

CHARITY NUMBER: 273136

ROYAL CHARTER REGISTRATION NUMBER: RC000177

**THE ENGLISH-SPEAKING UNION
OF THE COMMONWEALTH
REPORT AND ACCOUNTS
TO 31 MARCH 2019**



**ENGLISH-SPEAKING UNION
1918-2018**

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

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

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

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

In addition, the ESU has 28 local branches across England and Wales, which host and coordinate a range of activities, enabling the Charity to reach more young people regionally.

Public Benefit

Our educational work in schools with teachers, children and young people focuses on speech and debate programmes, competitions and cultural exchanges. We continue to focus our charitable resources on oracy (speaking and listening) in state schools in disadvantaged areas, introducing a wide range of young people of all ages, backgrounds and abilities to public speaking and debate. We teach confident communication and critical thinking skills to help empower young citizens to engage with the world and key issues, and to feel confident in expressing their opinions. We show them the benefits of listening to the opinions of others, even when those views are at odds with their own. We teach young people how to make up their own minds, thereby giving them the power not to be ignored.

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

Summary of Achievements and Performance

The ESU was formed in the belief that more effective communication between nations would lead to improved global understanding and lasting peace - a movement so inspirational that a transatlantic fundraising campaign back in the 1920s enabled the purchase of the ESU International Headquarters at Dartmouth House in Mayfair. The property assets of the Charity produce income to cover administrative costs, so that all fundraising goes directly to the educational outreach of the Charity.

Sir Evelyn Wrench set up the English-Speaking Union in 1918 to promote better communication between people of all cultures and countries. We celebrated our centenary year in 2018, and now look forward to the next 100 years, working with those who need our help the most to change their lives and communities for the better.

Today, communities are increasingly multicultural, and society is more polarised. There has never been a greater need to understand different perspectives and opinions both within the UK and across the world. We all need to listen to and evaluate other points of view; to evaluate false arguments and distinguish fake news from real. We need to disagree without being disagreeable. The ESU teaches these skills. The need to develop confident communicators, critical thinkers and empowered citizens able to thrive in our ever-changing world has never been more important.

We continue to deliver our programmes and competitions through a strong and diverse branch network with a committed group of mentors, judges and volunteers, and drawing on our extensive alumni network.

Impact

ESU competitions and the ESU's educational programmes make an enormous impact on young people. In 2018-19, our three national competitions - ESU-Churchill Public Speaking competition, Schools' Mace debating competition and Performing Shakespeare competition - were all won by state schools. These schools come from areas where we have active ESU branches fully engaged in the ESU's educational programmes. The Performing Shakespeare competition (Years 7-9; ages 11-14) continues to grow as it dovetails well with the English Key Stage 3 curriculum; schools are adapting how they deliver the curriculum to involve more pupils in this competition.

Key Statistics (We use financial data from the year to 31 March and impact data from the academic year to 31 August)

2018-19	2017-18
Discover Debating programme (serving disadvantaged communities)	
1,968 Key Stage 2 pupils aged 9-11 in 82 schools	1,416 Key Stage 2 pupils aged 9-11 in 58 schools
Discover Your Voice workshops	
2,832 young people from 69 schools	1,763 young people from 43 schools
Schools' Mace debating competition (regional heats across England and a final at Dartmouth House)	
536 students from 268 schools	610 students from 305 schools
ESU-Churchill Public Speaking competition (local heats across England and Wales and a final at Churchill College, Cambridge)	
1, 293 students from 271 schools	1,164 students from 243 schools
Performing Shakespeare competition (progressed to the area finals)	
693 students from 79 schools	483 students from 55 schools
Branch-led competitions and workshops	
2,265 primary and secondary school students took part in ESU activities in Colchester, Ouse Valley and South Wales	N/A
House of Lords talking days	
8, including 1 chamber debate	11, including 1 chamber debate
London Debate Challenge (borough heats and a final at Dartmouth House)	
235 students from 47 schools	160 students from 32 schools
Debate Academy (a week-long residential summer camp)	
126 students attended; 32% from low-income families and on bursaries	130 students attended; 49% from low-income families and on bursaries
International Public Speaking Competition (London hosted)	
Over 1 million participants, from 51 countries	Over 600,000 participants, from 53 countries
International tours	
c.1,000 young people have been trained by ESU oracy coaches in Denmark, Japan and the USA	700+ young people have been trained

Teaching Programmes

Our Discover Your Voice (DYV) workshops continue to be a popular way of introducing young people to the art of debating and public speaking. This year, we have delivered DYV workshops to students in 69 schools across England and Wales. The four main oracy skill sets of Reasoning & Evidence, Listening & Response, Organisation & Prioritisation and Expression & Delivery are taught in the morning and put into practice in the afternoon through taking part in a classroom debate.

Our Discover Debating programme for primary school students ran in 82 schools. The Discover Debating programme meets 80% of national curriculum targets in spoken language and reading and writing comprehension and contains continuing professional development (CPD) for teachers, as well as classroom resources designed to leave a sustainable legacy of debate in each participating school.

Debate Academy is the ESU's residential summer debate training programme for 14-18 year olds. This year, 126 students, many new to the course, joined ESU staff and debating coaches in the UK for five days of workshops, lectures and debates. Debate Academy 2018 was rated 'excellent or good' by 99% of participants. The programme offered bursaries to 32% of attendees, meaning that young people from a variety of backgrounds could take part and many more viewpoints could be explored.

Competitions

Competition remains 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. Our national competitions continued to be significant. ESU branch members provide volunteer support at a regional level by organising the local heats of our UK Public Speaking competition and the regional finals of our Performing Shakespeare competition.

International

The International Public Speaking Competition (IPSC) offers participants a chance to experience a true meeting of minds and the opportunity to take part in valuable cultural exchange. At least one million young people around the world took part in national public speaking competitions in the 12 months to May (2018: 600,000) with each national winner taking part in the IPSC final 2018 in May. In total, 49 participants from 47 countries benefited from intensive training, a programme of social activities and competition culminating in the final at the prestigious Royal Institution in London.

The ESU supported the participation of both the England and Wales teams in the World Schools Debating Championships 2019, held in Bangkok in July. In the run-up to the event, the ESU provided funding and logistical support to the coaches and team managers of both

teams, during the team trials and selection, coaching and attendance of the Championships. Both teams performed well, with the England team coming third overall (out of 64 nations competing).

We continue to run the Secondary School Exchange, a programme that has been in existence since 1928. This enables young people to spend a gap year in a private high school in the USA or in the UK. It provides a rich cultural experience, where scholars benefit from a new appreciation of different perspectives and increase their confidence. In 2018-19, 13 scholars took up places in 11 schools across the UK and the USA.

Scholarships and Awards

Our diverse portfolio of scholarships, enabled by historical restricted funds, continued to support the work of researchers and scholars from the domains of teaching, librarianship, the clergy, music, art history and the physical sciences. Teacher scholarships are now focused on research into oracy development.

Strategic Partnerships

Cooperation and collaboration are two of the ESU's founding principles. We have continued to build on our existing partnerships as well as forging new ties with organisations that share our aims and vision. 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.

The ESU continues to work in partnership with *The Week Junior*, the award-winning current affairs magazine for children aged 8-14, to create 'The Big Debate' page, looking at topical and controversial issues such as climbing Everest, government secrets, voting at 16 and living forever. A 'Big Debate Day' was also held for local primary schools in Doncaster, with ESU oracy trainers delivering a full day of workshops, games and debates.

We continued to work with the Fair Education Alliance, the House of Lords, ARK Schools network, Black Lawyers Directory (BLD) and City Gateway. A funding partnership with the International Churchill Society supports the ESU-Churchill Public Speaking competition.

The Oracy Network

Established in November 2016, the Oracy Network brings 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 some high-profile supporters in education and academia, and it supported the 2018 launch of the Oracy All-Party Parliamentary Group. The ESU continues to advocate for oracy to be the third pillar of the school curriculum alongside literacy and numeracy.

Membership

Our 5,500 members are the lifeblood of the organisation, supporting charitable activities across the country through their engagement in our charitable work and through their support of our fundraising efforts. We acknowledge with gratitude their continuing commitment to bringing oracy into the classrooms of some of the most deprived areas of the UK. We are proud to record in excess of 3,000 volunteer hours in 2018/19 dedicated to the ESU's educational work.

Local Branches

Our 28 local branches across England and Wales host and coordinate a range of activities, from cultural and social activities to schools-based oracy workshops, all designed to raise awareness and funds for our educational work.

Branches also assist with the running of our educational programmes in their local area, such as our Public Speaking and Performing Shakespeare competitions and our Discover Your Voice workshops; this enables us to reach even more young people regionally. More details of this work can be found on our website. Branch Committee work and events organisation accounts for a further 2,000 volunteer hours.

ESU branches in Colchester, Ouse Valley and South Wales run public speaking and debating competitions for primary school pupils, with in-school oracy workshops in support. These events are primarily organised and staffed by volunteers.

The Board would like to put on record its enormous appreciation to all our volunteers, branches and supporters, without whom, much of our work would simply not be possible.

Communications

We aim to raise awareness of our central educational messages and to provide accessible content for teachers, young people, members and supporters. Our twice-yearly "Dialogue" publication has been well-received.

In 2018-19, we launched an enhanced and upgraded website, which contains links to our education programmes, international reach, branch networks and our blogs, and provides a range of information on the ESU and our work. Please see www.esu.org for details.

We completed a major part of our stakeholder engagement strategy, moving our membership data to a new system to streamline financial and administrative processes. In 2019-20, our educational programmes, membership engagement and fundraising functionality will follow.

We currently have approximately 20,000 followers on Facebook and Twitter.

Management and Governance

The ESU is governed by a Board of Governors, who are the individual Trustees of the Charity. Each Trustee is required to be a member of the ESU.

Honorary officers and elected Governors are elected by members of the Union for a period of three years, when they are eligible for re-election for a further term of three years. There are currently 15 Trustees serving on the Board.

The Board is assisted in its work by six committees: Audit & Risk (ARC); Education; Ethics; Finance & Operations (FOC); Nominations & Remuneration; and a separate trading subsidiary, ESU Trading Ltd. Given the importance of IT to our operations, the FOC formed an IT-specific Technology and Advisory Group in 2018-19 in order to oversee effective investment for our digital transformation.

The committees generally have a mix of Trustees and experienced independent advisers.

Safeguarding

There is no higher priority for the ESU than the safeguarding of all children participating in our programmes, in the classroom and outside it. The Board has a strong emphasis on protection of vulnerable individuals, and reviews process and procedures consistently. Our safeguarding policy is available on request.

Pay Policy for Senior Staff

The executive pay policy is set by the Nominations & Remuneration Committee (NRC) and approved by the full Board.

The NRC sets the remuneration for senior management personnel (Director-General and specialist Directors in Education, Fundraising and Support Services), referencing benchmarked data for similar roles in similarly sized international charities in the sector. Further details are given in note 5 to the accounts.

Future Plans

The Trustees have committed to the 2018-22 strategic plan for the future development of the ESU, notably in educational advancement and enrichment. The English language remains at the heart of the ESU's charitable purposes. We seek to broaden the geographical impact and accessibility of all our programmes, especially for children in low-income communities.

The investment of reserves during 2018/19 includes capacity-building for our digital education resources, and we plan to further develop our web-based teaching capability.

The ESU continues to build public profile and outreach, supported by alumni, key individuals, trusts and corporate partners who share our vision. All stakeholders are included in such developments.

Plans for Dartmouth House

Dartmouth House, the international headquarters of the English-Speaking Union has been in the ESU's occupation since 1922, when debentures were raised by the ESU members to help purchase the property.

For many years, it has been a venue for bringing people together: a place for beneficiaries to learn new oracy skills and share ideas, and where the ESU England and Wales, and International ESU communities can come together to support and fundraise for the Charity.

The hire of the house for private events is an important revenue stream for the Charity and there is capacity to expand this further.

The ESU is developing a long-term property strategy to ensure that the building is fit for purpose for the future, able to meet the needs of our beneficiaries and members for decades to come.

PATRON AND PRESIDENTS

Patron

Her Majesty The Queen

President

HRH The Princess Royal KG KT GCVO

Vice-Presidents

The Lord Watson of Richmond CBE

Mr Guy Weston

BOARD OF GOVERNORS (TRUSTEES OF THE CHARITY)

Honorary Officers (ex officio Trustees of the Charity)

Chairman	The Rt Hon The Lord Boateng
Deputy Chairmen	Derek Morgan Dr Tony Wood
Honorary Treasurer	Roderick Chamberlain

Governors

The following served as Governors during the year:

Natasha Dyer (resigned 26/09/2018)	Ellen Punter
Barbara Firth	Professor James Raven
Andrew Hay	James Scruby
Alice Heard	David Shaw OBE
Lady Susan Inkin	Jonathan Sobczyk Boddington
Alex Just	Anikka Weerasinghe

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

SENIOR EXECUTIVES

Director-General

Jane Easton

Directors

Ian Stokes, Director of Development (to 18 January 2019)

Tim Morris, Director of Finance (permanent from 4 March 2019)

Duncan Partridge, Director of Education (to 31 May 2019)

Anna Quenby, Director of Communications (to 31 January 2019)

Juliette Young, Interim Director of Engagement and Development (from 31 January 2019)

Company Secretary

Jane Easton (from February 2019)

Sarah McBride (August 2018 to February 2019)

PROFESSIONAL ADVISERS

Auditors

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

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

SUMMARY OF FINANCIAL RESOURCES

The results of the ESU Group are set out in the Consolidated Statement of Financial Activities (SoFA) on page 22.

The figures consolidate the results of the trading subsidiary, ESU Trading Ltd.

Income and Expenditure

In the year to 31 March 2019, net incoming resources were £3,516k (2017/18: £3,794k), a decrease of 7%. Total income by source for the ESU Group, including comparisons with the previous year, is set out in note 2 to the accounting statements.

The reduction in donations reflects the challenging fundraising environment. The board is committed to re-vitalise its fundraising endeavours in the coming year to fund our important programmes in disadvantaged areas.

Of the total £1.6m investment income, £89k is from the portfolio managed on a discretionary basis by Sarasin & Partners LLP, whose performance is scrutinised quarterly by the Finance & Operations Committee. At the year-end, this portfolio was valued at £1,679k (31/03/2018: £2,791k). Sales of the portfolio were made in the year to manage cash flow.

The ESU Group reports an expenditure level of £4,354k for the year, consistent with the prior year (2017/18: £4,325k). The organisation continues to strive to re-position itself through digital transformation to become a leading exponent of oracy skills across the country.

Funds & Reserves

Total funds for the ESU at 31 March 2019 are £40,616k (31/03/2018: £41,384k).

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

Reserves are required to provide for short-term fluctuations in income and expenditure.

The Board's policy is to maintain free reserves (currently held as near cash investments), including anticipated rental income due during the period, sufficient to cover overheads and payroll costs for 3-6 months. The Trustees will seek to replenish the level of reserves held accordingly.

Reserves at 31 March 2019

	31 March 2019 £'000	31 March 2018 as restated £'000
The total value of funds held	40,616	41,384
Less		
Restricted funds (purpose of use defined by the donor)	1,244	1,642
Designated funds for freehold and investment property	37,670	37,670
Designated charitable funds (Joyce Rolf Legacy)	590	682
Total free reserves	1,112	1,390

Given the possible fluctuation in investment values and the volatility of voluntary fundraising, the Board has set aside the Joyce Rolf Legacy fund for scholarships and educational programmes. This mitigates the risk of having to reduce charitable activities in lean years.

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

Risk Management

The Board has identified the major risks to which the ESU is exposed and agreed policies and procedures to mitigate them. The Audit and Risk Committee oversees the form and substance of the process for registering, reviewing and mitigating all categories of risk. A Risk Register is maintained and reviewed regularly.

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

- The loss of income from the Chesterfield Hotel (approximately 50% of total income) for any reason would be material. To mitigate, Trustees monitor the relationship with the tenant and require that the property is maintained to ensure that it could be re-let to another hotelier if necessary. Rent is paid quarterly in advance and covers salary and overhead costs.
- Income from investments is necessarily subject to market risks. The investment mandate is to protect the capital and provide an annual income. The portfolio is managed by Sarasin & Partners LLP, whose performance is scrutinised closely.
- Commission income from catering depends on demand from the membership as well as externally, and on maintaining Dartmouth House in a good condition.
- Voluntary income arising from donations, grants and legacies can vary from year to year and cannot be relied upon. It 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, any shortfall is made up from our unrestricted reserves. We continue to monitor the cost and benefit of each activity.

Statement of Trustee Responsibilities

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

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law.

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

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions; to disclose with reasonable accuracy at any time the financial position of the Charity; and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 23rd September 2019 and signed on their behalf by



The Rt Hon the Lord Boateng
Chairman

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

Opinion

We have audited the financial statements of The English-Speaking Union for the year ended 31 March 2019, which comprise the Group Statement of Financial Activities, the Group and Parent Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 Group and parent charity's affairs as at 31 March 2019, and of the Group's 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 Charities Act 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other Information

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

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

We have nothing to report in this regard.

Matters on Which We Are Required to Report by Exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept adequate accounting records; or
- the parent charity's 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.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

to the date of our auditor's report. However, future events or conditions may cause the Group or parent charity to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit report.

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

Use of Our Report

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Charity and Charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)

For and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD

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

17/10/2019

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

		2019	2019		
		Unrestricted	Restricted and		2018
	Note	funds	endowment	2019	as restated
		£'000	funds	£'000	£'000
Income from:					
Donations and legacies	2.1	103	5	108	259
Charitable activities	2.2	677	734	1,411	1,548
Trading income	2.3	1,908		1,908	1,886
Investment income	2.4	76	13	89	103
Total		2,764	752	3,516	3,796
Expenditure on:					
Charitable activities	4.1	2,748	1,142	3,890	4,038
Raising funds	4.2	464		464	287
Total		3,212	1,142	4,354	4,325
Net expenditure before gains on investments		(448)	(390)	(838)	(529)
Net gain on investment property					4,000
Realised gain on investment		254	-	254	-
Net unrealised loss on investment	9.2	(184)	-	(184)	2
Total net gain on investments		70	-	70	4,002
Net movement in funds		(378)	(390)	(768)	3,473
Reconciliation of funds:					
		39,742			
Funds brought forward as restated	15		1,642	41,384	37,911
Total funds carried forward		39,364	1,252	40,616	41,384

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

GROUP BALANCE SHEET

		Consolidated		ESU Charity	
	Note	2019 £'000	2018 as restated £'000	2019 £'000	2018 as restated £'000
Fixed assets					
Intangible assets	8	215	-	215	-
Tangible assets	8	11,473	11,752	11,473	11,752
Investments	9	28,779	29,912	28,779	29,912
Total		40,467	41,664	40,467	41,664
Current assets					
Stock		3		3	
Debtors	10	605	255	442	114
Cash at bank and in hand		223	159	218	155
Total		831	416	663	269
Creditors					
Amounts falling due within one year	11	682	697	677	594
Net current assets/(liabilities)		149	(280)	(14)	(327)
Net assets		40,616	41,384	40,453	41,337
Funds	15				
Restricted funds					
Endowments		645	967	645	967
Restricted funds		607	675	607	675
Total		1,252	1,642	1,252	1,642
Unrestricted funds					
Designated funds		38,260	38,352	38,260	38,352
General funds		1,104	1,389	940	1,343
Total		39,364	39,741	39,200	39,695
Net funds		40,616	41,384	40,452	41,337

These financial statements were approved and authorised for issue by the Trustees on 23rd September 2019 and signed on their behalf by



The Rt Hon the Lord Boateng
Chairman

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF CASH FLOW

		Year ended 31 March 2019 £'000	Year ended 31 March 2018 as restated £'000
	Note		
Cash flows from operating activities:		(1,000)	(288)
Cash flows from investing activities			
Investment income	2.4	89	103
Purchase of property, plant and equipment	8	(9)	(209)
Purchase of intangible fixed assets		(214)	-
Proceeds from sale of investments		1,198	500
Net cash provided by investing activities		1,064	394
 Change in cash and cash equivalents in the reporting period		 64	 104
Cash and cash equivalents at the beginning of the reporting period		159	159
 Cash and cash equivalents at the end of the reporting period		 223	 265

Reconciliation of net income to net cash flows from operating activities

		Year ended 31 March 2019 £'000	Year ended 31 March 2018 as restated £'000
	Note		
Net deficit for the reporting period		(838)	(529)
Depreciation charges	8	135	105
Loss on fixed asset write-off		159	-
(Increase)/decrease in debtors		(349)	411
(Decrease)/increase in creditors		(15)	(173)
Decrease/(increase) in stock		(3)	1,857
Investment income		(89)	(103)
Net cash provided by/(used in) operating activities		(1,000)	(288)

Analysis of cash and cash equivalents

	2019 £'000	Movement £'000	2018 as restated £'000
Cash at bank and in hand	223	64	159

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies adopted, the judgements and the key sources of estimation and 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 with the Statement of Recommended Practice for Charities (SORP 2015) and applicable accounting standards (FRS 102).

The ESU meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

b) Critical accounting judgements and estimates

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

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) Going concern basis

The Trustees consider that 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 imply that 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 (SoFA) and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

e) ESU Trading Ltd

ESU Trading Ltd is incorporated as a company limited by guarantee and does not have a share capital. A Gift Aid payment is made to the ESU each year equivalent to the taxable profit. The company provides catering facilities in Dartmouth House.

f) Branches

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

g) Income resources

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

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

All other income is accounted for on an accruals basis.

h) Resources expended

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

- Scholarships are accounted for in full upon the creation of a constructive obligation.
- Support costs, which include finance, IT, head office functions and facilities, are allocated using a relevant and reasonable apportionment based on time, occupancy and usage across categories of the charitable expenditure, governance and the costs of generating funds.
- Governance costs are separately identified and relate to the general running of the Charity as opposed to the costs of fundraising or charitable activity. Included within this category are costs associated with the strategic, as opposed to the day-

to-day management of the Charity's activities.

- 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 SoFA.
- 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 ongoing use are deemed to be fixed assets. Freehold property for the Charity's use is included at market value.

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
Software	5 years

It is the Trustees' opinion that there will be no diminution in the value of the property and so no depreciation charge is provided on freehold property.

k) Investments

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

l) Profits and losses on the realisation of investments

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

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

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 maturity of less than three months.

o) Financial instruments

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

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 and prepayments

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

s) Employee benefits

Short-term benefits, including holiday pay, are recognised as an expense in the period in which the service is received. The Charity does not calculate a monetary value on volunteers' time.

Employee termination benefits are accounted for on an accruals basis and in line with FRS 102.

Pensions: The ESU operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the ESU in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

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

The Charity's functional and presentation currency is pounds sterling. Any 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

Any benefits in kind received by the Charity are included at a reasonable estimate of their gross value to the Charity.

w) Funds

Permanent endowments funds: These occur where a donor specifies only income arising from a donation can be used, and the income may also be restricted towards a particular purpose.

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

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

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

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

2. INCOME NOTE

2.1 Donations and legacies

	Unrestricted funds £'000	Restricted and endowment funds £'000	2019 £'000	2018 £'000
Donations	93	5	98	255
Legacies	10		10	4
Total	103	5	108	259

2.2 Charitable activities

	Unrestricted funds £'000	Restricted and endowment funds £'000	2019 £'000	2018 £'000
Income from programmes and events	202	131	333	364
Income from branches	252	-	252	282
Educational facilities and placements (gifts in kind)		603	603	700
Membership subscriptions	223	-	223	202
Total	677	734	1,411	1,548

2.3 Trading activities

	Unrestricted funds £'000	Restricted and endowment funds £'000	2019 £'000	2018 £'000
Rental income	1,503	-	1,503	1,570
Catering commission	379	-	379	300
Room hire	4	-	4	17
Recharges	22	-	22	
Total	1,908	-	1,908	1,884

2.4 Investments

	Unrestricted funds £'000	Restricted and endowment funds £'000	2019 £'000	2018 £'000
Investments income	76	13	89	103
Total	76	13	89	103
Total income	2,764	752	3,516	3,796

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

3. TRADING SUBSIDIARY

	2019 £'000	2018 as restated £'000
Turnover	383	331
Cost of sales	-	-
Gross profit	383	331
Operating costs	225	287
Net profit before taxation	158	44
<i>Summary of assets and liabilities are as follows:</i>		
Assets	179	104
Liabilities	(16)	(58)
Net assets	163	46

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

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.

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

4. EXPENDITURE

4.1 Charitable activities

	Direct costs £'000	Support costs £'000	2019 £'000	2018 £'000
Education programme and scholarships	1,629	648	2,277	1,741
Educational facilities and placements	603	25	628	700
International development	128	70	198	149
Membership and branches*	461	182	644	1,192
Governance (note 7)	44	100	143	57
Total	2,865	1,025	3,890	3,839

* Expenditure under membership and branches is restated to include the overstatement in branch funds in the year ended 31 March 2018.

4.2 Raising funds

	Direct costs £'000	Support costs £'000	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Fundraising costs*	189	50	239	200
Trading	26	199	225	286
Total	215	249	464	486
Total expenditure	3,080	1,274	4,354	4,325

* Fundraising costs were reported under charitable activities in prior year.

5. SUPPORT COSTS

	Finance, human resources and digital £'000	Communications and publicity £'000	Facilities and management £'000	2019 £'000	2018 £'000
Overhead allocation					
Education programme and scholarships	176	113	359	648	405
Educational facilities and placements	7	4	14	25	16
International development	19	12	39	70	78
Membership and branches	48	32	101	181	114
Governance	27	17	55	99	62
Fundraising	15	9	28	52	31
Trading	54	35	110	199	125
Total support costs	346	222	706	1,274	831

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

6. DETAILS OF STAFF COSTS

6.1 Number of employees

The average number of employees is split as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Charitable activities	19	26
Income generation	3	1
Support	10	9
Total permanent full-time staff	32	36
Mentors	23	23

Support staff include finance, human resources, communications and operations.

6.2 Analysis of staff costs

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Salaries	1,239	1,276
Employers' NIC	123	117
Employers' pension contributions	64	63
Total	1,426	1,329

6.3 Senior employees

	Year ended 31 March 2019 Number	Year ended 31 March 2018 Number
£60,001-£70,000	1	2
£90,001-£110,000	1	1
Total	2	3

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

6.4 Key management personnel

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

	2019 £'000	2018 £'000
Total	201	363

Key management personnel comprise the senior management team: The Director-General and Director of Education. The Charity has undergone some restructuring with the number of directorates being reduced to three, with communications and fundraising now combined.

6.5 Trustee remuneration

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

7. GOVERNANCE COSTS

	2019 £'000	2018 £'000
Trustees' expenses	8	5
Legal and professional	181	234
Audit fees	15	17
Other payments to auditors (VAT advisory costs)	11	-
Total	215	256

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 £8,144 were incurred directly and reimbursed to 16 Trustees (2017/18: £4,820).

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

8. FIXED ASSETS

Group and Charity

	Freehold property £'000	Plant and machinery £'000	Computer equipment £'000	Fixtures and fittings £'000	Total tangible assets £'000	Intangible assets £'000	Total fixed assets £'000
Cost or valuation							
At 31 March 2018	10,570	1,173	340	328	12,411	153	12,564
Additions	-	4	-	5	9	215	224
Disposals	-	-	-	-	-	(153)	(153)
Revaluations	-	-	-	-	-	-	-
At 31 March 2019	10,570	1,177	340	333	12,420	215	12,634
Depreciation/ amortisation							
At 31 March 2018	-	335	302	175	812	-	812
Charged in the year	-	72	17	46	135	-	135
At 31 March 2019	-	407	319	221	947	-	947
Net book value	10,570	769	21	113	11,473	215	11,688
At 31 March 2018	10,570	838	38	153	11,599	153	11,752

	2019 £'000	2018 £'000
Fixed assets for charity use	10,570	10,570
Investment properties	27,100	27,100
Total	37,670	37,670
Historical cost	1,328	1,328
Unrealised gain	36,342	36,342

9. ANALYSIS OF FIXED ASSET INVESTMENTS

9.1 Property investments

	2019 £'000	2018 £'000
Market value at 1 April	27,100	23,100
Unrealised gains on revaluation	-	4,000
Market value at 31 March	27,100	27,100

9.2 Share portfolio

	2019 £'000	2018 £'000
Market value at 1 April	2,791	3,289
Disposal proceeds	(1,185)	(500)
Investment managers' rebate/(fees)	-	-
Investment held in cash	3	-
Realised profit on investments	254	-
Unrealised loss on investments	(184)	2
Market value at 31 March	1,679	2,791
Market value of all investments at 31 March	28,779	29,891
Historical cost at 31 March	1,302	1,873

9.3 Material investments

There were no portfolio investments representing over 5% by value of the portfolio in the year ended 31 March 2019.

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
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10. DEBTORS

	Consolidated		ESU Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	as restated £'000
Trade debtors	404	-	404	-
Sundry debtors	84	202	95	239
Amounts owed by trading subsidiary	-	-	(151)	-
Prepayments and accrued income	117	53	94	75
Total	605	255	442	314

11. CREDITORS (amounts falling due within one year)

	Consolidated		ESU Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	as restated £'000
Trade creditors	188	-	182	-
Sundry creditors	412	290	413	499
Subscriptions in advance	71	65	71	69
Deferred income	11	366	11	334
Total	682	721	677	902

12. OPERATING LEASE COMMITMENTS

At 31 March 2019, the Group had annual commitments in respect of operating leases of office equipment which expire in the period shown, as follows.

	2019	2018
	£'000	£'000
Within one year	4	4
Two to five years	-	4
Total	4	8

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
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13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted and endowment funds £'000	2019 £'000
Fixed assets	11,688	-	11,688
Investment property	27,100	-	27,100
Other investments	427	1,252	1,679
Net current assets/(liabilities)	149	-	149
Total net assets	39,364	1,252	40,616

13.1 Prior year

	Unrestricted funds as restated £'000	Restricted and endowment funds as restated £'000	2018 as restated £'000
Fixed assets	11,752	-	11,752
Investment property	27,100	-	27,100
Other investments	1,170	1,642	2,812
Net current assets/(liabilities)	(280)	-	(280)
Total net assets	39,741	1,642	41,384

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
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14. STATEMENT OF FUNDS

	2018 as restated £'000	Movement in the 12 months		Revaluation gains/(losses) £'000	2019 £'000
		Incoming resources £'000	Outgoing resources £'000		
Restricted reserves					
Endowments:					
Permanent endowments	180	13	-	-	193
Expendable endowments	787	-	(335)	-	452
Total endowments	967	13	(335)	-	645
Restricted funds	675	739	(807)	-	607
Total restricted reserves	1,642	752	(1,142)	-	1,252
Unrestricted reserves					
Designated funds	38,352	-	(92)	-	38,260
Trading funds	5	387	(228)	-	164
ESU funds	1,384	2,377	(2,891)	70	940
Total unrestricted reserves	39,742	2,764	(3,211)	70	39,364
Total reserves	41,384	3,516	(4,354)	70	40,616

14.1 Prior year statement of funds

	2017 as restated £'000	Movement in the 12 months		Gains/ (losses) £'000	2018 £'000	2018 as restated £'000
		Incoming resources £'000	Outgoing resources £'000			
Restricted reserves						
Endowments:						
Permanent endowments	180				180	180
Expendable endowments	782	4		2	787	787
Total endowments	962	4	-	2	967	967
Restricted funds	730	900	(955)	-	675	675
Total restricted reserves	1,692	904	(955)	2	1,642	1,642
Unrestricted reserves						
Designated funds	34,557	46	(252)	4,000	38,352	38,352
Trading funds	3	42	-	-	44	5
ESU funds	1,659	2,802	(2,767)	-	1,694	1,384
Total unrestricted reserves	36,219	2,890	(3,019)	4,000	40,091	39,741
Total reserves	37,911	3,794	(3,974)	4,002	41,733	41,384

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
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15. FUNDS

	Opening balance 2018 as restated £'000	Incoming resources £'000	Outgoing resources £'000	Gains on investments £'000	Balance on 31 March 2019 £'000
Endowment funds					
Expendable	787	-	(335)	-	452
Permanent endowment	180	13	-	-	193
Total	967	13	(335)	-	645
Restricted funds					
Branch funds	34	1	-	-	35
Exchange programmes	70	-	(37)	-	33
Fellowship funds	193	131	(118)	-	206
Education funds	23	601	(612)	-	12
Music funds	46	-	(10)	-	36
Scholarship funds	309	6	(30)	-	285
Total	675	739	(807)	-	607
Unrestricted funds					
Designated funds	38,352	-	(92)	-	38,260
General funds	1,384	2,377	(2,891)	70	940
Trading funds	5	387	(228)	-	164
Total	39,741	2,764	(3,212)	70	39,364
Total funds	41,384	3,516	(4,354)	70	40,616

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
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15.1 Prior year funds

	Opening balance 2017 as restated £'000	Incoming resources £'000	Outgoing resources £'000	Gains on investments £'000	Balance on 31 March 2018 £'000	Restated balance brought forward to April 2018 £'000
Endowment funds						
Expendable	782	4	-	2	788	788
Permanent	180	-	-	-	180	180
Total	962	4	-	2	968	968
Restricted funds						
Branch funds	69	9	(16)	-	62	41
Exchange programmes	67	7	(28)	-	45	70
Fellowship funds	134	124	(64)	-	193	193
Education funds	142	707	(802)	-	47	22
Music funds	64	8	(25)	-	46	46
Scholarship funds	255	45	(19)	-	281	309
Total	730	900	(955)		675	683
Unrestricted funds						
Designated funds	34,557	46	(252)	4,000	38,352	38,352
General funds	1,659	2,802	(2,726)	-	1,736	1,384
Trading funds	3	42	(42)	-	3	5
Total	36,219	2,890	(3,019)	4,000	40,091	39,741
Total funds	37,911	3,794	(3,974)	4,002	41,733	41,384

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

16. FUND DETAILS

Grouping	Category	Fund name	Purpose
Endowment funds	Expendable endowment funds	EEF000 - American Memorial Chapel Travel Fund (Clergy)	Travel scholarships for clergy between the UK and the USA
		EEF001 - Westbury Preston Memorial Education Fund	Used to provide exchange visits by students or teachers within the British Commonwealth or between the British Commonwealth and the USA
		EEF002 - Mallison Memorial Fund - Bookbinding & Woodworking	Woodworking and bookbinding scholarships
	Permanent endowment funds	PEF000 - P W Minet American Education Scholarship Fund	Teaching scholarships for lecturers or teachers to travel to the USA to study a specific aspect of education
		PEF001 - P W Minet Community Benefit Fund	Travel awards to enable individuals between 25 and 45 with professional qualifications to travel outside the UK, for the benefit of both their own communities and those they visit
		PEF002 - Education Endowment Fund - Teachers	Travel scholarships for teachers between the UK and the USA
		PEF003 - Charlotte Bonham-Carter Music Scholarship Fund	For the provision of music scholarships to Yale
Restricted funds	Branch funds	RB0003 - Carlbon-Lincolnshire	Used to fund education programmes in Lincolnshire
	Exchange programme funds	RE0002 - Westbury Preston Memorial Income Fund	Used to provide exchange visits by students or teachers within the British Commonwealth or between the British Commonwealth and the USA
		RE0003 - C E Eckersley Educational Fund	Used to provide grants to foreign students studying the English language in the UK
		RE0004 - Walter Annenburg Fund	Donated for the purpose of Anglo-American exchanges
	Fellowship funds	RS0000 - The Lindemann Fellowship Fund	Provides fellowship awards to enable UK scientists to undertake research programmes in the USA
	General education funds	RE0001 - L Moore & B Barrow Funds	In memory of Lillian Moore and Bryan Barrow in order to aid students who could not otherwise afford to accept an ESU award
	Music funds	RM0000 - The Ravinia Scholarship Fund	Awards to enable talented musicians to attend the Ravinia Festival
		RM0003 - Belinda Norman-Butler Music Fund	Donations raised by the ESU Cultural Affairs Committee to support music scholarships
	Scholarship funds	RA0000 - Chilton Art History Scholarship Fund	Supports an annual art history scholarship placement at Christies
		RN0000 - John Roberts Travel Scholarship Fund	Fund is in respect of travel scholarships
		RN0001 - Michael Graydon Scholarship Fund	Award to aid earmarked ESU educational work for the Lincolnshire branch
		RT0002 - De Freitas Fund	Finance travel scholarships for academic or professional people

17. PRIOR YEAR ADJUSTMENT

Reconciliation of statement of financial activities

GROUP			
Year ended 31 March 2018			
	As previously stated £'000	Effect of prior year adjustment £'000	As restated £'000
Income from:			
Donations and legacies	259	-	259
Charitable activities	1,548	-	1,548
Trading activities	1,884	2	1,886
Investment income	103	-	103
Total	3,794	2	3,796
Expenditure on:			
Raising funds	287	-	287
Charitable activities	3,687	351	4,038
Total	3,974	351	4,325
Net gains on investments	4,002	-	4,002
Net income	3,822	(349)	3,473

Charitable expenditure has been restated by a net figure of £351k to reflect an overstatement of branch bank balances as at 31 March 2018 of £393k and the profits from the subsidiary company of £42k. Income has been restated by £2k for catering commission income under-accrued. The balance sheet has been adjusted to reflect these adjustments in cash in bank, debtors and creditors as shown below.

THE ENGLISH-SPEAKING UNION CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED 31 MARCH 2019

Reconciliation of opening balance sheet

	GROUP			CHARITY		
	Year ended 31 March 2018			Year ended 31 March 2018		
	As previously stated £'000	Effect of prior year adjustment £'000	As restated £'000	As previously stated £'000	Effect of prior year adjustment £'000	As restated £'000
Fixed assets						
Tangible assets	11,752		11,752	11,752		11,752
Investments	29,912		29,912	29,912		29,912
Total	41,664	-	41,664	41,664	-	41,664
Current assets						
Stock	-	-	-	-		
Debtors	255	2	257	114		114
Cash at bank	552	(393)	159	548	(393)	155
Total	807	(391)	416	662	(393)	269
Creditors	(738)	42	(697)	(596)		(596)
Net assets	41,733	(349)	41,384	41,730	(393)	41,337
Funds						
Restricted funds	1,642	-	1,642	1,642		1,642
Unrestricted funds	40,091	(349)	39,742	40,088	(393)	39,695
Total	41,733	(349)	41,384	41,730	(393)	41,337

