and for enhanced access to online teaching materials during and post-lockdown. Social media provides a growing platform for networking into education, business and wider society to promote the charity's work.

Management and Governance

The ESU is governed by a Board, comprising the individual trustees of the Charity. Each Governor is required to be a member of the ESU. Honorary officers and elected governors are elected by members of the Union for a period of three years, when they are eligible for re-election for a further term of three years. Up to six co-opted trustees may be appointed by the Board. On 1st June 2022 there are 10 Trustees serving on the Board.

The Board is assisted in its work by four committees:

- Audit & Risk (ARC)
- Education
- Finance & Operations (FOC),
- Nominations & Remuneration (NRC)

When necessary, an Ethics subcommittee can be convened. The committees generally have a mix of trustees and experienced independent advisers. There are separate boards for the two trading subsidiaries, ESU Trading Ltd and ESU Dartmouth House Ltd.

Safeguarding

There is no higher priority for the ESU than the safeguarding of all children participating in its programmes, in the classroom and outside it. Strict protocols are also applied to on-line events. The Board has a strong emphasis on protection of vulnerable individuals, and reviews process and procedures consistently. The safeguarding policy is available on the ESU website.

Pay Policy for Senior Staff

The executive pay policy is set by the Nominations & Remuneration Committee (NRC) and approved by the full Board. The NRC sets the remuneration for senior management personnel referencing benchmarked data for similar roles in similarly sized international charities in the sector. Further details are given in note 5 to the accounts.

Future Plans

With the widening of the educational learning gap, there is renewed resolve to tackle the inequalities of access to education and skills development. At the heart the ESU education strategy is a determination that the ESU continues to broaden the geographical impact and accessibility of all its programmes, especially for young people in low-income communities. The 2022 Education strategy is entitled: Putting Oracy at the Heart of the post-Covid Classroom. It commits to equipping teachers in schools through Continuing Professional Development in Oracy, to delivering oracy programmes and competitions for pupils and young people, to contributing to oracy research, and to advocating for oracy as a central provision in the national curriculum.

The ESU will continue to build public profile and outreach, supported by alumni, key individuals, trusts and corporate partners who share our vision.

Dartmouth House

Dartmouth House, the international headquarters of the English-Speaking Union has been in the ESU's occupation since 1922, when debentures were raised by the ESU members to help purchase the property. For many years, it has been a venue for bringing people together: a place for charity beneficiaries to debate and share ideas, and where the ESU England and Wales, and International ESU communities can come together to support and fundraise for the charity.

Traditionally, over 90% of the ESU's annual income is derived from hospitality, the commercial sector which arguably has been hardest hit by the pandemic. Dartmouth House has been closed since March 2020, precluding the hire of the house for private events. The largest income in a normal year comes from premises leased to the Chesterfield Hotel, and the hotel too has had significant periods of closure. However, the Trustees are hopeful that the Chesterfield Hotel will pay all the rental income owed on the hotel lease. Whilst recognising the unfortunate impact of the pandemic on the tenant, the charity is nonetheless confident that the tenant will pay the rent due given the relative financial strength of the tenant in comparison to that of the charity. Aware that these revenues are currently at risk, the trustees will do all in their power to ensure that the interests of the charity are protected.

In December 2020, the ESU formed a subsidiary company, ESU Dartmouth House Ltd, to hold the lease on the premises on the upper floors of Dartmouth House.

The ESU continues to develop a long-term property strategy in partnership with professional advisers, to ensure that property assets meet the charity's needs in the long-term.

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
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PATRON AND PRESIDENTS

Patron

Her Majesty The Queen

President

HRH The Princess Royal KG KT GCVO

Vice-Presidents

The Lord Watson of Richmond CBE	Mr Guy Weston
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BOARD OF GOVERNORS (TRUSTEES OF THE CHARITY)

Honorary Officers (ex officio Trustees of the Charity)

Board Chair	Miles Young (resigned 14th February 2022) Philip Maunder acting chair (from 14th February 2022)
Deputy Board Chairs	David Shaw MBE (from 22 nd February 2021) Professor James Raven (from 22 nd February 2021)
Honorary Treasurer	James Scruby (from 22 nd February 2021)

Governors

The following served as Governors in the period from 1st April 2021:

Matthew Congreve (29 th April 2020 - 28 th April 2021)	Professor James Raven
Gillian Day (29 th April 2020 - 28 th April 2021)	Sue Riley (from 22 nd February 2021 resigned 16 th June 2021)
Barbara Firth	James Scruby
Emma Gleave (29 th April 2020 - 28 th April 2021)	David Shaw MBE
Sarah Hawkins (from 22 nd February 2021)	Jonathan Sobczyk Boddington resigned 6 th December 2021
Richard Humphreys (from 22 nd February 2021)	
Bilal Mahmood (29 th April 2020 - 28 th April 2021)	
Philip Maunder (from 22 nd February 2021)	
Laurence Mutkin (from 22 nd February 2021)	
Danny Preiskel (from 22 nd February 2021)	
Stephen Purcell (from 22 nd February 2021)	
James Probert (29 th April 2020 - 28 th April 2021)	

The record of attendance at Board and Committee meetings is maintained by the Board Secretary and is available for review on request

SENIOR EXECUTIVES

Director-General

Jane Easton

Directors

Tim Morris, Director of Finance (resigned 31 July 2021)

Sue Riley, Director of Education (1 November 2021)

Board Secretary

Jane Easton

PROFESSIONAL ADVISERS

Auditors

Moore Kingston Smith LLP
9 Appold St
London EC2A 2AP

Bankers

Coutts & Co
440 The Strand
London WC2R 0QS

Solicitors

Russell-Cooke LLP
2 Putney Hill
London SW15 6AB

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct
London EC1A 2FG

Investment Managers

Sarasin & Partners LLP
100 St Paul's Churchyard
London WC4M 8BU

Property Advisers

CBRE
Henrietta House, Henrietta Place
London W1G 0NB

SUMMARY OF FINANCIAL RESOURCES

The results of the ESU Group are set out in the Consolidated Statement of Financial Activities (SoFA) on page 26. The figures consolidate the results of ESU Trading Ltd and ESU Dartmouth House Ltd (16 months period from December 2020 to March 2022).

This was a successful year for the ESU group despite the challenges posed by continued uncertainty brought about by the COVID pandemic. Dartmouth House remained closed to ESU members and a only a small number of ESU events were held in the year.

The consolidated statement of financial activities shows an overall surplus on net income of £906K (2021 - loss £199k) excluding investment gains, release of bad debt provision and fixed assets revaluation (£1,882k including these).

Following a repayment of the outstanding rent from prior year, a provision of £694k was released and the results shown in these accounts.

The positive results were enabled by a combination of additional income in the year following resumption of activities by the catering company which pays a commission to the ESU, and a reduction in overall expenditure through careful management across the organisation, with a total expenditure of £1,391k (2021-£2,348k).

Savings were made from the closure of Dartmouth House, taking schools' oracy events including the competitions online, as well as operating with a reduced staff and a with a temporary freeze on recruitment. We expect some of this expenditure to be incurred again in future as in-person events return.

In the year to 31st March 2022, net incoming resources were £2,297k (2020/21: £2,149k.) Total income by source for the ESU Group, including comparison with the previous year, is set out in note 2 to the accounting statements.

Our work in schools is funded from four main income streams

- Charitable income (registration fees, membership subscription and events)
- Investment income (including rent from the Chesterfield hotel)
- Trading activities
- Donations

The four streams help to ensure diversity of income across a wide supporter base and provide resilience against changing market dynamics.

Charitable income increased by 28% (£386k) from prior year (£301k) a reflection of an increase in the number of schools that registered to take part in one of our three competitions in the year to March 2022. Branch led activities more than doubled from the prior year again reflecting the growing need for oracy programmes post-pandemic.

Investment income (£1.6million) includes rent from the Chesterfield Hotel and the dividend paid from the investment portfolio managed by Sarasin & Partners LLP. This stream makes up 67% of the total income and ensures stability of funding.

Trading activities include catering commission (£128k vs nil in prior year) and other income (£52k vs nil prior year). The ESU receives a commission from the contract with CH&Co which makes use of Dartmouth House to hold events such as weddings and other corporate events. Understandably last year to March 2021 no income was received as the House remained closed due to the pandemic. Included in other income is a receipt from a one-off hire of the courtyard and income received from recharges on cleaning costs to CH&Co.

Donations comprise individual as well as corporate giving from ESU supporters. It also includes an element of fundraising events which are events held in Dartmouth house chiefly to engage with our existing supporters as well as to showcase our work to new supporters. Events in the year included Evelyn Wrench lecture, the House of Lords Afternoon tea, Spring lunch and the Incivility problem event. The government grant was for business interruption due to the pandemic.

Expenditure

The ESU consolidated charity and subsidiaries report expenditure of £1,391k this year a 13% decrease on the prior year (2020-21: £1,598k). This comparison excludes the £750k provision that was set aside in the accounts last year for the sum owed by the hotel. With a wider reach to schools, programme spend more than doubled and so did our regional branch spend.

Expenditure is grouped into three categories:

Charitable expenditure comprises spend on programme delivery (£205k) international outreach (£120k) including Secondary school exchange programme, the International Council meeting and International Public speaking competition both of which are annual events, membership, and branches costs (£90k) and governance (£29k) which includes audit.

The organisation has worked hard to re-position itself through digital transformation, especially cloud-based applications, and some of the benefits of this transition over past years have been critical to our operational and educational activities in recent months.

Funds & Reserves

Total funds for the ESU at 31st March 2022 are £42,833 (31/03/2021: £40,951k).

The ESU owns an investment property (the Chesterfield Hotel) and Dartmouth House, the international headquarters of the ESU. Both are subject to open-market price fluctuations. The properties' values are recorded as designated funds and are not relied upon for the day-to-day running of the Charity. These long-term assets generate much of the income upon which the ESU relies to deliver its charitable work.

Unrestricted reserves are required to provide for short-term fluctuations in income and expenditure. The Board's policy is to maintain net free reserves (currently held as near cash investments) sufficient to cover overheads for at least 6 months. The ESU is operating in accordance with this policy.

Cash flows were positive (+£1,319k), with cashflows from operating activities of £776k. Unrestricted reserves grew by £1,653k in the year. A contributing factor in this positive outcome is the resumption of services in the hotel industry in the year which meant receipt of cash

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payments from the Chesterfield hotel from June 2021 onwards, the release of the bad debt provision of £694k as well as the continued delivery of programmes online.

Reserves at 31 March 2022 (£'000's)

	31 March 2022	31 March 2021
The total value of funds held	42,833	40,951
Less:		
Restricted funds (purpose of use defined by the donor)	1,262	1,300
Designated funds for freehold and investment property	37,996	37,996
Designated charitable funds (Joyce Rolf Legacy)	-	39
Total free reserves	3,575	1,616

As far as possible, the Charity strives to use income from our historical asset base to cover core costs so that donations raised can be used wherever possible for front-line charitable activities.

Risk Management

The Board has identified the major risks to which the ESU is exposed and associated mitigations. The Audit and Risk Committee oversees the process for registering, reviewing, and mitigating all categories of risk. A Risk Register is maintained and reviewed regularly.

As with any educational charity, issues of safeguarding have the highest priority. Our controls in this area were reviewed considering the virtual platform on which the events were conducted in the year. Members of staff had their annual safeguarding refresher workshop in March 2022. A dedicated Board post is assigned to oversee this responsibility and ensure that nominated members of the executive team implement. There were no reported incidents in 2021-22.

Financial risk is an important area of concern. The primary sources of funds to manage cash flow, and therefore the most significant areas of financial risk, are:

- The loss of income from the Chesterfield Hotel for any reason would be material. Trustees monitor the relationship with the tenant and require that the property be well maintained. Given the challenges of the pandemic, the Board will work with the tenants to ensure a satisfactory outcome.
- Income from investments is necessarily subject to market risks. The investment mandate is to protect the capital and provide an annual income. The portfolio is managed by Sarasin & Partners LLP, whose performance is scrutinised closely.
- Commission income from catering depends on demand from the membership as

well as externally, and on maintaining Dartmouth House in a good condition. The charity will seek to re-build it in 2021-22 as UK legislation allows.

- Voluntary income arising from donations, grants and legacies varies from year to year and cannot be relied upon. Voluntary income is used to fund our charitable activities, which we seek, wherever possible, to fund in advance. When this is not practical, or when an activity makes a loss, any shortfall is made up from our unrestricted reserves. We continue to monitor the cost and benefit of each activity.

The charity maintains a reduced operation until such time as it is possible to re-activate our programmes.

Our investments continue to be subject to markets fluctuations.

We rely on continuing support from our members which is increasingly important in current circumstances. There is no expectation of significant voluntary income in the short term.

Statement of Trustee Responsibilities

The Trustees (Governors) of the Charity are responsible for preparing the Trustees' Report and the financial statements, being the consolidated accounts of the English-Speaking Union and its subsidiary company ESU Trading Ltd (together, the 'Group'), 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 (UK GAAP) and applicable law.

Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs of the Charity and the Group, and of the net outgoing resources of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities' Statement of Recommended Practice (SORP).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions; to 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 Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 28/09/2022 and signed on their behalf by
Philip Maunder
Acting Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ENGLISH-SPEAKING UNION OF THE COMMONWEALTH

Opinion

We have audited the financial statements of The English-Speaking Union for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the of the Charity and the group's affairs as at 31 March 2022, and of the incoming resources of the group and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of the Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the Trustees, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Trustees 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 any party other than the charity and the Trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP

Statutory Auditor

9 Appold St

London EC2A 2AP

29 September 2022

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (SoFA)

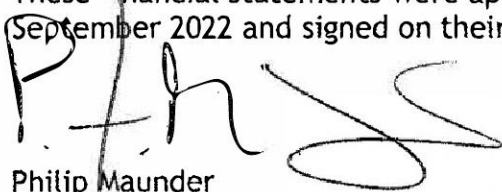
£'000's		2022	2022		
	Note	Unrestricted funds	Restricted & endowment funds	2022	2021
Income from:					
Donations and legacies	2.1	75	-	75	227
Charitable activities	2.2	219	167	386	301
Trading income	2.3	176		176	0
Investment income	2.4	1,645	15	1,660	1,621
Total income		2,115	182	2,297	2,149
Expenditure on:					
Charitable activities	4.1	622	235	857	2,343
Raising funds	4.2	534		534	5
					-
Total expenditure		1,156	235	1,391	2,348
Bad debt provision reversal		(694)	-	(694)	-
Net income before gains on investments		1,653	(53)	1,600	(199)
Property revaluation loss	14	-	-	-	(70)
Fixed assets revaluation gain	14	230	-	230	
Realised gain on investment		-	-		195
Net unrealised gain on investment	9.2	37	15	52	178
Total net gain/(loss) on investments & revaluation		267	15	282	303
Net movement in funds		1,920	(38)	1,882	104
Reconciliation of funds:					
Funds brought forward	14	39,651	1,300	40,951	40,847
Total funds carried forward		41,571	1,262	42,833	40,951

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2022

ESU GROUP BALANCE SHEET

		Consolidated		ESU Charity	
£'000's					
	Note	2022	2021	2022	2021
Fixed assets					
Intangible assets	8	86	129	86	129
Tangible assets	8	11,632	11,480	11,632	11,480
Investments	9	29,242	28,904	29,242	28,904
Total fixed assets		40,960	40,513	40,960	40,513
Current assets					
Stock		-	-	-	-
Debtors	10	1,088	257	1,142	103
Cash at bank and in hand		1,319	819	1,104	814
Total current assets		2,407	1,076	2,246	917
Creditors					
Amounts falling due within one year	11	534	638	440	579
Net current assets/(liabilities)		1,873	438	1,806	338
Net assets					
		42,833	40,951	42,766	40,851
Funds	15				
Restricted funds					
Endowments		503	629	503	629
Restricted funds		759	671	759	671
Total		1,262	1,300	1,262	1,300
Unrestricted funds					
Designated funds		37,996	38,034	37,996	38,034
General funds		3,575	1,617	3,508	1,517
Total		41,571	39,651	41,504	39,551
Net funds					
		42,833	40,951	42,766	40,851

These financial statements were approved and authorised for issue by the Trustees on 28 September 2022 and signed on their behalf by


Philip Maunder
Acting Chairman

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2022

CONSOLIDATED STATEMENT OF CASH FLOW

		Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
	Note		
Cash flows from operating activities:		776	180
Cash flows from investing activities			
Investment income	2.4	47	60
Purchase of property, plant, and equipment	8	(23)	(5)
Proceeds from sale/(purchase) of investments		(300)	250
Net cash provided by investing activities		(276)	305
Change in cash and cash equivalents in the reporting period		500	485
Cash and cash equivalents at the beginning of the reporting period		819	334
Cash and cash equivalents at the end of the reporting period		1,319	819

Reconciliation of net income to net cash flows from operating activities

		Year ended 31 March 2022 £'000	Year ended 31 March 2021 (£'000)
	Note		
Net (deficit)/surplus for the reporting period		1,600	(199)
Depreciation charges	8	145	163
Loss on fixed asset write-off		-	3
Management fees on portfolio		13	15
(Increase)/decrease in debtors		(81)	227
(Decrease)/increase in creditors		(854)	31
Decrease/(increase) in stock		-	-
Investment income		(47)	(60)
Net cash provided by/(used in) operating activities		776	180

Analysis of cash and cash equivalents

	2022 £'000	Movement £'000	2021 £'000
Cash at bank and in hand	1,319	500	819

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at market value, and in accordance with the Statement of Recommended Practice for Charities (SORP 2015) and applicable accounting standards (FRS 102).

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, the functional currency of the Charity. Monetary amounts are rounded to the nearest thousand pounds.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements.

As stated in notes 8 and 9 to the financial statements, the fair values of the functional and investment properties are based on an external valuation commissioned by the Trustees as at 31st March 2021. The valuation was based on an independent assessment by a professional external firm of property specialists. Given COVID-19 and its impact on financial and property markets, the Trustees acknowledge that there is a material valuation uncertainty due to the lack of comparable market transactions at the balance sheet date.

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

Specific estimates in the financial planning of the charity include:

- The charity will maintain the ability to respond to the need to amend its cost base in an agile and timely manner.
- The Board will continue to seek to maintain the long-term value of Dartmouth House

and unlock its potential for charitable purposes. It will continue to consider the optimal asset allocation for the charity across different asset classes.

- The Board will ensure, as far as it is able, that it secures the full rental income from the Hotel tenants. This has not been possible during the current COVID-19 pandemic as the Coronavirus Act prevents landlords taking legal action to collect rents. This restriction is due to expire on September 30th 2021 but may be extended. The Board will continue to ensure it receives independent professional property and legal advice on all matters across its estate.
- The financial modelling of the organisation's income and expenditure and cash flow will continue to use prudent revenue estimates in voluntary income classes, especially for membership, legacy and voluntary donations. The charity ensures that financial and legal commitments made are fully funded ahead of any such commitment being finalised.

Going concern basis

The COVID-19 pandemic has hit the charity hard. We estimate that more than 90% of our income will be disrupted or even lost as a result. The board has therefore taken a number of mitigating actions:

First, it has established a detailed and regular cash flow reporting and monitoring basis, so that the true position if the organisation can be seen clearly. Strong financial controls provide a bedrock for the transparent reporting required in difficult times. Detailed cash forecasts are scrutinised regularly by the entire board, and separately by its sub-Committee, the Finance and Operations Committee.

Secondly, detailed forecasts and projections have been prepared and these indicate that the charity continues to be able to operate within the arranged overdraft with its bankers. However, as with all overdraft facilities, it is subject to annual review and can be cancelled at any time. The next annual review is in November 2022 although the Trustees have no reason to believe it will not be renewed.

There is a likelihood that much of the income associated with the catering and hotel businesses on which we indirectly rely will continue to be affected.

The Audit and Risk Committee as well as the Finance and Operations Committee continue to monitor the levels of outgoings, and to consider contingency plans. A number of scenarios continue to be modelled in detail and the inherent assumptions tested robustly.

The issue facing the ESU is primarily one of liquidity. There is a strong property asset base built up over generations, but the value in the properties is relatively illiquid. In the unlikely event that the current financial challenges continue for a further 12 months, the

ESU is confident that, in extremis, it is able to secure financing to meet the needs of the charity.

The Board is therefore able to confirm that in its view and despite the most challenging of environments, the charity remains a going concern for the foreseeable future.

Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities (SoFA) and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

ESU Trading Ltd & ESU Dartmouth House Ltd

ESU Trading Ltd & ESU Dartmouth House Ltd are incorporated as companies limited by guarantee and do not have share capital. Both are wholly owned subsidiaries. A Gift Aid payment is made to the ESU each year equivalent to the taxable profit of each. ESU Trading Ltd provides catering facilities in Dartmouth House. ESU Dartmouth House Ltd holds the lease for the bedrooms above Dartmouth House.

Branches

The income and expenditure, assets and liabilities of the branches of the ESU in England and Wales have been combined within these accounts. Separate ESUs in Scotland and overseas are autonomous organisations and are not consolidated.

Income resources

All incoming resources are included in the SoFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

- Subscriptions are credited to the income and expenditure account when received, less the proportion which relates to the next financial year.
- Donations and legacies are included in full in the SoFA when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

All other income is accounted for on an accruals basis.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of resources. The majority of overheads have been apportioned on the basis of headcount, the main cost-driver of the Charity.

- Scholarships are accounted for in full upon the creation of a constructive obligation.
- Support costs, including Finance, IT, Head Office functions and facilities, are allocated using a relevant and reasonable apportionment based on time, occupancy and usage across categories of the charitable expenditure, governance and the costs of generating funds.
- Governance costs are separately identified and relate to the general running of the Charity as opposed to the costs of fundraising or charitable activity. Included within this category are costs associated with the strategic, as opposed to the day-to-day management of the Charity's activities and audit fees.
- Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Irrecoverable VAT is charged as a cost in the SoFA.
- Investment properties are included at market value and are not depreciated.

Fixed assets

Freehold properties are stated at an open market valuation. Other fixed assets are stated at cost less accumulated depreciation. Assets with a cost in excess of £1,000 intended to be of ongoing use are deemed to be fixed assets. Freehold property for the Charity's use is included at market value.

- Property Valuation

In considering the valuation of its property assets, the Board recognises that at the date of the valuation there was some uncertainty due to market disruption caused by the direct and indirect impacts of the Coronavirus. Under the circumstances, the board has used a leading independent chartered surveyor to provide an external professional valuation to 31st March 2021.

Valuation uncertainty here is defined as "the possibility that the estimated value may differ from the price that could be obtained in a transfer of the subject asset or liability taking place on the valuation date on the same terms and in the same market" (International Valuation Standards Council).

- Works of art

Various works of art are held by the charity at market value. No depreciation is charged.

Depreciation and amortisation

Depreciation and amortisation are calculated to write-off the costs of the fixed asset by equal instalments as follows, all straight line:

Plant and machinery	15 years
Furniture, fittings and equipment	5 years
Computers	3 years
Software	5 years

Investments

Investments are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the SoFA.

Profits and losses on the realisation of investments

These are shown as realised gains and losses in the SoFA. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the SoFA.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a maturity of less than three months, excluding the share portfolio.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These include trade and other debtors and creditors and are initially recognised at transaction value and subsequently measured at their settlement value.

Creditors and provisions

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

Operating leases

Rental charges are charged on a straight-line basis over the life of the lease.

Debtors and prepayments

Debtors include amounts owed to the Charity for the provision of goods and services or amounts the Charity has paid in advance for the goods and services it will receive. Any debtors recoverable more than 12 months after the year-end are discounted to present value.

Employee benefits

- **Short-term benefits**, including holiday pay, are recognised as an expense in the period in which the service is received.
- **Employee termination benefits** are accounted for on an accruals basis and in line with FRS 102.
- **Pensions:** The ESU operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the ESU in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

Taxation

The ESU has charitable status and is thus exempt from taxation of its income and capital gains falling within sections 521 to 536 of the Income Tax Act 2007 to the extent that they applied to its charitable objectives. No material tax charge has arisen in its subsidiary and no provision is required for deferred taxation.

Foreign currency translation

The Charity's functional and presentation currency is pounds sterling. Any monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SoFA.

Benefits in kind

Benefits in kind are included at a reasonable estimate of their gross value to the Charity. The Charity does not place a monetary value on volunteers' time.

Funds

- **Permanent endowments funds:** These occur where a donor specifies only income arising from a donation can be used, and the income may also be restricted towards a particular purpose.
- **Expendable endowment funds:** An expendable endowment fund is a fund that must be invested to produce income. Depending on the conditions attached to the endowment, the Trustees will have a legal power to convert all or part of it into an income fund which can then be spent.

- **Restricted income funds:** These are subject to specific restrictions imposed by the donor or by the nature of the appeal.
- **General unrestricted income funds:** These are available to the ESU for its general purposes and include funds designated for practical purposes. The use of designated funds remains at the discretion of Trustees.

2. INCOME NOTE

2.1 Donations and legacies

	Unrestricted funds £'000	Restricted & endowment funds £'000	2022 £'000	Unrestricted funds £'000	Restricted & endowment funds £'000	2021 £'000
Donations & legacies	22	-	22	32	10	42
Fundraising events	29		29	-		-
Government Grants	24		24	185		185
Total	75	-	75	217	10	227

2.2 Charitable activities

	Unrestricted funds £'000	Restricted & endowment funds £'000	2021 £'000	Unrestricted funds £'000	Restricted & endowment funds £'000	2021 £'000
Income from programmes & events	42	167	209	11	103	114
Income from branches	30	-	30	10	3	13
Membership subscriptions	147	-	147	174	-	174
Total	219	167	386	195	106	301

2.3 Trading activities

	Unrestricted funds £'000	Restricted & endowment funds £'000	2022 £'000	Unrestricted funds £'000	Restricted & endowment funds £'000	2021 £'000
Catering commission	128	-	128	-		-
Other trading activities	48		48	57		57
Total	176	-	176	57	-	57

2.4 Investments

	Unrestricted funds £'000	Restricted & endowment funds £'000	2022 £'000	Unrestricted funds £'000	Restricted & endowment funds £'000	2021 £'000
Rental income	1,504	-	1,504	1,504	-	1,504
Investments income	32	15	47	19	41	60
Recharges	109	-	109	57	-	57
Total	1,645	15	1,660	1,580	41	1,621
Total income	2,115	182	2,297	1,992	157	2,149

3 TRADING SUBSIDIARIES

3i ESU Trading Ltd

	2022 £'000	2021 £'000
Turnover	177	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	174	-
Profit before taxation	3	-

Summary of assets and liabilities are as follows:

Assets	44	62
Liabilities	(26)	(43)
Net asset	18	19

Distributions to parent charity under gift aid	3	-
--	---	---

ESU Trading Ltd outsources the catering and room hire of Dartmouth House under contract to CH&Co. Operating costs include an allocation of ESU's employee costs and management expenses.

3ii Dartmouth House Limited

ESU Dartmouth House Ltd is responsible for the "bedroom lease" the lease to floors 2,3 and 4 above Dartmouth House. The company was formed on 9th December 2020 as a wholly owned subsidiary of the charity to be the "Competent Landlord." Income is earned on rents received from the tenant, and costs are due to the parent in proportion to such receipts. ESU DH Ltd covenants any profits to the charity. The results below are for the period April 2021 to March 2022.

	2022 £'000	2021 £'000
Turnover	317	81
Cost of sales	-	(73)
Gross profit	317	8
Administrative expenses	269	4
Profit before taxation	48	4

Summary of assets and liabilities are as follows:

Assets	117	147
Liabilities	69	143
Net asset	48	4

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2022

Distributions to parent charity under gift aid	48	4
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4. EXPENDITURE

4.1 Charitable activities

	Direct costs £'000	Support costs £'000	2022 £'000	2021 £'000
Education programme and scholarships	205	220	425	1,271
International development	120	21	141	132
Membership and branches	90	160	250	429
Governance (note 7)	29	12	41	511
Total	444	413	857	2,343

4.2 Raising funds

	Direct costs £'000	Support costs £'000	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Fundraising costs	27	-	27	5
Trading	444	65	509	-
Total	471	65	536	5

Reversal of bad debt provision	(694)	-	(694)	-
Total expenditure	221	478	699	2,348

5 SUPPORT COSTS

	Finance, HR & digital £'000	Communications & publicity £'000	Facilities & management £'000	2022 £'000	2021 £'000
Overhead allocation					
Education programme and scholarships	96	8	117	221	964
International development	9	1	11	21	110
Membership and branches	69	5	85	159	386
Governance	5	-	6	11	436
Sub-total charitable to activities	179	14	219	412	1,896
 Fundraising	-	-	-	-	5
Trading	28	2	35	65	-
Sub-total to fundraising & trading	28	2	35	65	5
 Total support costs	207	16	254	477	1,901

Support costs are allocated on the basis of full-time equivalent headcount across the programmes.

6 DETAILS OF STAFF COSTS

6.1 Number of employees

The average number of employees is split as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Charitable activities	4	4
Support	6	6
Total permanent full-time staff	10	10

Support staff functions include Finance, IT, Human Resources, Facilities, Legal and Administration, as well as Communications and Operations.

Contractors and temporary staff are excluded.

6.2 Analysis of staff costs

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Salaries	482	501
Redundancy costs	-	42
Employers' National insurance	48	52
Employers' pension contributions	33	42
Total	563	637

Eleven staff members received a redundancy payment as a result of restructuring in the programme department.

6.3 Senior employees

	Year ended 31 March 2022 Number	Year ended 31 March 2021 Number
£70,001-£80,000	1	-
£80,001-£90,000	-	1
£90,001-£100,000	-	1
£110,001-£120,000	1	-
Total	2	2

The above bands reflect the emoluments, excluding pension contributions, of the Director-General and the Director of Finance.

6.4 Key management personnel

Key management personnel emoluments, comprising wages and salaries, pension contributions and other benefits:

	2022 £'000	2021 £'000
Total	194	188

Key management personnel comprise the Director-General, Director of Education and Director of Finance.

6.5 Trustee remuneration

None of the Trustees received any remuneration from the Charity or its subsidiaries during the current or previous financial year.

7 GOVERNANCE COSTS

	2022 £'000	2021 £'000
Trustees' expenses	6	-
Legal and professional	-	208
Audit fees	24	24
Other payments to auditors (VAT advisory costs)	13	13
Total	43	245

In addition to the direct costs shown above, Governance costs also include directors' and executive time concerned with the strategic planning processes that contribute to the development of the Charity. (See note 5. Support Costs).

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8 FIXED ASSETS

Group and Charity (£'000's)

	Freehold property	Plant & machinery	Computer equipment	Artwork & Maces	Fixtures & fittings	Total tangible assets	Intangible assets	Total fixed assets
Cost or valuation								
At 31 March 2021	10,300	1,140	8	496	180	12,124	215	12,339
Additions	-	23	-	-	-	23	-	23
Disposals	-	-	-	-	-	-	-	-
Revaluations	-	-	-	230	-	230	-	230
At 31 March 2022	10,300	1,163	8	726	180	12,377	215	12,592
Depreciation/ amortisation								
At 31 March 2021	-	487	3	-	154	644	86	730
Charged in the year	-	74	2	-	25	101	43	144
Disposals	-	-	-	-	-	-	-	-
At 31 March 2022	-	561	5	-	179	745	129	874
Net book value	10,300	602	3	726	1	11,632	86	11,718
 At 31 March 2021	 10,300	 653	 5	 496	 26	 11,480	 129	 11,609

9 ANALYSIS OF FIXED ASSET INVESTMENTS

9.1 Property investments (£'000's)

	2022	2021
Market value at 1 April	27,200	27,100
Unrealised gains on revaluation	-	100
Market value at 31 March	27,200	27,200

The investment property was valued by the Trustees at 31st March 2021. The valuation was based on a suitable index given the lack of open market evidence. As a result of the outbreak of COVID-19 and its impact on financial and property markets, the Trustees acknowledge that there is a material valuation uncertainty due to the lack of comparable market transactions at the balance sheet date.

9.2 Share portfolio (£'000's)

	2022	2021
Market value at 1 April	1,704	1,597
Disposal proceeds	250	(250)
Investment managers' (fees)-netted off unrealised gains	(13)	(15)
Investment held in cash	50	-
Realised profit on investments	-	194
Unrealised gain/(loss) on investments	52	178
Market value at 31 March	2,043	1,704
Market value of all investments at 31 March	29,243	28,904

Historical cost at 31 March	1,246	1,302
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9.3 Material investments

There were no material investments in the year.

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10 DEBTORS (£'000's)

	Consolidated		ESU Charity	
	2022	2021	2022	2021
Trade debtors	1,062	975	879	821
Bad debt provision	-	(750)		(750)
Amounts owed by subsidiary undertakings	-	-	236	
Prepayments and accrued income	26	32	26	32
Total	1,088	257	1,141	103

11 CREDITORS (amounts falling due within one year) (£'000's)

	Consolidated		ESU Charity	
	2022	2021	2022	2021
Trade creditors	68	65	68	65
Sundry creditors	5	120	5	120
Subscriptions in advance	57	60	57	60
Amounts owed to trading subsidiaries	-	-	-	50
Deferred income	400	399	334	290
VAT payable/(reclaimable)	4	(6)	(24)	(6)
Total	534	638	440	579

12 OPERATING LEASE COMMITMENTS

At 31st March 2022, the Charity had annual commitments in respect of operating leases of office equipment which expire in the period shown, as follows.

£'000's	2022	2021
Within one year	3	3
Two to five years	-	-
Total	3	3

The lease relates to a photocopier.

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13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year (£'000's)	Unrestricted funds	Restricted & endowment funds	Total 2022
Fixed assets	11,718	-	11,718
Investment property	27,200	-	27,200
Other investments	781	1,262	2,043
Net current assets/(liabilities)	1,872	-	1,872
Total net assets	41,571	1,262	42,833

13.1 Prior year (£'000's)

	Unrestricted funds	Restricted & endowment funds	Total 2021
Fixed assets	11,609	-	11,609
Investment property	27,200	-	27,200
Other investments	404	1,300	1,704
Net current assets/(liabilities)	438	-	438
Total net assets	39,651	1,300	40,951

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14. FUNDS (£'000's)

Current Year	Opening balance 31 March 2021	Incoming resources	Outgoing resources	Unrealised loss on investments	Revaluation of fixed assets	Balance at 31 March 2022
Endowment funds						
Expendable	408	-	(127)	-		281
Permanent endowment	222	-	-	-		222
Total	630	-	(127)	-		503
Restricted funds						
Branch funds	49	1	-	1		51
Exchange programmes	32	1	-	1		34
Fellowship funds	146	172	(63)	5		260
Education funds	58	1	(2)	1		58
Music funds	33	1	(9)	-		25
Scholarship funds	352	6	(34)	7	-	331
Total	670	182	(108)	15		759
Unrestricted funds						
Designated funds	38,035	-	(39)	-		37,996
General funds	1,516	1,621	19	37	230	3,423
Trading funds	100	494	(442)	-		152
Total	39,651	2,115	(462)	37	230	41,571
Total funds	40,951	2,297	(697)	52	230	42,833

A professional valuation was undertaken on 17th May 2022 that resulted in an upwards revaluation of school maces of £230k. This valuation was undertaken by Hawksworth Valuations Limited.

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14.1 Prior year funds (£'000's)

	Opening balance 31 March 2020	Incoming resources	Outgoing resources	Unrealised loss on investments & revaluation of fixed assets	Transfer between funds	Balance at 31 March 2021
Endowment funds						
Expendable	342	13	(27)	80		408
Permanent endowment	199	-	-	23		222
Total	541	13	(27)	103		630
Restricted funds						
Branch funds	39	2	(3)	11		49
Exchange programmes	25	1	-	6		32
Fellowship funds	126	104	(109)	25		146
Education funds	13	21	(5)	29		58
Music funds	25	3	(2)	7		33
Scholarship funds	281	13	(2)	70	(10)	352
Total	509	144	(121)	138		670
Unrestricted funds						
Designated funds	38,276	-	(171)	(70)		38,035
General funds	1,349	1,912	(2,029)	122	10	1,364
Trading funds	172	80	-	-		252
Total	39,797	1,992	(2,200)	62		39,651
Total funds	40,847	2,149	(2,348)	303		40,951

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15. FUND DETAILS

Grouping	Category	Fund name	Purpose
Endowment funds	Expendable endowment funds	EEF000 - American Memorial Chapel Travel Fund (Clergy)-£87k	Travel scholarships for clergy between the UK and the USA
		EEF001 - Westbury Preston Memorial Education Fund-£177k	Used to provide exchange visits by students or teachers within the British Commonwealth or between the British Commonwealth and the USA
		EEF002 - Mallinson Memorial Fund - Bookbinding & Woodworking-£19k	Woodworking and bookbinding scholarships
	Permanent endowment funds	PEF000 - P W Minet American Education Scholarship Fund-£75k	Teaching scholarships for lecturers or teachers to travel to the USA to study a specific aspect of education
		PEF001 - P W Minet Community Benefit Fund-£75k	Travel awards to enable individuals between 25 and 45 with professional qualifications to travel outside the UK, for the benefit of both their own communities and those they visit
		PEF002 - Education Endowment Fund - Teachers-£48k	Travel scholarships for teachers between the UK and the USA
PEF003 - Charlotte Bonham-Carter Music Scholarship Fund-£22k		For the provision of music scholarships to Yale	
Restricted funds	Branch funds	RB0003 - Carlborn-Lincolnshire-£48k RB0005-Hastings branch-£2k RB0001-Nurses Work Shadow Fund(£3k)	Used to fund education at branch level
	Exchange funds	RE0003 - C E Eckersley Educational Fund-£17k	Used to provide grants to foreign students studying the English language in the UK
		RE0004 - Walter Annenburg Fund-£17k	Donated for the purpose of Anglo-American exchanges
	Fellowship funds	RS0000 - The Lindemann Fellowship Fund-£258k	Provides fellowship awards to enable UK scientists to undertake research programmes in the USA
	Music funds	RM0000 - The Ravinia Scholarship Fund-£6k	Awards to enable talented musicians to attend the Ravinia Festival
		RM0003 - Belinda Norman-Butler Music Fund-£15k	Donations raised by the ESU Cultural Affairs Committee to support music scholarships
	Scholarship funds	RA0000 - Chilton Art History Scholarship Fund-£130k	Supports an annual art history scholarship placement at Christies
		RN0000 - John Roberts Travel Scholarship Fund-£45k	Fund is in respect of travel scholarships
		RN0001 - Michael Graydon Scholarship Fund-£13k	Award to aid earmarked ESU educational work for the Lincolnshire branch
		RB0002 Chester Scholarship Fund-£111k	Award for scholarships & other charitable activities in Chester