



**ENGLISH-SPEAKING UNION**

discovering voices

# Annual Report and Accounts

2016-2017

MARIE BOND



## OUR GOVERNANCE

### Name and Registered Office of the Charity

The full name of the charity is The English-Speaking Union of the Commonwealth. Its 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 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 which 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."

There is a worldwide network of national English-Speaking Unions, each an independent organisation, spearheaded by the International Council, for which the ESU provides the secretariat and the core funding.

### Achievements & Performance

2016/17 was the first full year of the Board's new Education Strategy, focussing on oracy (speaking and listening) resources in schools with high levels of deprivation. The aim is to teach confident communication and critical thinking skills and thus create empowered young citizens. These skills enable young people to engage with the world and key issues, and to feel confident in expressing their opinions. Just as importantly, we show them the benefits of listening to the opinions of others, even when they are at odds with their own. We teach young people how to make up their own minds and, through that, give them the power not to be ignored.

To this end, we have continued to expand our offer to schools, particularly state schools in disadvantaged areas, introducing a wide range of young people of all ages, backgrounds and abilities to public speaking and debate.

### Teaching Programmes

Our Discover Your Voice workshops continue to be a popular way to introduce young people to the art of debating and public speaking. This year we have delivered 48 workshops to students across England. The four main oracy skill sets are taught in the morning and put into practice in the afternoon through taking part in a practical classroom debate.

Completing its second pilot year, Discover Debating, our two or three-term debating programme for primary school students, was implemented in three more schools. We built on last year's successful results to inform our learning for the rollout of the full programme in Autumn 2017. Designed with teachers, as well as students, in mind, the Discover Debating programme meets 80% of national curriculum targets in spoken language and reading and writing comprehension.



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Debate Academy is the ESU's residential summer debate training programme for 14-18 year olds. This year 130 students, the majority of whom were new to the course, joined ESU staff and debating coaches in the UK for five days of workshops, lectures and debates. The quality of teaching was rated excellent by 89% of participants responding to our survey. Once again the programme offered a large number of bursaries meaning that young people from a variety of backgrounds could take part and many more viewpoints could be explored and debated.

### **Competitions**

Competition is a key element of many of our 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. This year our national competitions have continued to grow, with more state schools than ever getting involved and more past participants joining our mentor network or becoming young members. Our branch members continue to support us at a regional level by organising the local heats of our UK Public Speaking Competition and the regional finals of our Performing Shakespeare Competition.

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. Six hundred thousand young people around the world took part in national public speaking competitions in the 12 months leading up to May 2016, with each national winner travelling to London to take part in the IPSC 2016. From 9<sup>th</sup> to 13<sup>th</sup> May, 48 participants from 45 countries benefited from intensive training, a programme of social activities and competition culminating in the final at Stanford Bridge. This year the winning speech was delivered by Vivian Garciacano of Mexico. Team England, coached by the ESU, also won the prestigious World Schools Debating Championships.

### **Scholarships and Awards**

2016-17 saw a significant rise in the number of applications for the ESU's diverse portfolio of scholarships. We were subsequently able to support the work of researchers and scholars from the domains of teaching, librarianship, the clergy, music, art history and the physical sciences. We also continued to run the Secondary School Exchange. The programme has been running since 1928 and enables young people to spend a gap year in a private high school in the US. It is very much a cultural experience; scholars benefit from a new appreciation of different perspectives and increase their confidence. In 2016-17, 25 scholars took up places in 23 schools across the UK and America.

### **Strategic Partnerships**

Co-operation and collaboration are two of the ESU's founding principles. Our strategic partnerships allow us to work alongside like-minded organisations and educational bodies to reach a more diverse audience and cement our position within the field of oracy. This year we continued to build on our existing partnerships as well as forging new ties with organisations that share our aims and vision.

Seven outreach centres across London signed up for a new partnership between the ESU, South-West London and St George's Mental Health Trust and the Anna Freud Centre. The project pioneered an approach to helping young people with mental health support needs to become confident communicators; enabling them to make their voices heard on the issues that really matter to them.

Since February 2017 the ESU has been working in partnership with The Week Junior, the award-winning current affairs magazine for children aged between 8 and 14, to create 'The Big Debate' page. Each page tackles a topical controversy, looking at issues as varied as climbing Everest to government secrets, and from voting at 16 to living forever. A recent study from The Week Junior demonstrated that young people are keen to learn about and discuss world events – and that doing so can have significant benefits to their development.



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A new partnership was established with the Fair Education Alliance and we continued to work with the House of Lords, ARK Schools network, the Helen Bamber Foundation and the City Gateway.

### **The Oracy Network**

The Oracy Network was established in November 2016, bringing together charities, schools and agencies dedicated to promoting Oracy education. The Network is overseen by the English-Speaking Union and Voice 21. The Network has already gained some high profile supporters including Dame Alison Peacock, Chief Executive of the National College of Teaching, and leading academics from Cambridge.

### **Management & Governance**

The ESU is governed by a Board of Governors, who are the individual trustees of the charity. Each is required to be a member of the ESU. The Board is assisted in its work by four committees: Audit and Risk, Finance & Operations, Nominations and Remuneration and a separate trading subsidiary, ESU Trading Ltd. A full audit of governance activity took place in 2014 and a programme of governance improvement has now been implemented.

The ESU also formed an Ethics committee towards the end of the year.

The Nominations & Remuneration Committee advises on the recruitment and appointment of new trustees and their induction. The Committee also meets once each year to set the pay and remuneration for the key management personnel, following consideration of benchmarking data for the charity sector.

The Governors attended a Strategy Planning Weekend in June 2016 along with the Director-General, Director of Communications, Director of Education, Director of Finance and Operations and Charity Secretary to continue to embed the forward-thinking education strategy to take the charity into its centenary year and beyond.

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, Charities and Public Benefit. The ESU's charitable purpose is enshrined in its object 'to advance education'.

### **Pay policy for Senior Staff**

The pay policy for the Senior Management Team (Director-General and four specialist Directors) is set by the Nominations and Remuneration Committee and approved by the full Board. The Governors benchmark against pay levels across the third sector, and remuneration is set at the mid-point of the range paid for similar roles in similarly-sized international charities. Further details are given in note 8 to the accounts.

### **Future Plans**

The Governors have committed to the future development of the English-Speaking Union of the Commonwealth in a number of key areas. Educational advancement and enrichment through the use of the English language are at the heart of the ESU's charitable aims. Additional funding has been allocated to these charitable activities. Within that educational work is a commitment to the public benefit that arises out of an agenda to broaden the geographical impact and accessibility of all educational programmes, focussing particularly on primary age children in low income communities. As the ESU approaches its centenary in 2018, our aim is to build public profile and outreach, supported by an increasing number of individuals, trusts and corporate funders who share the ESU's vision for effective communication and understanding, ensuring that all of the charity's stakeholders are considered and included in these developments.



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Dartmouth House, the International headquarters of the English-Speaking Union, is a Georgian mansion of significant historical importance and has been in the ESU's occupation since 1922, when debentures were raised by the ESU members to purchase the property.

For many years it has been a venue for bringing people together: a place for beneficiaries to learn new oracy skills and share ideas; where the ESU England and Wales, and International communities, come together to support and fundraise for the Charity and also to celebrate its many achievements. The hire of the house for private events is the second largest revenue stream for the Charity and there is capacity to expand this in the future.

The ESU has begun to develop a long term property strategy to ensure that the building is fit for purpose for the future and can meet the needs of our beneficiaries and members. Accessibility is the main driver. A lift and level access will ensure that everyone can enjoy the building. We plan to build a case for support to raise funds for this work in the centenary, however it is a distinct and specialist project and will not detract or divert money from our main purpose, which is the educational charity and the public benefit it provides.



**Patron**

Her Majesty The Queen

**President**

HRH The Princess Royal KG KT GCVO

**Vice-Presidents**

The Lord Watson of Richmond CBE

Mr Guy Weston

**BOARD OF GOVERNORS (TRUSTEES OF THE CHARITY)**

**Honorary Officers (ex officio Trustees of the Charity)**

Chairman	The Rt Hon The Lord Boateng
Deputy Chairmen	Coral Sebag-Montefiore Professor James Raven
Honorary Treasurer	Roderick Chamberlain

**Governors**

The following served as Governors during the year:

Ann Carley	Lady Susan Inkin
John Cartwright	Alex Just
Michael Churchman	Holly Shakespeare
Natasha Dyer	Jonathan Sobczyk
Dr Sophie Flemig (served until January 2017)	Roger Tilbury
Sir Michael Graydon GCB CBE	Anikka Weerasinghe
Andrew Hay	

The record of Governors' attendance at Board and Committee Meetings is set out in the table on pages 3 and 4.



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## **SENIOR EXECUTIVES**

### **Director-General**

Jane Easton

### **Directors**

Marie Bond, Director of Finance and Operations

Ian Stokes, Director of Development (from January 2017)

Duncan Partridge, Director of Education

Anna Quenby, Director of Communications



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**Charity Secretary**

Erica Wilkinson

**PROFESSIONAL ADVISORS**

**AUDITORS**

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

**BANKERS**

Coutts & Co  
440 The Strand  
London WC2R 0QS

**SOLICITORS**

Russell-Cooke Solicitors  
2 Putney Hill  
London  
SW15 6AB

**INVESTMENT MANAGERS**

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





## GOVERNORS' ATTENDANCE AT BOARD MEETINGS FROM APRIL 2016 TO MARCH 2017

Key; X = present; - = absent; blank = denotes not the serving Governors' period of office; bold print = Chairman

<b>GOVERNORS</b>	<b>JUNE 2016</b>	<b>SEPT 2016</b>	<b>OCT 2016</b>	<b>DEC 2016</b>	<b>FEB 2017</b>	<b>MAR 2017</b>
<b>Lord Paul Boateng</b>	X	X	X	X	X	X
Ann Carley	X	-	X	X	X	X
John Cartwright	X	X	-	X	X	X
Roderick Chamberlain	X	X	X	X	X	X
Michael Churchman	X	-	X	X	X	X
Sir Michael Graydon	-	X	X	X	X	X
Andrew Hay	X	-	X	X	X	X
Lady Susan Inkin	X	X	X	X	-	X
Alex Just	X	X	X	X	-	X
James Raven	X	X	X	-	X	X
Coral Sebag-Montefiore	X	-	X	X	X	X
Holly Shakespeare	-	X	X	-	X	X
Roger Tilbury	X	X	X	X	X	X
Natasha Dyer	X	X	X	-	X	X
Sophie Flemig	X	X	X	-	-	-
Jonathan Sobczyk	X	X	-	X	-	X
Annika Weerasinghe	-	X	X	X	-	X

## GOVERNORS' ATTENDANCE AT COMMITTEE MEETINGS FROM APRIL 2016 TO MARCH 2017

Key; X = present; - = absent; blank = denotes not the serving Governors' period of office; bold print = Chairman

<b>AUDIT AND RISK</b>	<b>MAY 2016</b>	<b>SEP 2016</b>	<b>NOV 2016</b>	<b>MAR 2017</b>
<b>Andrew Hay</b>	X	X	X	X
John Cartwright	X	X	X	X
Matt Congreve	X	-	X	X

<b>ESU TRADING LTD</b>	<b>MAY 2016</b>	<b>OCT 2016</b>	<b>NOV 2016</b>	<b>FEB 2017</b>
<b>Lord Paul Boateng</b>	X	X	X	X
Rod Chamberlain	X	X	X	X
David Cheeseman	X	X	-	-
Jane Easton	X	X	X	X
James Raven	X	X	-	X
Coral Sebag-Montefiore	-	X	X	X

<b>FINANCE AND OPERATIONS</b>	<b>MAY 2016</b>	<b>SEP 2016</b>	<b>NOV 2016</b>	<b>FEB 2017</b>
<b>Rod Chamberlain</b>	X	X	X	X
Michael Graydon	X	X	X	-
Alex Just	-	-	X	X
Jonny Sobczyk		X	-	-



<u>NOMINATIONS &amp; REMUNERATION</u>	<u>NOV 2016</u>	<u>FEB 2017</u>
Lord Paul Boateng	X	X
Rod Chamberlain	X	X
James Raven	X	-
Coral Sebag-Montefiore	X	X
Roger Tilbury	X	X

## OUR RESOURCES: FINANCIAL REVIEW

### SUMMARY

- The results of the ESU group are set out in the consolidated statement of financial activities (SOFA) on page 13
- Net incoming resources for the year were £3,580,392 (2015/2016: £3,873,889).
- The total funds for the ESU Group currently stand at £37,996,401 (2015/2016: £37,506,547) including the properties referred to below.
- The ESU owns an investment property, the Chesterfield Hotel, and Dartmouth House, a fixed asset used as the International Headquarters of the ESU of the Commonwealth. These properties are valued on an annual basis. As at March 2017 there is an increase in value of £200,000 on the Chesterfield Hotel and no change on the value of Dartmouth House including Clarges Mews. The Governors of the ESU are aware that there will be fluctuations, hence the properties' values are recorded as designated funds and they are not relied upon for the day to day running of the Charity. The Board believes these to be long term assets and are not looking to dispose of them.
- At the year-end our investment portfolio was valued at £3,288,862 (March 2016: £2,938,353). The fund generated cash income of £106,639, a yield of 3.2%. The portfolio is managed on a discretionary basis by Sarasin & Partners LLP, whose performance is scrutinised quarterly by our Finance & Operations Committee.
- Our figures consolidate the results of our trading subsidiary ESU Trading Limited (formerly Dartmouth House Limited), whose main current source of income is our hospitality and catering.
- The catering contract was awarded to Harbour and Jones in October 2016, at the conclusion of a longstanding contract with Leiths. Slower than projected sales during the first six months of the contract are expected to be achieved in 2017/18. The profit from activities of £85,303 was transferred to the Charity as gift aid to use towards our Charitable Activities.

### RISK MANAGEMENT

We have identified the **major risks** to which the ESU is exposed, and the Board has discussed and agreed the analysis and our policies and procedures to mitigate them. The Audit and Risk Committee oversees the form and substance of our process for registering, reviewing and mitigating all categories of risk. A Risk Register is maintained and reviewed regularly: this sets out a range of risks to which the ESU is exposed in conducting its business and steps taken to mitigate them.

Financial risk is an important area of concern. There are three primary **sources of funds** to manage our cash flow:

- The Chesterfield Hotel pays **rent** quarterly in advance and the rent covers salary and overhead costs. On a continuing basis the rent represents approximately 50% of our income, and therefore the loss of this income for any reason would be very material.
- To mitigate, Governors monitor the relationship with the Red Carnation Group and also require that the property is maintained to ensure it could be re-let to another hotelier.
- Income from **investments** is fairly consistent and commission from catering depends on demand and maintaining Dartmouth House in a good condition.
- The Board recognises the volatility of the investments in the current climate and does not rely on these for operating cash flows. The investment mandate is to protect the capital and provide an annual income.
- Voluntary income arising from **donations, grants and legacies** is almost exclusively 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, the shortfall is made up from our unrestricted reserves, and we trigger a review of the cost and benefit of the activity. The income can vary considerably from year to year and thus cannot be relied upon.

## RESERVES

The Board's policy is to maintain **free liquid resources** (currently held as near cash investments) including anticipated rental income due during the period, at least sufficient to cover overheads and payroll costs for six months. The Board recently reviewed the policy and agreed that the target level of free reserves should be reduced from 12 months of operational expenditure.

The total value of funds held at 31 March 2017	£37,996K
Less	
Restricted funds (purpose of use defined by the donor)	£1,691K
Designated funds for freehold and investment property	£33,670K
Designated Charitable funds (Joyce Rolf Legacy)	£838K
Building maintenance fund	£49K
<b>TOTAL FREE RESERVES</b>	<b><u>£1,748K</u></b>

Other funds designated by the Board include a buildings maintenance fund of £48,602 to mitigate against a loss in income resulting from Dartmouth House not being able to operate as a commercial venue due to any unexpected repairs.

Given the fluctuation in investments and not being able to rely upon voluntary fundraising, the Board have ring-fenced the Joyce Rolf Legacy fund, £838,638, for scholarships and educational programmes. This mitigates against the risk of having to reduce Charitable Activities in years where voluntary donations and investment income are below plan.

The remaining free reserves are therefore £1,747,532. The reserves are required to provide for short term fluctuations in income and expenditure, but more importantly in the short term to help fund the major building works to the fabric of the charity's international headquarters. The charity is carefully managing cashflow in order to ensure that the major works are completed, and will then seek to replenish its reserves. The trustees are content with the level of reserves currently held.

## **OUR FINANCIAL STATEMENTS**

### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors as Trustees 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 Limited (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 (United Kingdom Accounting Standards) 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 state of 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 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 has been approved by the Governors on 19<sup>th</sup> October 2017, and signed on their behalf by the Chairman

**The Rt Hon the Lord Boateng**  
Chairman

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

We have audited the financial statements of The English-Speaking Union of the Commonwealth for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the charity and group Balance Sheet, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (FRS102).

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' 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 Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees are responsible for the preparation of financial statements which give a true and fair view.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 March 2017, and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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



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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
- sufficient accounting records have not been kept; 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 require for our audit.

haysmacintyre  
Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG

Dated:

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



**THE ENGLISH-SPEAKING UNION OF THE COMMONWEALTH**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including income and expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

INCOME & ENDOWMENTS FROM	Notes	Unrestricted £	Endowments £	Restricted £	2017 Total £	2016 Total £
Donations & Legacies	2	86,403	-	89,063	175,466	243,921
<b>Charitable Activities</b>						
Programmes & Events		141,700	-	-	141,700	236,766
Income from branch events		199,008	-	-	199,008	207,654
Membership Subscriptions		206,826	-	-	206,826	189,934
Educational facilities and placements	7b	825,809	-	-	825,809	1,129,959
<b>Other Trading Activities</b>						
Property Income		1,743,770	-	-	1,743,770	1,585,663
Commission from contract caterer		181,174	-	-	181,174	184,300
<b>Investment Income</b>		70,719	-	35,920	106,639	95,692
<b>Other</b>		-	-	-	-	-
<b>TOTAL INCOME</b>		<b>3,455,409</b>	<b>-</b>	<b>124,983</b>	<b>3,580,392</b>	<b>3,873,889</b>
<b>EXPENDITURE ON</b>						
<b>Cost of Raising funds</b>						
Subsidiary's operational expense	3	289,724	-	-	289,724	328,712
<b>Charitable Activities</b>						
Education programme & scholarships	4	1,723,859	-	89,127	1,812,986	1,811,505
Membership & Branches	5	707,526	-	-	707,526	558,985
International development		5,002	-	-	5,002	4,835
Educational facilities & placements	7b	825,809	-	-	825,809	1,129,959
<b>TOTAL EXPENDITURE</b>	7	<b>3,551,920</b>	<b>-</b>	<b>89,127</b>	<b>3,641,047</b>	<b>3,833,996</b>
Net Gains/ (Losses) on investments		161,934	111,593	76,982	350,509	(231,686)
<b>NET INCOME/EXPENDITURE</b>		<b>65,423</b>	<b>111,593</b>	<b>112,838</b>	<b>289,854</b>	<b>(191,793)</b>
<b>OTHER GAINS AND LOSSES</b>						
Transfer		(6,735)	-	6,735	-	-
Unrecognised Gains on Fixed Assets	10	-	-	-	-	(1,830,000)
Unrecognised Gains on revaluation of investment properties		200,000	-	-	200,000	(4,600,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>258,688</b>	<b>111,593</b>	<b>119,573</b>	<b>489,854</b>	<b>(6,621,793)</b>
<b>Total funds brought forward at 1 April</b>		<b>36,046,084</b>	<b>850,288</b>	<b>610,175</b>	<b>37,506,547</b>	<b>44,128,340</b>
<b>Total funds carried forward at 31 March</b>	15	<b>36,304,772</b>	<b>961,881</b>	<b>729,748</b>	<b>37,996,401</b>	<b>37,506,547</b>



All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

**THE ENGLISH-SPEAKING UNION OF THE COMMONWEALTH**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Notes	ESU Group		ESU Charity	
		2017	2016	2017	2016
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10	11,647,166	11,391,877	11,647,166	11,391,877
Investments – Property	11	23,120,814	22,920,814	23,120,814	25,859,167
Investments – Share Portfolio	11	3,288,862	2,938,353	3,288,862	2,938,353
		<b>38,056,842</b>	<b>37,251,044</b>	<b>38,056,842</b>	<b>37,251,044</b>
<b>CURRENT ASSETS</b>					
Stock		1,857	2,194	-	-
Debtors	12	314,428	305,301	291,461	299,918
Cash at Bank and in hand		448,506	660,974	443,690	656,483
		<b>764,791</b>	<b>968,469</b>	<b>735,151</b>	<b>956,401</b>
<b>CREDITORS</b>					
Amount falling due within one year	13	825,232	712,966	816,163	703,549
<b>NET CURRENT ASSETS</b>		<b>(60,441)</b>	<b>255,503</b>	<b>(81,012)</b>	<b>252,852</b>
<b>NET ASSETS</b>	15	<b>37,996,401</b>	<b>37,506,547</b>	<b>37,975,830</b>	<b>37,503,896</b>
<b>Representing:</b>					
<b>RESTRICTED RESERVES</b>					
Endowments		961,881	850,288	961,881	850,288
Branch funds		17,850	17,707	17,850	17,707
Restricted funds		711,898	592,468	711,898	592,468
	15	<b>1,691,629</b>	<b>1,460,463</b>	<b>1,691,629</b>	<b>1,460,463</b>
<b>UNRESTRICTED RESERVES</b>					
Designated funds		34,557,240	34,310,463	34,557,240	34,310,463
Trading funds	3	2,651	2,651	-	-
General funds		1,744,881	1,732,970	1,726,961	1,732,970
	15	<b>36,304,772</b>	<b>36,046,084</b>	<b>36,284,201</b>	<b>36,043,433</b>
<b>TOTAL FUNDS</b>	15	<b>37,996,401</b>	<b>37,506,547</b>	<b>37,975,830</b>	<b>37,503,896</b>

These financial statements were approved and authorised for issue by the governors on 19 October 2017 and signed on their behalf by

**The Rt Hon the Lord Boateng**  
Chairman





**THE ENGLISH SPEAKING UNION OF THE COMMONWEALTH**

**STATEMENT OF CASHFLOWS AND CONSOLIDATED STATEMENT OF CASHFLOWS AS AT 31<sup>ST</sup> MARCH 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>		28,249	(73,696)
<b>Cash flows from investing activities</b>			
Dividends and Interest		106,639	95,692
Purchase of property, plant and equipment		(347,356)	(28,818)
Purchase of investments		-	(181,728)
Proceeds from sale of investments		-	183,562
<b>Net cash provided by/(used in) investing activities</b>		<b>(240,717)</b>	<b>68,708</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(212,468)</b>	<b>(4,988)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>660,974</b>	<b>665,962</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>448,506</b>	<b>660,974</b>

**Reconciliation of Net Income to Net Cash Flow from Operating Activities**

	ESU Group	
	2017 £	2016 £
Net income for the reporting period	(60,654)	39,893
Depreciation charges	92,067	98,690
(Increase) in debtors	(11,706)	(24,527)
(Decrease) in creditors	114,846	(92,744)
Decrease/(increase) in stocks	337	684
Interest and Dividends	(106,639)	(95,692)
<b>Net cash provided by/ (used in) operating activities</b>	<b>(28,249)</b>	<b>(73,696)</b>
<b>Analysis of Cash and Cash Equivalents</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	448,506	660,974
Short term deposits	-	-
	<b>448,506</b>	<b>660,974</b>

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

The English-Speaking Union 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).

#### **b) Critical accounting judgements and estimates**

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

#### **c) Preparation of accounts on a going concern basis**

The Governors consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans give Governors confidence the charity remains a going concern for the foreseeable future.

#### **d) Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary, ESU Trading Ltd, on a line-by-line basis. A separate Statement of Financial Activities 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. The surplus/deficit of the parent charity was -£60,656 before unrealised gain/loss on investments (2016: £39,893).

**e) ESU Trading Limited** is incorporated as a company limited by guarantee and not having a share capital. A Gift Aid payment is made to the ESU each year equivalent to the taxable profit. The trade of the company is promoting the facilities in Dartmouth House for external use.

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

#### **g) Income resources**

All incoming resources are included in the Consolidated Statement of Financial Activities 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 and are included in full in the Statement of Financial Activities 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

#### **h) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under the 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 because that is the main driver of the costs of the charity.

- Scholarships are accounted for in full upon the creation of a constructive obligation.
- Support costs, which include finance, IT, head office functions and facilities are allocated using an apportionment (where relevant and reasonable) based on time, occupancy and usage across categories of the charitable expenditure, governance and the costs of generating funds.
- Governance costs separately identified, 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.
- 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 to the Consolidated Statement of Financial Activity.
- Investment properties are included at market value and are not depreciated.

#### **i) 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 on-going use are deemed to be fixed assets. Freehold property for charity use is also included at market value and it is the Governors' opinion that there will be no diminution in value, therefore no depreciation is provided on freehold property.

#### **j) Depreciation**

Depreciation is 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	4 years

#### **k) Investments**

Investments are a form of basic financial instruments and 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 Statement of Financial Activities.

- l) Profits and losses on the realisation of investments** are shown as realised gains and losses in the Statement of Financial Activities. 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 Statement of Financial Activities.

**m) Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock.

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**o) Financial instruments**

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

**p) 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 normally recognised at their settlement amount after allowing for any trade discounts due.

**q) Operating leases**

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

**r) Debtors**

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.

Debtors recoverable more than 12 months after the year-end must be discounted to present value, if the effect is material.

**s) Employee Benefits**

**Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. An accrual of £25,249 is currently included for 2016/17.

**Employee termination benefits**

Termination benefits are accounted for on an accrual 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.

**t) 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.

**u) Foreign currency translation**



ENGLISH-SPEAKING UNION

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The charity's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the 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.

**v) Benefits in kind**

The benefits in kind received by the Charity are included at a reasonable estimate of their gross value to the Charity. See note 7b.

**w) Funds**

**Endowment funds**

**Permanent endowments:** 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 endowments:** an expendable endowment fund is a fund that must be invested to produce income. Depending on the conditions attached to the endowment, the Governors will have a legal power to convert all or part of it into an income fund which can then be spent.

**Restricted income funds**

Restricted income funds are subject to specific restrictions imposed by the donor or by the nature of the appeal.

**General unrestricted income funds**

General funds are unrestricted income funds available to the ESU for its general purposes and include funds designated for a practical purpose. The use of designated funds remains at the discretion of Governors.



## 2 DONATIONS & LEGACIES

	2017 £	2016 £
Donations	157,397	162,419
Legacies	18,069	81,502
	<u>175,466</u>	<u>243,921</u>

## 3 TRADING SUBSIDIARY

### Summary of audited accounts for ESU Trading Limited (Formerly Dartmouth House Ltd until 22<sup>nd</sup> February 2016)

The wholly owned subsidiary ESU Trading Ltd is incorporated in the English-Speaking Union (Charity number 273136)  
The subsidiary pays all of its profits to the English-Speaking Union under the Gift Aid Scheme.

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

	2017 £	2016 £
Turnover	375,664	412,396
Cost Of Sales	(637)	(2,784)
Gross Profit	<u>375,027</u>	<u>409,612</u>
Operating Costs	<u>289,724</u>	<u>328,712</u>
Net Profit	85,303	80,900
Gift aid payment to ESU	(85,303)	(80,900)
Surplus / (Deficit)	<u>-</u>	<u>-</u>
Summary of assets and liabilities are as follow:		
Assets	29,498	85,711
Liabilities	<u>(26,847)</u>	<u>(83,060)</u>



Net Assets	2,651	2,651
	<b>ESU Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>4 SCHOLARSHIP AND OTHER EDUCATIONAL PROGRAMMES</b>		
Direct cost of programmes	822,701	940,660
Programme administration and support:		
Education	243,863	221,863
Library	-	-
Speech and Debate department	702,450	531,299
Corporate Fund-raising	43,972	117,683
	<u>1,812,986</u>	<u>1,811,505</u>
<b>5 MEMBERSHIP AND BRANCHES</b>	<b>2017</b>	<b>2016</b>
Publications, Marketing & Communications	463,023	320,211
Branch Support and development	176,984	184,664
Membership	67,519	54,110
	<u>707,526</u>	<u>558,985</u>
<b>6 GOVERNANCE COSTS</b>	<b>2017</b>	<b>2016</b>
Governors' expenses	5,093	19,820
Legal & Professional	29,081	16,583
Audit Fees	13,388	16,000
	<u>47,562</u>	<u>52,403</u>
<p>Governance costs include Directors' time concerned with the strategic planning processes that contribute to the development of the charity. During the year reimbursement of travelling and general expenses of £5,093 were incurred directly and reimbursed to 15 Governors (2016: £19,820). No remuneration was paid to Governors (2016: nil).</p> <p>Fees payable to Auditors for 2017 were £13,388 (2016: £16,000).</p>		
<b>7 Total Expenditure</b>	<b>2017</b>	<b>2016</b>
Total resources expended analysed by type of expenditure:	<b>£</b>	<b>£</b>
Direct costs of:		
Scholarships and educational programmes	632,150	488,600
Fundraising events	133,886	182,284
Educational facilities and placements (see note 7b)	825,809	1,129,959
Operating costs:		
Governors' and meeting expenses	12,768	25,340
Staff Cost (see note 8)	1,385,432	1,293,779
Legal & Professional fees	86,470	71,235
Other office expenditure	318,957	309,249
Trading subsidiary costs (excluding staff costs)	169,101	167,097
Utilities and property costs (including building insurance repairs)	76,474	166,453
	<u>3,641,047</u>	<u>3,833,996</u>



	Grants Awarded	Direct Costs	Support Costs	Total 2017	Total 2016
	£	£	£	£	£
<b>7a Cost of raising funds</b>					
Subsidiary's operational expenses	-	130,763	158,961	289,724	328,712
<b>Charitable Expenditure</b>					
Educational Programmes and Scholarships	72,752	1,286,393	453,841	1,812,986	1,811,505
Educational facilities and placements	-	825,809	-	825,809	1,129,959
Membership and Branches	-	518,068	189,458	707,526	558,985
International Development	-	110	4,892	5,002	4,835
	<u>72,752</u>	<u>2,761,143</u>	<u>807,152</u>	<u>3,641,047</u>	<u>3,833,996</u>
<b>7b Educational facilities and placements</b>					
Secondary School Exchange				800,699	1,087,949
Other services provided				25,110	42,010
Total				<u>825,809</u>	<u>1,129,959</u>

The educational facilities and placements were received as a benefit in kind, and as such they are included as both income and expenditure.

## 8 Staff remuneration and numbers

All staff are employed jointly by the ESU and ESU Trading Ltd. The cost of their employment is therefore charged to the two organisations based on an assessment of the amount of time devoted to them:

	ESU Group	
	2017	2016
	£	
<b>Staff remuneration and numbers</b>		
Salaries	1,180,430	1,123,048
Employers' NICs	101,487	89,483
Employers' pension contributions	47,300	25,247
<b>Total remunerations</b>	<u>1,329,217</u>	<u>1,237,778</u>

The number of employees that received emoluments in excess of £60,000 was :	2017	2016
£60,001-£70,000	2	3
£70,001-£80,000	-	-
£80,001-£90,000	1	1

Of these, three employees are accruing pension contributions totalling £9,857 (2016 four employees, accruing £12,004).

The total employee benefits for the key management personnel of the Group were £351,106 (2016: £329,020) of this £340,607 (£2016: 315,338) relates to the key management personnel of the Charity listed on page 3

Number of employees	2017	2016
Average staff numbers		
Charitable activities	24.7	25
Income generation	4.5	5
Governance and accounting	1	1





Mentors (Employed on a sessional basis)

18	16
<b>48.2</b>	<b>47</b>

9 Overhead Allocation	2017	2016
	£	£
Education programme and scholarships	375,654	300,951
Membership and Branches	177,205	137,390
International Development	4,165	4,018
	<b>557,024</b>	<b>442,359</b>

Overhead costs include finance, IT head office function and facilities

Support Costs consist of:

	2017	2016
	£	£
Management and Administration	174,149	153,822
Finance & Human Resources	194,930	169,677
Operations including premises	390,511	489,425
Governance	47,562	52,403
	<b>807,152</b>	<b>865,327</b>

10 Fixed Assets	Freehold Property	Plant and Machinery	Computer Equipment	Fixtures and fittings	Branch assets	Total
	£	£	£	£	£	£
<b>Tangible fixed assets (all for charity use)</b>						
<b>Cost or valuation</b>						
At 31 March 2016	10,570,000	846,033	299,936	291,280	-	12,007,249
Additions		316,349	22,850	8,157		347,356
At 31 March 2017	<b>10,570,000</b>	<b>1,162,382</b>	<b>322,786</b>	<b>299,437</b>	<b>-</b>	<b>12,354,605</b>
<b>Depreciation</b>						
At 31 March 2016	-	213,350	258,530	143,492	-	615,372
Charged in the year		52,049	24,642	15,376	-	92,067
At 31 March 2017		<b>265,399</b>	<b>283,172</b>	<b>158,868</b>	<b>-</b>	<b>707,439</b>
<b>Net book value at 31 March 2017</b>						
At 31 March 2016	<b>10,570,000</b>	<b>896,983</b>	<b>41,797</b>	<b>138,386</b>	<b>-</b>	<b>11,647,166</b>
At 31 March 2017	<b>10,570,000</b>	<b>632,683</b>	<b>41,406</b>	<b>147,788</b>	<b>-</b>	<b>11,391,877</b>

Freehold property



The ESU holds freehold in both the Chesterfield Hotel, 35 Charles Street, London, and Dartmouth House (including Clarges Mews), 37 Charles Street, London. Two leases have been granted to The Chesterfield Hotel by which they operate the Hotel. The freehold interest, subject to the two leases, has been valued to Market Value by Stephen Richardson Partnership in the sum of £23.1m, as at March 2017. The freehold interest, occupied by the ESU for its own use, has been valued to Existing Use Value by Stephen Richardson Partnership in the sum of £10.57m as at March 2017.

	ESU and ESU Group	
	2017	2016
	£	£
Fixed assets for charity use	10,570,000	10,570,000
Investment properties (leased to The Chesterfield Hotel)	23,100,000	22,900,000
	<u>33,670,000</u>	<u>33,470,000</u>
Historical cost	1,328,045	1,328,045
Unrealised Gain	<u>32,341,955</u>	<u>32,141,955</u>

	ESU and ESU Group	
	2017	2016
	£	£
<b>11 Investments</b>		
<b>Share portfolio</b>		
Market value at 31 March	2,938,353	3,170,038
Acquisitions at cost	-	183,562
Disposal proceeds	-	(182,732)
Movement in cash held	1	11
Investment managers' fee	222	383
Withdrawals: Distribution adjustment	-	
Unrealised and realised gains/(loss)	350,286	(232,909)
Market value at 31 March	<u>3,288,862</u>	<u>2,938,353</u>
<b>The Chesterfield Hotel</b>		
Market value at 31 March	22,900,000	27,500,000
Unrealised gains on revaluation of the Chesterfield Hotel	200,000	(4,600,000)
Market value at 31 March	<u>23,100,000</u>	<u>22,900,000</u>
<b>Market value of all investments at 31 March</b>	<u>26,388,862</u>	<u>25,838,353</u>



**Made up of:**

Investment properties (as above)	23,100,000	22,900,000
Pooled share portfolio:		
Unit Trusts	3,288,862	2,938,353
Cash held as part of the share portfolio		
Branch investments	20,814	20,814
	<u>26,409,676</u>	<u>25,859,167</u>

**Material Investments**

	2017 £	2016 £
At 31 March 2017, the portfolio held no holdings greater than 5% of the pooled investment portfolio by value:		
£ units Alpha CIF for Endowments (2016: 3,259,753)	3,288,862	2,938,353

**Historical cost at 31 March**

Investment properties	1,014,326	1,014,326
Pooled investment portfolio:		
Unit Trust	2,018,522	2,018,522
Branch investments	22,301	22,301
	<u>3,055,149</u>	<u>3,055,149</u>

	ESU Group		ESU	
	2017 £	2016 £	2017 £	2016 £
<b>12 Debtors</b>				
Sundry debtors	239,241	246,420	130,971	167,396
Amounts owed by ESU Trading Ltd	-	-	85,303	73,641
Prepayments and accrued income	75,187	58,881	75,187	58,881
	<u>314,428</u>	<u>305,301</u>	<u>291,461</u>	<u>299,918</u>

	ESU Group		ESU	
	2017	2016	2017	2016
<b>13 Creditors (amounts falling due within one year)</b>				
Sundry Creditors	422,041	369,048	412,972	359,631
Unexpired subscriptions	69,287	59,927	69,287	59,927
Deferred income	333,904	283,991	333,904	283,991
	<u>825,232</u>	<u>712,966</u>	<u>816,163</u>	<u>703,549</u>



825,232	712,966	816,163	703,549
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**13a Operating Lease Commitments**

At 31<sup>st</sup> March 2017, the group had total commitments in respect of operating leases which expire in the period shown as follows:

	Office Equipment 2017	Office Equipment 2016
	£	£
Within one year	2,138	2,138
Two to five years	6,416	8,554
	<u>8,554</u>	<u>10,692</u>

**14 Analysis of net assets between funds**

Fund balances at 31 March 2017 are represented by:

	Unrestricted Fund	ESU Group Restricted Funds	Total Funds 2017
	£	£	£
Tangible fixed assets (incl Dartmouth House)	11,647,166	-	11,647,166
Investment property (Chesterfield Hotel)	23,100,000	-	23,100,000
Other investments	1,618,047	1,691,629	3,309,676
Net current assets (liabilities)	(60,441)	-	(60,441)
Total net assets	<u>36,304,772</u>	<u>1,691,629</u>	<u>37,996,401</u>

**15 Statement of funds**

	Balance at 31 March 2016	Incoming Resources	Expenditure	ESU Group Movement in the 12 months Transfer	Revaluation Gains/ (Losses)	Balance at 31 March 2017
	£	£	£	£	£	£
<b>Restricted Reserves</b>						
Endowments:						
Permanent endowments	159,155	-	-	-	20,888	180,043
Expendable endowments	691,133	-	-	-	90,705	781,838



	850,288				111,593	961,881
Branch funds	17,707	143	-	-	-	17,850
Restricted funds	592,468	124,840	(89,127)	6,735	76,982	711,898
<b>Total Restricted Reserves</b>	<b>1,460,463</b>	<b>124,983</b>	<b>(89,127)</b>	<b>6,735</b>	<b>188,575</b>	<b>1,691,629</b>
<b>Unrestricted Reserves</b>						
Designated funds	34,310,463	52,798	(115,378)	-	309,357	34,557,240
Trading funds	2,651	375,027	(375,027)	-	-	2,651
Branch funds	248,145	207,924	(181,824)	(6,735)	-	267,510
ESU funds	1,484,825	2,819,660	(2,879,691)	-	52,577	1,477,371
<b>Total Unrestricted Reserves</b>	<b>36,046,084</b>	<b>3,455,409</b>	<b>(3,551,920)</b>	<b>(6,735)</b>	<b>361,934</b>	<b>36,304,772</b>
<b>Total Reserves</b>	<b>37,506,547</b>	<b>3,580,392</b>	<b>(3,641,047)</b>	<b>-</b>	<b>550,509</b>	<b>37,996,401</b>



	ESU Group					Balance at 31 March 2017
	Balance at 31 March 2016	Incoming Resources	Expenditure	Transfer	Revaluation Gains/ (Losses)	
	£	£	£	£	£	£
<b>Endowments (see note 16a)</b>						
<b>Permanent endowment funds</b>						
P W Minet American Education Scholarship	54,084	-	-	-	7,098	61,182
P W Minet Community Benefit	54,084	-	-	-	7,098	61,182
Education Endowment Fund	34,786	-	-	-	4,565	39,351
Charlotte Bonham-Carter Scholarship Fund	16,202	-	-	-	2,126	18,328
<b>Expendable endowment funds</b>						
American Memorial Chapel Fund	65,590	-	-	-	8,609	74,199
Westbury Preston Memorial	613,029	-	-	-	80,455	693,484
Mallinson Memorial Fund	12,513	-	-	-	1,642	14,155
	<b>850,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,593</b>	<b>961,881</b>
<b>Branch funds (see note 16b)</b>						
Scholarships (restricted)	<b>17,707</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,850</b>
<b>Restricted funds (see note 16c)</b>						
American Memorial Chapel Income Fund	17,052	881	(2,700)		1,888	17,121
The Lindemann Fellowship Fund	83,273	93,221	(56,171)		13,207	133,530
Education Endowment Income Fund	8,871	543	(20)		1,164	10,558
Westbury Preston Memorial Income Fund	61,673	3,334	(7,354)		7,145	64,798
P W Minet American Education Income Fund	4,034	247	(9)		529	4,801
P W Minet Community Benefit Income Fund	3,862	1,645	(3,005)		310	2,812
C E Eckersley Educational Fund	15,323	938	(35)		2,011	18,237
ESU International Appeal Fund	1,580	96	(4)		207	1,879
Walter Annenburg Fund	12,744	1,513	(31)		1,763	15,989
L Moore & B Barrow Funds	11,972	733	(27)		1,571	14,249
De Fretitas Fund	9,491	581	(22)		1,246	11,296
Chilton Art History Scholarship Fund	123,136	6,992	(10,260)		14,856	134,724
Mallinson Memorial Income Fund	11,486	703	(26)		1,507	13,670
The Ravinia Scholarship Fund	4,942	303	(11)		649	5,883
Corporate Initiative Fund	17,493	1,071	(40)		2,296	20,820
Belinda Norman-Butler Music Fund	18,549	1,136	(43)		2,434	22,076
Alumni Fund	17,919	1,097	(41)		2,352	21,327
Music Fund	39,002	1,841	(9,014)		3,945	35,774
C Bonham-Carter Scholarship Fund	2,576	158	(6)		338	3,066
John Roberts Travel Scholarship Fund	28,193	1,726	(65)		3,700	33,554
Nurses Work Shadow Fund	1,779	109	(4)		233	2,117
Chester Scholarship Fund	60,505	3,705	(139)		7,941	72,012
1066 Branch	1,373	84	(3)		180	1,634
Gloucestershire Branch	5,642	346	(13)		740	6,715
Carlbom Fund	24,028	1,471	(55)		3,153	28,597
Bath	4,683	287	(11)		615	5,574
Windsor	1,287	79	(3)		169	1,532
Birmingham	-	-	(15)	6,735	833	7,553
	<b>592,468</b>	<b>124,840</b>	<b>(89,127)</b>	<b>6,735</b>	<b>76,982</b>	<b>711,898</b>
<b>Designated Funds (see note 16d)</b>						
Joyce Rolf Fund	713,536	43,482	(10,889)		92,509	838,638
Building Maintenance Fund	126,927	9,315	(104,489)		16,849	48,602
Chesterfield Hotel Investment Property	22,900,000	-	-		200,000	23,100,000



Transfer of Dartmouth House Freehold	10,570,000	-	-	-	10,570,000
Property from General reserves					
	<b>34,310,463</b>	<b>52,797</b>	<b>(115,378)</b>	<b>-</b>	<b>34,557,240</b>

**THE ENGLISH-SPEAKING UNION OF THE COMMONWEALTH**  
**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

- 16a Endowments (continued)**
- Education Endowment Fund**  
provides travel scholarships for teachers between the UK and the USA
- Peter and Wilhelmina Minet American Education Scholarship Fund**  
teaching scholarships for lecturers or teachers to travel to the USA to study a specific aspect of education.
- Peter and Wilhelmina Minet Community Benefit Fund**  
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.
- Charlotte Bonham-Carter Scholarship Fund**  
For the provision of music scholarships to Yale.
- American Memorial Chapel Fund**  
Travel scholarships for clergy between the UK and the USA.
- Westbury Preston Memorial Fund**  
Used to provide exchange visits by students or teachers within the British Commonwealth or between the British Commonwealth and the USA.
- Mallinson Memorial Fund**  
Woodworking and bookbinding scholarships
- 16b Branch Funds (continued) Scholarship Funds (restricted)**  
In respect of the Canterbury, Chester, Hereford, Lincolnshire, Liverpool, Ouse Valley and Southend ESU branches, which have been built up to support educational scholarships.
- 16c Restricted funds (continued)**
- Lindemann Fellowship Fund**  
provides fellowship awards to enable UK scientists to undertake research programmes in the USA
- R M Shellens Library Endowment Fund**  
provided to enable the ESU to be refurbished, equipped and maintained.
- C E Eckersley Educational Fund**  
provision of grants to foreign students studying the English language in the UK.
- Walter Annenburg Fund**  
donated for the purpose of Anglo-American exchanges.
- Lillian Moore and Bryan Barrow Funds**  
created by donations in memory of Lillian Moore and Bryan Barrow in order to provide assistance to students who could not otherwise afford to accept an ESU award.
- De Freitas Travel Scholarship Fund**  
to finance travel scholarships for academic or professional people.
- Chilton Art History Scholarship Fund**  
set up to receive donations and the proceeds of lectures and other events organised to support an annual art history scholarship placement at Christies.
- Ravinia Scholarship Fund**  
awards to enable talented musicians to attend the Ravinia Festival.
- Corporate Initiative Fund**  
this fund resulted from an appeal to corporate donors to help develop the ESU's educational programmes.
- Belinda Norman Butler Music Fund**  
donations raised by the ESU Cultural Affairs Committee to support music scholarships
- Alumni Fund**  
this fund was set up to receive donations from ESU alumni to support educational scholarships and programmes
- Music Fund**  
musical fund raising events, to support music scholarships
- John Roberts Travel Scholarship Fund**  
fund is in respect of travel scholarships
- Nurses Work Shadow Fund**  
Nurses work experience programmes
- Branch Funds**



Branch funds for Charitable activities held on behalf of Birmingham, Chester, Gloucestershire, 1066, Bath and Windsor

**16d Designated funds (continued)**

**The Joyce Rolf Fund**

The Trustees have earmarked the fund for the support Scholarship and Educational programmes

**Building Maintenance Fund**

to ensure that funds will be available to meet the costs of major repairs to Dartmouth House.

**THE ENGLISH-SPEAKING UNION OF THE COMMONWEALTH**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including income and expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

INCOME & ENDOWMENTS FROM	Notes	Unrestricted £	Endowments £	Restricted £	2016 Total £	2015 Total £
<b>Donations &amp; Legacies</b>	2	219,106	-	24,815	243,921	292,466
<b>Charitable Activities</b>						
Programmes & Events		113,633	-	123,133	236,766	269,269
Income from branch events		207,654	-	-	207,654	149,272
Membership Subscriptions		189,934	-	-	189,934	178,698
Educational facilities & placements	7b	1,129,959	-	-	1,129,959	935,604
<b>Other Trading Activities</b>						
Property Income		1,585,663	-	-	1,585,663	1,602,865
Commission from contract caterer		184,300	-	-	184,300	169,819
<b>Investment Income</b>		63,887	-	31,805	95,692	93,614
<b>Other</b>		-	-	-	-	-
<b>TOTAL INCOME</b>		<b>3,694,136</b>	<b>-</b>	<b>179,753</b>	<b>3,873,889</b>	<b>3,691,607</b>
<b>EXPENDITURE ON</b>						
<b>Cost of Raising funds</b>						
Subsidiary's operational expense	3	328,712	-	-	328,712	325,315
<b>Charitable Activities</b>						
Education programme & scholarships	4	1,690,284	-	121,221	1,811,505	1,580,434
Membership & Branches	5	558,985	-	-	558,985	635,030
International development		4,835	-	-	4,835	55,069
Educational facilities & placements	7b	1,129,959	-	-	1,129,959	935,604
<b>TOTAL EXPENDITURE</b>	7	<b>3,712,775</b>	<b>-</b>	<b>121,221</b>	<b>3,833,996</b>	<b>3,531,452</b>
Net Gains/ (Losses) on investments		(106,537)	(76,628)	(48,521)	(231,686)	246,177
<b>NET INCOME/EXPENDITURE</b>		<b>(125,176)</b>	<b>(76,628)</b>	<b>(10,011)</b>	<b>(191,793)</b>	<b>414,557</b>
<b>OTHER GAINS AND LOSSES</b>						
Unrecognised Gains on Fixed Assets	10	(1,830,000)	-	-	(1,830,000)	501,452
Unrecognised Gains on revaluation of investment properties		(4,600,000)	-	-	(4,600,000)	4,200,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(6,555,176)</b>	<b>(76,628)</b>	<b>(10,011)</b>	<b>(6,621,793)</b>	<b>5,107,784</b>





Total funds brought forward at 1 April		42,601,260	926,916	600,164	44,128,340	39,020,556
Total funds carried forward at 31 March	15	<u>36,046,084</u>	<u>850,288</u>	<u>610,175</u>	<u>37,506,547</u>	<u>44,128,340</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

A full breakdown of restricted funds for 2016 is available in the accounts filed at the charity commission.