

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



Contents

Welcome **03**

1 About Education and Training Foundation (ETF) **05**

2 Strategic report **06**

3 Trustees' report **20**

4 Independent auditor's report to the trustees of ETF **31**

5 Statement of financial activities **35**

6 Balance sheet **36**

7 Statement of cash flows **37**

8 Notes to the financial statements **38**

Welcome

ETF has for over ten years held a pivotal role in supporting the Further Education (FE) and Skills sector across England. Through its initiatives, ETF drives professionalism, enhances teaching and learning, champions inclusion, and enables sector change, ultimately transforming the lives of learners aged 14 and above. ETF's work includes commissioning and delivering professional workforce development programmes, operating the Society for Education and Training (SET), and providing leadership in addressing key sector challenges.



In 2023-24, the ETF Board appointed a new Chair, Sir Frank McLoughlin CBE, who is one of the leading voices in the FE and Skills sector. One of his first responsibilities was to lead the Board to oversee the launch of the charity's new strategy, **"Together we transform"**, focusing on four strategic goals.

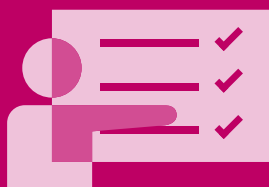
- 1** Drive professionalism: we will champion professionalism and grow the evidence base of education and leadership practice, making FE and Skills a rewarding career destination.
- 2** Improve teaching and learning: we will ensure consistency in learner experience by setting clear competences and conduct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

ETF's first Theory of Change (ToC) was introduced to link these strategic goals to specific outputs and outcomes, guiding future business planning and impact reporting.

Key achievements in 2023-24 included:

Professionalism:

Over **23,000** SET members and **50** Corporate Partners were supported, with **620** members achieving Qualified Teacher Learning and Skills (QTLS) status.

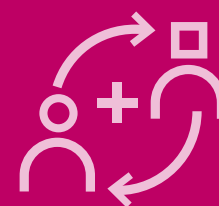


Teaching and Learning:

Programmes including T Level Professional Development and leadership training saw strong engagement, with over **14,000** participants.

Inclusion:

ETF partnered with the **Black Leadership Group** and launched the Inclusive Leadership program, enhancing sector-wide inclusivity.



Sector Change:

ETF led discussions on systemic challenges in FE through partnerships with institutions like Saïd Business School, University of Oxford, culminating in the **“Further Education and Skills: Changing Systems of Change”** report. [View on ETF website](#)



Looking forward, ETF aims to embed its strategic goals into its operations, focusing on:

- ✓ expanding professional networks and memberships
- ✓ delivering world-class CPD programmes
- ✓ influencing workforce development and promoting sector professionalism
- ✓ enhancing digital learning experiences
- ✓ building a strong internal culture and governance framework.

ETF is committed to being sector-focused, outward-facing, impact-driven, intelligence-informed, and sustainable in its operations, ensuring it remains a key driver of progress in the FE and Skills sector.

1 About ETF

Every day, educators and leaders across the FE and Skills sector inspire curiosity, drive progress and empower learners to achieve their potential.

ETF is here to amplify the vital role of the FE and Skills workforce. Working in partnership, we drive professionalism by setting professional standards for the quality of teaching and leadership across the sector. We provide educators with professional development throughout their careers, we champion inclusion, and we embrace change in support of a thriving FE and Skills sector. Together, we are transforming lives and opportunities for learners aged 14 and above.

We support educators across FE and Skills to help them to achieve their professional development goals for the benefit of learners and employers across England. In doing so, we help to transform the lives of individuals and communities across the country, unleashing potential and benefiting the economy. Our activities include the commissioning and delivery of professional workforce development programmes (e.g. leadership development, T Level Professional Development, Maths and English enhancement) and the running of the sector's professional membership body, the Society for Education and Training (SET).



This report provides our many and varied stakeholders with an overview of the charity's activities in 2023-24, as well as looking forward into 2024-25. It brings into one place the strategic trustees' reporting, as well as providing the 2023-24 financial statements and our auditor's reflections. We have tried to strike a balance of providing information detailing our strategy, governance, delivery activities, impact and financial position while keeping this report a manageable length. Should you like to explore any areas in more detail, the ETF website contains a lot more information and the [2021-23 Impact Report](#) goes into more detail about our impact on the FE and Skills sector. Please reach out to the Company Secretary ([Dr Gina Hobson](#)) if you have any questions about the content.

2

Strategic report

In 2023–24, following extensive work with the sector, stakeholders and staff, the charity's new strategy, Together We Transform, was finalised and launched. It recognises that the charity needs to become more rooted in the FE and Skills sector and sets out our plans 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. The new strategy places sector voices at its heart and reflects the feedback and input from an extensive listening exercise involving sector organisations and teachers, trainers and leaders from across the FE and Skills sector.

Our four strategic goals are as follows:



Drive professionalism: we will champion professionalism and grow the evidence base of education and leadership practice, making FE and Skills a rewarding career destination (see [section 2.1](#) for detail regarding performance against this strategic goal).

Improve teaching and learning:

we will ensure consistency in learner experience by setting clear competences and conduct required to enter and maintain professional status within FE and Skills (see [section 2.2](#)).



Champion inclusion: we will tackle inequalities in the FE and Skills workforce, supporting routes to employment and career development by providing lifelong learning to all (see [section 2.3](#)).

Enable sector change: we will convene sector change and respond to the FE and Skills workforce needs by working in partnership (see [section 2.4](#)).



The strategic goals and new objectives are accompanied by our recently developed ToC, which demonstrates how the charity's activities, linked to the four strategic goals, generate outputs, outcomes and ultimately determine impact. This is the first ToC we have produced, and it acknowledges the systemic complexity in which ETF operates where the charity may have little, if any, control (e.g. pay and conditions of sector professionals, wider funding environment, policy landscape). In this context, ETF is taking a broad impact approach, positioning the charity in the FE and Skills environment and clearly stating where ETF makes a direct contribution and where contribution is indirect or assumed. In 2024–25, we will be embedding the ToC into our business planning and using it to strengthen our impact

reporting. We will also be using the ToC with the sector to work toward our objective to enable sector change and articulate the sector's impact to the economy and society as a whole.

In the following sections, you'll find more detail about the impact ETF has made in 2023–24, reporting against our four strategic goals. While good progress has been made across a number of areas, there is still important work to be done to ensure that we: remain sector-focused and outward-facing; impact and outcomes-driven; informed by intelligence; and sustainable and agile. Section 2.5 of the Strategic Report provides further information about our priorities in 2024–25. If you would like to read more about the charity's impact, our full Impact Report (2021–2023) is available on the [ETF website](#).



2.1 Driving professionalism

Supporting educators and leaders to excel through the very best development opportunities and championing the professionalism of our diverse and vibrant sector has always been — and will continue to be — central to our work. For ten years we have played a leading role in driving the professionalism of the sector through our Professional Standards and professional designations to develop and enhance practice, providing educators with a pathway of progression throughout their careers.

Some of the ways we drive professionalism

- We raise the status of the profession and champion teaching and leadership quality across the sector. Between 2021 and 2023, 3,447 people have engaged with our leadership development programmes. Over two-thirds of senior leaders attributed their career progression to ETF programmes.
- We develop and enhance Professional Standards for teachers and leaders to build a culture of professionalism within FE and Skills and provide a roadmap for professional growth and career progression.
- We develop, in partnership with the sector, a robust framework of CPD aligned to our standards and a range of professional development activities.
- We enhance professional practice through QTLS, ATS and other progression routes through membership of SET.
- We convene communities of practice, enabling networking and collaboration opportunities for practitioners across the sector.



Highlights from 2023-24

- We support, recognise, and empower more than 23,000 individual SET members from across the profession to drive excellence and raise educational standards that directly impact the future workforce.
- We collaborate with over 50 Corporate Partners to support more than 5,700 professionals to access development opportunities that directly enhance the quality of teaching, better prepare students for the future, and strengthen organisational performance.
- In August 2024, more than 620 members earned QTLS status, with another 750 beginning their journey in January 2024. Since its launch in 2007, nearly 27,000 professionals have achieved QTLS status, an accreditation that significantly enhances their teaching expertise, boosts their career prospects, and empowers them to make a lasting impact on students' lives.



- Since its launch in 2017, 266 individuals have successfully achieved ATS, demonstrating their commitment to excellence in education and setting the benchmark for peers. In October 2023, 54 members started on their ATS journey, with completion expected by late 2024.
- We hosted 19 impactful webinars in 2023-24 as part of our commitment to members, each designed to challenge thinking and support continuous professional development. The sessions tackled a wide range of critical and timely issues and attracted more than 2,400 registrations.
- In 2023-24, we strengthened our Practitioner Advisory Group (PAG) by welcoming 23 new members, bringing the total to 39 active participants. PAG plays a critical role in shaping our strategy by providing invaluable insights into member experiences, needs and aspirations.
- In January 2024, more than 260 professionals from across the sector gathered in Birmingham for the SET annual conference. Delegates were energised by inspirational speakers, gained practical insights on a wide range of topics, and took full advantage of invaluable networking opportunities.
- We continued to strengthen key partnerships with Saïd Business School, University of Oxford and Kings College, who are working with us to deliver DfE flagship strategic and senior leadership programmes.
- We worked in partnership with the Royal Commission for the Exhibition of 1851 to deliver the prestigious Technical Teaching Fellowships. Six exceptional teachers have been awarded fellowships in the last two years.
- We weaved thought pieces and voices from the sector through our four new leadership toolkits. Topics include Leading for Sustainability, Leading Professional Standards, Deeper Thinking, Stronger Action and Leading on Curriculum Planning for the Adult Community Education Sector. We have also developed a series of blogs and articles focusing on different aspects of thought leadership.

2.2 Improving teaching and learning

The world of education is undergoing unprecedented change with the shift to hybrid and flexible learning, the growth in use of artificial intelligence in learning and business settings, changes in assessment as well as the rising mental health challenge.

We believe that the key to high-quality learning experiences for learners is to support educators and leaders to excel. By providing the very best workforce development and training opportunities, ETF is supporting educators to transform the lives of learners aged 14 and over.

Over the past year, ETF has made significant strides in enhancing the professional development of teachers and leaders within the FE and Skills sector. Through a range of targeted CPD programmes, we have seen high engagement and satisfaction levels, with participants reporting increased knowledge, skills, and confidence. Through our CPD programmes, ETF continues to provide opportunities for educators to connect with other professionals and, by doing so, enables wider learning and the development and strengthening of communities of practice. These initiatives reflect ETF's dedication to and impact on enhancing workforce development, leadership skills, and inclusivity in the FE and Skills sector.

Some of the ways we improve teaching and learning include:

- providing a wide portfolio of high-quality, innovative professional development to grow professional skills, enhance teaching practice and aid career progression
- designing and delivering, in partnership with sector and industry experts, leadership development and governance support that equips leaders at every stage of their career with strategic planning, system leadership and change skills
- offering resources and support to cultivate effective leadership and governance capability across the sector
- through SET membership, we champion excellence in teaching and training, providing support, training and collaboration opportunities to educators from across the sector.



Highlights for 2023–24 include:

Key programme area	Impact
Centres of Excellence in SEND: Our four Centres of Excellence in Special Educational Needs and Disabilities (SEND) have delivered comprehensive support, including specialist one-to-one provision for leaders and communities of practice for managers and practitioners.	Increased recognition among senior leaders of the importance of providing excellent provision for SEND learners.
Apprenticeship Workforce Development (AWD) programme (Phase 2): Delivering a range of activity through training needs analysis, professional development and collaborative projects.	Increased focus on quality processes, improvement in professional practice and enhanced employer engagement.
T Level Professional Development (TLPD) programme: We have seen strong engagement from the sector, with participants providing positive feedback on its effectiveness in preparing them to deliver T Levels. More than 14,000 participants engaged in TLPD courses and activities during 2023–24.	As a result of attending sessions, both leaders and teachers reported improvements in teaching staff's technical knowledge and expertise, curriculum design, and readiness to deliver T Levels.
Leadership: We provided intensive learning programmes for CEOs, with full cohorts in the CEO programme (15), the Preparing for CEO programme (30), and the new pilot residential “Leading in the 21st Century” (15). Four new toolkits, covering Professional Standards, Sustainability, Equity, Diversity, and Inclusion (EDI), and Curriculum Design, were developed and launched. Middle Managers: Focus on strategic and empowered leadership, as well as optimising performance and cultural competence. The full complement of 340 participants attended; and a further four in-house programmes.	Increased knowledge and understanding, incorporated into practice. Increased ability to influence upwards, improved management practices, e.g. changing team structures.
Governance: Offering development activities for governance professionals, governors, student governors, and chairs. Most non-residential programmes met or exceeded KPIs. The Chairs' network events saw nearly 300 bookings (target of 200), and the new Governance Development Programme on ETF's learning management platform engaged over 800 participants (target of 660).	Governance participants better equipped to support senior leaders, increased confidence to carry out governance roles.

ETF works strategically with the sector and industry, engaging with Education for Sustainable Development (ESD) trailblazers in the UK and internationally. Our partnership with EAUC has been crucial in shaping the ESD offerings, including supporting the Green Gown Awards and delivering a CPD webinar series aimed at educators on how to integrate ESD effectively.

We continue to offer the “Embedding Education for Sustainable Development (ESD)” course, delivered in collaboration with the Environmental Association for Universities and Colleges (EAUC). The course is aimed at educators and leaders who seek to incorporate sustainability into their professional practices. It has gained popularity due to the success of previous ETF ESD programmes and is developed with input from ESD experts and members of the COP26 Education and Skills Committee, drawing on ETF’s Professional Standards to embed sustainability in learning and working practices. The programme attracted 28 delegates who all completed the full course.



In addition to the ESD course, ETF provides a wealth of resources and support for sector leaders and educators, including technical webinars, an ESD guide for FE and Skills sector governors, and tools like the “Sustainability in the Curriculum” and the “Sustainability Teaching Tool”. These resources are now enhanced with case studies demonstrating their impact. Furthermore, the sustainability leadership toolkit aims to prepare sector leaders for the ESD requirements set forth by the FE Climate Action Roadmap.

2.3 Championing inclusion

We want everyone within FE and Skills to feel included and that they belong. This calls for inclusive spaces and learning environments that enable all learners to thrive. Embedding inclusive practice into our work, and championing inclusion across the sector and through society provides opportunities for social mobility and ensures that our workforce and the curriculum reflect the learners and communities our sector serves.

Some of the ways we champion inclusion include:

- embracing equity, diversity, inclusion and belonging, treating all professionals we engage with respect and embedding an inclusive approach across our portfolio of programmes and activity
- actively promoting and advocating for an inclusive approach across our CPD programmes and piloting approaches to create sustainable change
- promoting inclusion and sustainability, addressing environmental and social impact, and contributing to social equity in FE and Skills
- drawing on global insight and sharing innovation globally to address challenges, we work together with the FE and Skills sector to create a more sustainable and equitable global community.



Highlights for 2023–24 include:

- **Antiracism commitment:** Partnering with the Black Leadership Group (BLG), ETF demonstrates its commitment to anti-racism and highlights the positive contribution of anti-racist efforts across the sector. Our work in this space aims to ensure that everyone who engages with the FE and Skills sector feels that they belong and are included. Activities in support of this included our CEO leading a session with BLG at its annual conference, CEO peer mentoring with Jisc, supporting the Ethnic Equity in Education Campaign, and BLG-led webinars.
- **Inclusive Leadership programme:** This programme supports leaders to implement change and had over 500 bookings (target of 150).
- **Free place offer:** To boost inclusivity, we offered free places to staff on our leadership and governance programmes from underrepresented communities, resulting in 17% participation from Black and minoritised groups, compared to the sector average of 7%.
- **Internal and external working groups:** We have focused on leading by example and supporting the sector and these working groups are overseen by a steering group chaired by ETF's CEO. Achievements have included a review of all our external work that led to our Inclusive FE publication and an internal programme of work to champion inclusion across: our commissioning policies; professional design and development; membership; and staff and stakeholder engagement work.
- **ETF governance:** As part of the external governance review (completed by NVCO), ETF's Board approach to EDIB was considered. It was noted as a key priority for the charity and the Board's strategy to EDIB will be published in 2024–25.

2.4 Enabling sector change

Rapid technological innovation, shifting economic and political landscapes, and demographic change are all influencing national and global education agendas. Against this backdrop, the role of the FE and Skills sector in England has never been more critical.

Securing economic growth and social progress for the future will rely upon a thriving and proactive FE and Skills system that can respond to the complex challenges and emerging opportunities that lie ahead. To equip learners with the skills they need to meet local and national skills requirements, we need an FE and Skills system that connects educators and providers with employers, provides an innovative, future-facing inclusive curriculum and leads to a coherent workforce development strategy to support staff retention and recruitment.



Some of the ways we enable sector change include:

- collaborating with sector leaders to explore systems thinking in FE and Skills, convening debates and discussions to inform positive change to policy and practice
- actively engaging with sector leaders to understand key priorities for workforce development and workforce planning and translating these into a proactive response that is aligned with sector needs
- supporting research on workforce development and professionalism through collaborative research networks, training and thought leadership to build an evidence base for future policy change
- working with the Government, regulators and other decision makers to collaboratively inform policy and practice, using the evidence gathered from our work with the sector.

In 2023–24, in partnership with Saïd Business School, University of Oxford, ETF set out to investigate the challenges facing the FE and Skills sector and, crucially, how it might respond at a systemic level. With a remit encompassing the entirety of FE, ETF brought together a group of sector leaders, administrators, educators, researchers, and policymakers interested in FE and Skills system renewal to explore these challenges through systems thinking. The focus was on identifying what it would take for the sector to remain relevant, resilient, and responsive to the complex challenges and emerging opportunities ahead. This work culminated in May 2024 with the publication of the “Further Education and Skills: Changing Systems of Change” report.



The report recognises the role of education and skills development and its contribution to our national ability to respond positively to economic, commercial and social change. It explores the challenges and opportunities facing the FE and Skills sector, noting that the challenges are both perennial and new, strategic and operational. The key opportunity is for the system in which FE and Skills operates to become sustainably self-improving. We worked with sector leaders and policy makers to consider how ongoing renewal could be made sustainable for all those who work in the sector; we agreed simply asking people to ‘do more’, was not an option. The report aims to encourage conversations about what needs to change, including the existing approaches to change, in order to achieve excellence, improvement, innovation and resilience across the whole sector. It will be a key tool for the charity to enable sector change through 2024–25 and beyond.

An extensive sector engagement programme, led by the CEO during 2023–24, informed our top priorities in supporting the sector and translating these into our professional development programmes, conference and events activity and publications. The top priorities identified included: leadership development, sustainability and introduction to teaching and learning in FE for dual professionals, particularly those working in the independent sector. The quality of ETF’s provision has been a key focus for sector leaders.

2.5 Plans for 2024-25

Through 2024-25, ETF will continue to embed its strategic goals and objectives into its ways of working, focusing on maximising the impact it has on professionals working in the FE and Skills sector. In 2023-24, steps were taken to pivot the charity so that it is able to achieve its strategic aspirations, but it is acknowledged that more is needed to build our impact through changes in the offer and our ways of working.

The strategy, approved by the Board in 2023, outlines how we will deliver against the strategic goals, setting out seven priority objectives which form the basis of our business plan. These are:

- supporting professionalism by delivering effective communities and professional networks through growth of our membership for practitioners and partnerships with sector organisations
- delivering world-class CPD programmes for existing contracts (including T Level Professional Development, Leadership & Governance, Apprenticeship Workforce Development and Basic Skills)
- diversifying our income and aligning our activity with sector need
- supporting 740 teachers through QTLS or ATS
- influencing workforce development and teaching and learning quality on behalf of the sector and championing FE and Skills professionals
- delivering effective digital learning experiences
- building a great place to work and delivering excellence in our central services, customer experience and governance.

In delivering the strategy we commit to being:

- sector focused: better informed by, and further engaged with, the sector
- outward facing: forging partnerships and sharing innovation globally
- impact and outcomes driven
- informed by intelligence: research and thought leadership
- sustainable and agile: based on a lean model of resources and skill set.

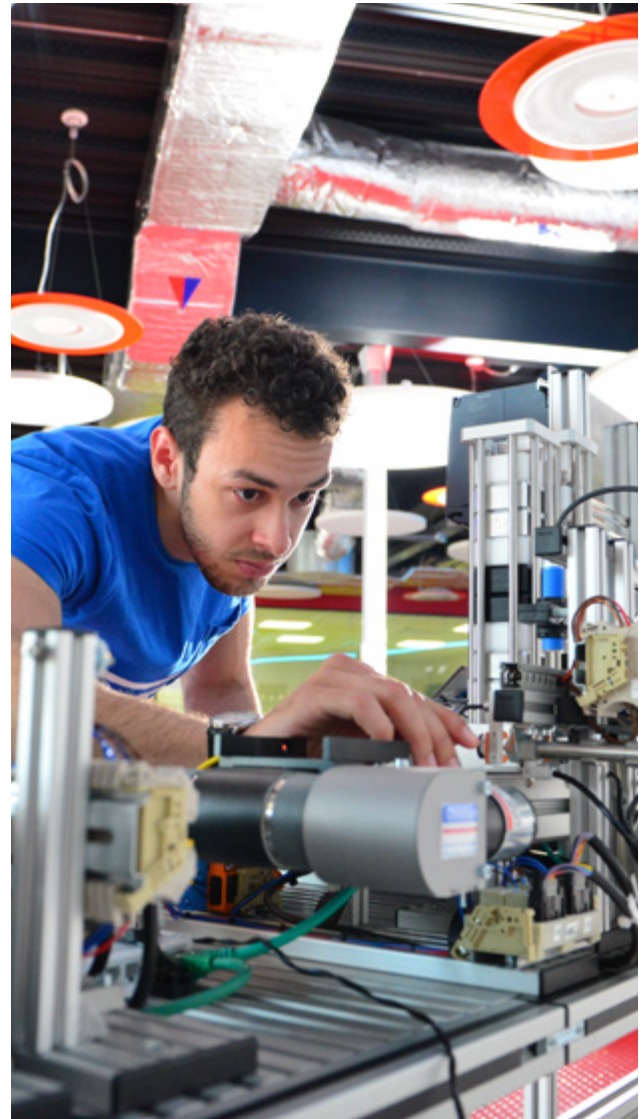


2.6 2023-24 Financial summary

ETF's total income from its charitable activities in the year was £23.3m (2022-23: £32.9m) and £0.3m from trading activities (2022-23: £0.3m). Total: £23.6m (2022-23: £33.2m).

Total income for the charity comprises:

- £0m from government grant (2022-23: £7.7m)
- £19.9m from government contracts (2022-23: £20.9m)
- £1.1m from non-government contracts (2022-23: £1.1m)
- £2.3m from membership and accreditation (2022-23: £3.0m)
- £0.3m from providers, practitioners, other income and non-government grants (2022-23: £0.4m).



ETF's total expenditure for the year was £25.3m (2022-23: £33.0m) and included:

- £23.5m for programme and sector development (2022-23: £31.6m)
- £0.4m for research and data (2022-23: £0.1m)
- £1.4m for membership and accreditation (2022-23: £1.2m)

Overall, ETF is reporting a deficit for the year of £1.7m (2022-23: £0.2m surplus).

2.7 Policies: reserves, going concern and investment

Restricted reserves at the end of the year were £0.6m (2022-23: £0.8m). 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 £9.1m (2022-23: £10.6m). Unrestricted reserves are available to support ETF's charitable purposes and strategy, and to provide financial resilience and flexibility.

Since 1 April 2023, ETF has moved away from creating a designated fund for orderly wind-down in favour of a broader reserves policy. The reserves level for the year ended 31 March 2024 is 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 in the unlikely event this should be necessary. Total unrestricted reserves of £9.1m 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 sole reliance on Government contract delivery, into a much more diverse revenue and surplus generating charity supporting education and training delivery of the FE sector and beyond. The current reserves level enables the Board to support the Executive 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 projection of the 2024-25 and 2025-26 Income and expenditure has been performed, showing that reserves are not expected to fall below the requisite level and that the cash position is robust.

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



Year ending 31 March 2024 £'000	
Total reserves held	9,741
Restricted reserves	602
Unrestricted funds	9,139
Reserves held in fixed assets	762
Free reserves	8,377

2.8 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 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 and minimise risk.



2.9 Grant making

ETF has allocated grants to providers to help fund training under the Apprentice Workforce Development (AWD) contract. All grant awards were approved by the Department for Education (DfE) and are subject to rigorous checks to ensure money is being used in accordance with the UK Charity Commission's rules on public benefit.

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 high level. Those interested in the charity's governance arrangements will find further information on the [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 2024 ('the year'). The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and adopted the Charity Governance Code (first published in July 2017, updated 2020).



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 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. In addition, it provides further detail on two significant pieces of work in 2023-24: the completion of an external governance review and the recruitment and appointment of a new Chair.

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 Members. The 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. Members have a meaningful role in the stewardship of ETF and help to shape the FE and Skills sector workforce strategy. The six 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). The Members of ETF are the company Members for the purposes of company law.

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. Board members attend an annual strategy day. The most recent away day was held on 4 December 2023.

In 2023-24, an external review of ETF's governance and Board was completed by NCVO to ensure that governance arrangements continued to be fit for the charity's evolving purpose. Specifically, the review focused on: i) the Board's performance and its aspiration to be a high performing board; ii) identifying how the Board could embed Equity, Diversity, Inclusion and Belonging (EDIB) practices within governance; iii) exploring alternative and agile approaches to governance; iv) reflecting on how the Board's practices support the strategic purposes of the charity, and v) consideration of the Trustee skills required to align with the future strategy. The review was informed by the 2020 edition of the Charity Governance Code.



The review found that overall ETF's governance and board workings were sound and good practice was evident. The findings and recommendations (32, in total) of the review covered a range of themes including:

- Board and Committee resourcing, including Trustee skills and recruitment, which is informing Trustee recruitment in autumn 2024
- Board committee structure, with changes to be made to ensure the structure better aligns with the new strategic direction
- membership and practitioner members' role in ETF's governance, with a focus on how this is more clearly at the heart of ETF's governance
- safeguarding, EDIB and Board effectiveness, with suggestions being taken forward to ensure these areas continue to be embedded into ETF's governance
- constitutional changes to ensure continued alignment of strategy and governance.



Following the approval of the charity's new strategy, the Board and the Executive then considered the financial model and organisational design requirements to deliver the new strategy. It noted that a significant pivot would be required to ensure the financial sustainability of the charity in the medium and longer term (noting that the large TLPD contract would finish in the summer of 2026, at the latest). Following discussions, a two-phased organisational re-structure was implemented, starting with the executive leadership (2023–24) and then covering the remaining parts of the organisation (delivered at the beginning of 2024–25). This resulted in the executive leadership and their directorates being restructured and saw a reduction in headcount. Through Q2 2024–25, an organisational change programme is under development to support staff and the organisation with the delivery of the new strategic priorities.

Other operational improvements, aiming to strengthen the efficiency and effectiveness of the charity, included the introduction of a new HR system, a new Finance system, and an externally facilitated review of the staff pay framework. In addition, digitally-focused achievements included streamlining our digital estate (including de-commissioning 14 websites and merging relevant learning resources) and the introduction of a Learning Management System (LMS).

At the end of 2023–24, the Board considered outcomes and agreed key recommendations to take forward. An action plan has been developed and implemented.

In July 2023, ETF's then Chair, Professor Peter Latchford OBE, announced that he would stand down at the end of 2023 to allow for the recruitment of a sector leader to chair the charity through its next phase in order to best support the charity's new strategic direction. The Board agreed to seek a new and experienced chair with significant experience of the FE and Skills sector. The recruitment of the new Chair was overseen by the Senior Independent Director, Rachel Musson, supported by a sub-group of Trustees and the AoC Chair. The Board was very pleased by the quality and level of interest in the role and, having completed an open and competitive recruitment and interview process, it was announced in November 2023 that Sir Frank McLoughlin CBE would be ETF's next Chair. Through the remainder of 2023–24, Sir Frank completed a handover with the outgoing chair and continued his induction through the early part of 2024–25.

3.2 Key risks and risk management

In 2023–24 we completed a review of our risk management process and reporting (across both the Board and Executive levels), this entailed: reviewing the key risks, related risk appetite, risk classifications, and the mitigations being applied.

The reporting of risk at executive and non-executive levels was also reviewed and updated. The new Corporate Risk Register (CRR) and updated Risk Management policy was introduced in Q4, with levels of risk re-defined (with higher level and strategic risks being considered by the Executive and reported to the Board) and a clearer operational process adopted ensuring that risks were being reviewed and escalated through senior managers and leaders to the Executive Directors and then to the Board.

The Board's oversight of risk comprises:

- a regular review of the principal strategic and operational risks faced by the charity
- at least biannual 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.

Over the course of 2023–24, the internal and external risk environment changed and the risks to the charity evolved. At the end of 2023–24, the Board reviewed and reflected on the most significant internal and external risks to delivery of ETF's charitable aims. These include commentary and key mitigations.

The external political environment evolved over 2023–24 (and into 2024–25). The Board and the Executive recognised that the challenge of the macro environment for Government created an existential risk for ETF. The Board (and particularly the new Chair), with the CEO and Executive, prioritised spending time with external stakeholders and politicians to ensure ETF's remit and impact was well-understood. ETF is well positioned in 2024–25 to support the new Government with its FE and Skills aspirations.

Through the year, the failure to implement the new strategy remained the most significant risk to the charity. The Board and the Executive have prioritised spending its time on strategy development and its implementation, recognising the time critical nature of this work. It remains a risk and a priority through 2024–25, with the development of clear business plans and strong performance reporting, along with engagement with key stakeholders, a new organisational structure to deliver the strategy and a draft value proposition being prioritised. Linked to strategy implementation, the charity's financial sustainability has been a risk its leaders have focused on. Financial models against various scenarios have been developed to support the strategy and through 2024–25, the Board will keep oversight of these through improved financial and business performance reporting.

A capable and stable workforce is critical to the delivery of the new strategy and the charity's ongoing activities, and the Board and Executive recognised that the organisational re-structure and staff turnover (including turnover at Executive level) could put this at risk. Expert HR support was an important mitigation, along with accessing external senior support to mitigate Executive level vacancies. Through the end of 2023–24 into 2024–25, the Executive has a focus on organisational and culture change being implemented through its programme of staff engagement.

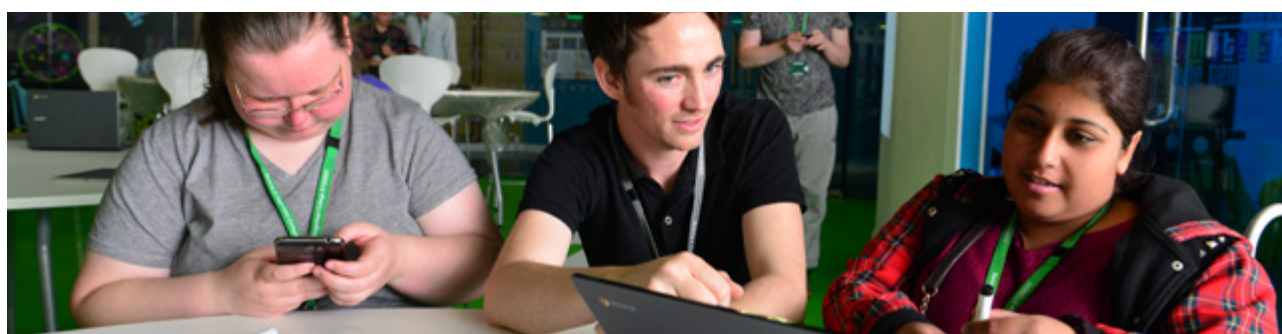
3.3 Section 172 reporting requirements, plus Streamlined Energy and Carbon Reporting (SECR) and fundraising statement

ETF had no fundraising activities requiring disclosure under Section 162A of the Charities Act 2011.

The Streamlined Energy and Carbon Reporting (SECR) legislation was implemented on 1 April 2019. The regulations apply to large unquoted companies, including charitable companies. The regulations require companies to disclose their energy and carbon emissions in their annual reports. For the first time in the year to 31 March 2022, ETF made SECR disclosures on a voluntary basis.

Alongside our sector-facing ESD work, we are committed to operating as sustainably as possible, minimising our negative impact on people and planet, and maximising opportunities to make a positive impact through our infrastructure, ways of working and procurement. This also helps ensure we are demonstrating continued cost-effectiveness and efficiency.

Emission source	2023-24	2022-23	Unit of measurement
Combustion of gas (Scope 1)	4,616	3,170	kWh
	1.11	0.81	tCO ₂ e
Purchased electricity (Scope 2)	41,517	44,074	kWh
	0	0	tCO ₂ e
Waste (Scope 3)	1,710	1,777	kg
	0.04	0.04	tCO ₂ e
Water (Scope 3)	98.31	76.69	m ³
	0.02	0.01	tCO ₂ e
Business travel – employee-owned vehicles (Scope 3)	19.25	22.94	tCO ₂ e
Business travel – public transport (Scope 3)	4.37	5.26	tCO ₂ e
Total gross based on above	24.79	29.06	tCO₂e
Normalisation metric	156	193	FTE
Intensity ratio	0.16	0.15	Gross tCO₂e/FTE



The data detailed in the table above represents emissions and energy use for which ETF is responsible, including electricity use in our offices and fuel used in vehicles on company business. The energy and emissions totals reported above include all ETF business. We have used the main requirements of the Greenhouse Gas (GHG) Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for company reporting 2021.

Scope 1 and 2 data is taken from validated invoices supplied by our landlord, as has scope 3 data relating to waste and water. Scope 3 data relating to transport has been taken from our internal expenses and procurement reporting systems. We benefit from leasing our office space from the NAO, whose environmental impact is well managed. Our electricity supply is currently from renewable sources, with Renewable Energy Guarantees of Origin (REGO)-backed certificates certified by The Carbon Trust.



Our activity in 2023-24 shows an overall decline in energy usage (with water being the only outlier). We have implemented various activities through our annual sustainability planning to ensure that our emissions reduce. We will continue this activity, which is based on the GHG management hierarchy and involves:

- embedding sustainability as a consideration in decision-making
- scrutinising our digital infrastructure and practices so we understand how to maximise their carbon efficiency
- ongoing monitoring of staff commuting habits
- promoting and enhancing staff benefits that promote low-carbon travel
- continuing to work with our landlord to enhance efficiency and reduce carbon intensity of building utilities.

In July 2023, we commenced quarterly measurement of carbon emissions, including further scope 3 data relating to staff working from home and our supply chain. Accountability for all this work sits with a specified member of the Executive.

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, where appropriate, all our policy documents for approval by Executive Directors, the Executive Board or the Board, as appropriate. All policies are stored centrally on ETF's intranet and key documents are circulated to staff. The Board has sight of and approves policies on a two-year cycle. In 2023-24, the Board reviewed and approved the updated Financial Regulations.

The Board considers the key management personnel of the charity to be the Trustees and the members of the Executive Board. The Board considered the CEO, Executive Director of Corporate Services, Executive Director of Education, Executive Director of Membership and Commercial and the Chief of Staff to the Chair and CEO to comprise the key management personnel. The Executive Board is in charge of directing and controlling, running and operating the charity on a day-to-day basis.



The Board has agreed a pay policy, which refers to regular benchmarking. The pay of staff is reviewed annually 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 23-24, an externally led review and benchmarking of staff pay took place, with the recommendations being rolled out through the first two quarters of 24-25.

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
Dame S Dicketts DBE	8 December 2016	13 December 2019 (2nd term) 8 November 2022 (3rd term under exceptional circumstances)	11 December 2023
Mr J Graham	27 March 2019	12 January 2022	
Mr W Ilowski	3 May 2022		
Prof P Latchford OBE (Chair)	23 October 2019	6 September 2022	1 January 2024
Ms L Leith	11 December 2020	8 November 2023	
Mr A McConnell OBE (Finance Chair)	22 July 2019	12 January 2022	
Mr G McDonald	11 November 2021		
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		
Mr P Singh	11 December 2020	8 November 2023	
Ms R Spellman OBE	27 March 2019	12 January 2022	

Officers

CEO:

Dr Katerina Kolyva

Company Secretary:

Dr Gina Hobson¹ (resigned 30 November 2023, reappointed 1 July 2024)

Rowena Lovell (appointed as Interim Company Secretary 1 December 2023, resigned 21 January 2024)

Chloe Annetts (appointed as Interim Company Secretary 22 January 2024, resigned 30 June 2024)

Registered office

The 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

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). You can find more information about ETF's public benefit and impact on the website: <https://www.etfoundation.co.uk/governance/documents>.

Sir Frank McLoughlin CBE

Chair

Dr Katerina Kolyva

CEO

¹Dr Gina Hobson was absent from the charity between Jan 2024 and July 2024 on sabbatical.



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 4 November 2024 by:

RSM UK Audit LLP have confirmed their willingness to be reappointed.

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 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 2024 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 included within the Trustees' 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 or the Strategic Report included within 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, 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 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.

Hannah Catchpool (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor Chartered Accountants

25 Farringdon Street, London EC4A 4AB

Date

5 Statement of financial activities

For the year ended 31 March 2024

		2023-24			2022-23		
Income:	Note	Unrestricted £000	Restricted £000	Total £000	Unrestricted £000	Restricted £000	Total £000
Income from charitable activities:							
Grant Income	3	3	49	52	–	7,781	7,781
Contract Income	4	21,023	–	21,023	22,039	–	22,039
Professional Development		272	206	478	–	1,263	1,263
Accreditation		301	–	301	710	–	710
Membership		1,456	–	1,456	1,083	–	1,083
		23,055	255	23,310	23,832	9,044	32,876
Income from trading activities:							
Other Income	5	45	–	45	233	–	233
Investment Income	6	215	–	215	80	–	80
Total Income		23,315	255	23,570	24,145	9,044	33,189
Expenditure:							
Expenditure on charitable activities	7	(24,798)	(477)	(25,275)	(24,665)	(8,290)	(32,955)
Total Expenditure		(24,798)	(477)	(25,275)	(24,665)	(8,290)	(32,955)
Net (expenditure)/income and movement in funds for the year		(1,483)	(222)	(1,705)	(520)	754	234
Reconciliation of funds							
Total funds brought forward		10,622	824	11,446	11,142	70	11,212
Total funds carried forward		9,139	602	9,741	10,622	824	11,446

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 38 to 52 form part of these financial statements.

6 Charity balance sheet

		2024	2023
Note		£000	£000
Fixed assets			
Intangible assets	13	581	590
Tangible assets	13	181	244
		762	834
Investment in subsidiary	14	1	1
		763	835
Current assets			
Debtors	15	4,808	8,272
Cash at bank in hand		9,544	8,458
		14,352	16,730
Liabilities			
Creditors: amount falling due within one year	16	(5,374)	(6,119)
Net current assets		8,978	10,611
Total assets less current liabilities		9,741	11,446
Net assets		9,741	11,446
Unrestricted income funds	19	9,139	10,622
Restricted income funds	20	602	824
Total funds		9,741	11,446

The notes on pages 38 to 52 form part of these financial statements.

These financial statements were approved by the Trustees on 4 November 2024 and were signed on their behalf by:

Sir Frank McLoughlin CBE

Chair

7

Statement of cash flows

		2023-2024	2022-2023
	Note	£000	£000
Cash provided by/(used in) operating activities	22	1,410	(6,301)
Cash flows from investing activities			
Interest income		215	80
Purchase of fixed assets		(539)	(548)
Increase/(Decrease) in cash and cash equivalents in the year		1,086	(6,769)
Cash and cash equivalents at the beginning of the year		8,458	15,227
Total cash and cash equivalents at the end of the year		9,544	8,458



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 recently reviewed the out-turn forecast position for the year to 31 March 2025, and has seen a top-level forecast for the following year to 31 March 2026.

The Board has considered the longer-term position of ETF and its financial strength. In reviewing multiyear 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 2024 and 31 March 2023 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 purpose, 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. Income from registration onto accreditation schemes is recognised on a receivable basis and income from submission of accreditation workbooks is recognised after evaluation has been completed.



- **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. Income from courses that are delivered as part of the Leadership & Governance DfE contract is treated as restricted income as the DfE decide on the future expenditure of these funds.

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**

From the 1st April 2023, all ETF pensions were 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 2023-24 employer contributions of £542,532 (2022-23: £510,580) were paid to Aviva.

As all pensions were transferred to Aviva there were no contributions to Standard Life (2022-23: £33,037).

k) Staff termination costs

Redundancy and termination 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.

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

ETF did not receive any government grants towards carrying out its charitable activities (2022-23: £7,741k). A government grant of £3k (2022-23: £2k) was received from the Department for Work and Pensions (DWP) towards employee assistance.

ETF also received a grant of £53k (2022-23: £38k) from the Royal Commission for Technical Teaching Fellowships associated with TVET – Technical and Vocational Education and Training. There were some unfulfilled conditions associated with this grant to the tune of £4k (2022-23: Nil) This has been included in deferred income while £49k (2022-23: £38k) recognised as incoming restricted resources.

4. Contracts

In the year to 31 March 2024, ETF received income from a total of six contracts: five government contracts £19,899k (2022-23: £20,915k) and one with the National Association for Special Educational Needs £1,124k (2022-23: £1,124k). Included in government contracts was a new contract called Multiply £124k (2022-23: Nil) which was to develop and deliver courses to the FE and Skills workforce.

The most significant contract was for T Level Professional Development (TLPD). The total of £19,899k (2022-23: £20,915) shown above includes £12,275k (2022-23: £13,769k) 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 £29k (2022-23: £35k).

Other activities that generated income related to consultancy, panel, chairing and OFSTED inspections: £16k (2022-23: £64k).

Income from basic skills in Maths and English £176k (2022-23: £117k), Education for Sustainable Development £12k (2022-23: £17k) was classified as other income in 2022-23, however this has now been classified as professional development as it forms part of our charitable activities.

6. Investment income

All the group's investment income of £214,595 (2022-23: £80,041) 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	2023-24 Total cost £000	2022-23 Total cost £000
Professional development	9,389	3,867	3,563	1,858	18,677	25,932
Sector development	888	2,553	925	482	4,848	5,698
Research and Data	13	244	69	36	362	82
Membership and Accreditation	454	531	265	138	1,388	1,243
	10,744	7,195	4,822	2,514	25,275	32,955
2022-23 Total Cost	18,524	8,344	3,595	2,492	32,955	

Direct and indirect staff costs comprise payroll and other staff related costs which all falls under unrestricted funds.



7(a). Allocation of support costs

Allocated to charitable activities as indirect staff cost £4,822 (2022-23: £3,595) and overhead costs £2,514 (2022-23: £2,492).

	2023-24 £000	2022-23 £000
Governance	113	114
Executive, Legal & Compliance	1,595	1,674
Finance, Procurement & Facilities	1,470	1,150
Human Resources	858	589
Information Technology	2,323	1,836
Marketing and Communications	977	724
	7,336	6,087

8. Grants awarded

A total grants figure of £223k was awarded to 18 FE providers as part of the Apprentice Workforce Development (AWD) contract (2022-23: Nil). 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.

	2023-24 £000	2022-23 £000
Operating leases — property	309	309
Governance costs:		
External Auditor's remuneration		
- Audit fees	57	55
- Other advice	19	29
Internal Auditor's remuneration	46	17
Legal and Professional	52	81
Trustees, remuneration and expenses	42	44
	216	226
Depreciation and Amortisation	611	422

10. Staff

The average number of staff, including senior post holders, employed by ETF during the year ended 31 March 2024, expressed as full-time equivalents (FTEs):

	2023-24	2022-23
Total number of FTEs	176	191
Average number of staff	180	194

There were 107 staff in operational/teaching, 58 in administration and 11 in management (2022-23: staff in operation/teaching 128, administration 40 and 23 management).

	2023-24 £000	2022-23 £000
Salaries and wages	9,256	9,464
Social Security costs	959	1,064
Pension costs	543	544
Redundancy	122	137
Termination award	379	30
Ex-gratia payments	—	12
	11,259	11,251

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

	2023-24	2022-23
£60,001 – £70,000	24	20
£70,001 – £80,000	14	8
£80,001 – £90,000	6	2
£90,001 – £100,000	4	1
£100,001 – £110,001	1	–
£120,001 – £130,001	1	–
£130,001 – £140,000	–	1
£150,001 – £160,000	1	–
£180,001 – £190,000	–	1

The payment bandings include payments in relation to staff termination.

During the year to 31 March 2024, ETF engaged in a programme of organisational design leading to changes to key management personnel.

During the first quarter of the financial year (April–July 2023) the Senior Leadership Team (SLT) comprised, the CEO, Chief of Staff, Director of Corporate Services, Director of Operations, Director of Professionalism and Customer Experience, Director of Education and Director of Finance.

In August 2023, a newly established Executive Board replaced the former SLT as key management personnel. The Executive Board comprised the CEO, Chief of Staff, Executive Director Corporate Services, Executive Director Education and Standards and Executive Director of Transformation, which was an interim position.

In 2023–24, this comprised 4.8 FTE (2022–23: 6.6 FTE).

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

	Key management personnel		Highest paid individual	
	2023-24 £	2022-23 £	2023-24 £	2022-23 £
Salaries and wages	521,392	690,968	155,571	186,324
Social Security costs	62,020	91,087	19,784	25,619
Pension Costs	31,287	37,619	9,334	7,601
Termination award	57,382	30,000	–	30,000
	672,081	849,674	184,689	249,544

The related agency cost of the Interim Executive Director of Transformation was £41,328.

11. Trustees' remuneration and expenses

	2023-24 £	2022-23 £
A McConnell	8,000	8,000
R Musson	8,000	8,000
P Latchford	15,000	20,000
F McLoughlin	5,000	–
Reimbursement of trustees' expenses	6,201	7,906
	42,201	43,906

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 2024, 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 (P Latchford) was remunerated to 31 December 2023 when he stepped down, F McLoughlin was appointed as the Chair of the Board and remunerated from 1 January 2024 to the end of the financial year. 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.

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 seven Trustees during the year (2022-23: seven Trustees).



12. Related party transactions

AoC, AAETO-HOLEX, NUS, Natspec, TUC and AELP were the Members of ETF throughout 2023-24. 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 arms-length contractual arrangements with the following organisations which fall within the definition of related parties under FRS102:

	2023-24 spend	2022-23 spend	2023-24 balance due (to)/from	2022-23 balance due (to)/from
	£000	£000	£000	£000
Activate Learning	13	13	–	(13)
Activate Learning	–	–	–	4
Association of Employment and Learning Providers	410	168	(72)	(66)
Association of Adult Education and Training Organisations	79	65	(10)	(13)
Association of Colleges (AoC)	1,192	1,831	(275)	(307)
AoC Regional Office – East Midlands (EMFEC)	2	59	(2)	–
AoC Create Limited	287	478	(140)	(201)
Pearson's	–	153	–	(10)
The National Learning and Work Institute	9	9	–	–
NatSpec	75	4	–	(2)
Wakefield College Corporation	–	99	–	–
Kirklees College	8	58	–	(12)
New City College	–	67	–	–
Black FE Leadership Group	5	8	–	–
Dicketts Development Consulting Ltd	22	24	(17)	(12)
Oxford Business School	666	–	(161)	–
	2,768	3,036	(677)	(632)

13. Fixed assets

	Computer Software Intangible £000	Computer Hardware Tangible £000	Furniture & Fittings Tangible £000	Total Tangible £000	Total fixed assets £000
Cost					
Opening Balance 1 April 2023	1,169	348	180	528	1,697
Additions	496	43	–	43	539
Closing Balance 31 March 2024	1,665	391	180	571	2,236
Depreciation and Amortisation					
Opening Balance 1 April 2023	579	251	33	284	863
Charge in year	505	65	41	106	611
Closing Balance 31 March 2024	1,084	316	74	390	1,474
Net Book Value 31 March 2024	581	75	106	181	762
Net Book Value 31 March 2023	590	97	147	244	834

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

	2024	2023
Income:	£000	£000
Trade debtors	4,439	5,828
Prepayments	122	141
Accrued income	247	2,253
Other debtors	–	50
	4,808	8,272

16. Creditors: amounts falling due within one year

	2024	2023
Income:	£000	£000
Trade creditors	2,652	3,860
Accruals	1,319	1,178
Deferred income (see note 17)	179	265
Taxation and Social Security	263	348
Amounts owing to subsidiary	1	1
Other creditors	960	467
	5,374	6,119

17. Deferred income

Deferred income comprises the SET membership fees, including corporate partners in respect of 2024–25 invoiced before 31 March 2024, 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 2024. There was also deferred income with respect to some unfulfilled conditions with the TVET grant.

	2024	2023
	£000	£000
Balance at 1 April 2023	265	524
Amount released to income earned from charitable activities	(265)	(524)
Amount deferred in year	179	265
Balance at 31 March 2024	179	265

Total deferred income in the charity comprises QTLS/ATS income of £74k (2022–23: £103k), membership fees in advance of £73k (2022–23: £107k), consultancy fees £13k (2022–23: £40k) Basic Skills course and CPD event £15k (2022–23: £15k) TVET grant £4k (2022–23: Nil).



18. 2023-24 — Analysis of net assets in funds

	Unrestricted £000	Restricted £000	Total £000
Fixed assets	762	–	762
Cash in bank and in hand	8,942	602	9,544
Other net assets/(liabilities)	(565)	–	(565)
	9,139	602	9,741

2022-23 — Analysis of net assets in funds

	Unrestricted £000	Restricted £000	Total £000
Fixed assets	834	–	834
Cash in bank and in hand	7,634	824	8,458
Other net assets/(liabilities)	2,154	–	2,154
	10,622	824	11,446





19. Analysis of movements in unrestricted funds

	Funds at start of year £000	Incoming resources £000	Resources expended £000	Transfers £000	Funds at end of year £000
2023-24					
- Wind-down of the 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)	3000	8,377
	10,622	23,315	(24,798)	–	9,139
2022-23					
- Wind-down of the ETF	3,000	–	–	–	3,000
- Strategic investment reserve	1,400	–	(800)	–	600
Fixed assets reserves	–	–	–	834	834
General fund - Free reserves	6,742	24,145	(23,865)	(834)	6,188
	11,142	24,145	(24,665)	–	10,622

From 1 April 2023, ETF has 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 2024 is 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. Free reserves are currently in excess of this minimum reserves level at £8.4m. The designated fund previously created for this orderly wind-down has been transferred back to General funds in line with this change in approach.

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 the fixed asset reserve, which was created in 2022-23, relates to resources expended on fixed assets net of depreciation 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.

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
2023-24				
DfE grant	69	–	–	69
TVET	–	49	(49)	–
Leadership & Governance course fees	755	206	(428)	533
	824	255	(477)	602
2022-23				
DfE grant	70	7,741	(7,742)	69
TVET	–	38	(38)	–
DWP grant	–	2	(2)	–
Leadership & Governance course fees	–	1,263	(508)	755
	70	9,044	(8,290)	824

DfE grant refers to unspent balance of a grant programme that is no longer ongoing and is owed back to DfE.

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 please see note 3 for details.

21. Lease commitments

ETF had the following total lease commitments as at 31 March.

	2023-24 £000	2022-23 £000
Operating lease — property rental		
Payments due within one year	337	395
Payments in less than 2 years	–	329
	337	724

The lease is in respect of the ETF office based in London which expires on the 31st January 2025.



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

	2022-24 £000	2022-23 £000
Net movement in funds	(1,705)	234
Add back depreciation charge	611	422
Deduct interest received	(215)	(80)
Decrease in debtors	3,464	6,785
(Decrease) in creditors	(745)	(13,662)
Net cash provided by/(used in) operating activities	1,410	(6,301)



THANK YOU

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