

ANNUAL REPORT TO MEMBERS 2024.



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OUR PURPOSE, VISION AND VALUES

OUR PURPOSE

We believe that every young person, through access to a great education, should be able to realise their potential, regardless of where they live, their background or circumstances.

OUR VISION

As a school owned and led social enterprise, we aim to work with every school, setting and trust in Hertfordshire, providing a full range of high-quality products, services, and training to support them to deliver a great education. All our services will deliver demonstrable impact. We will extend our reach through the digital delivery of selected services on a national basis, aiming to generate 20% of revenues outside of Hertfordshire by 2024-25. To broaden our position and extend our scope, we are committed to partnering with organisations that share our values and whose services deliver demonstrable impact.

OUR VALUES



Trusted We are trusted by those we serve, and we trust each other, because we are recognised as credible and experienced specialists in our chosen fields; we value the role that every colleague plays to deliver our purpose and vision.



Inspirational We are passionate about the power of education to help young people achieve great outcomes and will inspire those we work with to strive towards this purpose; we are resilient and will innovate and adapt to meet the changing needs of our customers.



Collaborative We know that collaborative working with each other, with our customers, and with other partners delivers greater impact; we learn from and with each other to overcome challenges and we put company-wide objectives ahead of individual or team objectives.

CHAIR'S MESSAGE

I am delighted to be able to share with you my Chair's message for 2023-24, reflecting on a year of challenge and achievement.

Throughout the year, the HFL Education Board of Directors has continued to work with the Executive team, HFL colleagues and supporters to deliver our purpose and vision, at the heart of which is a passion for helping to realise the potential of children and young people.

During the year, the Board's strategy initially adopted in 2022, remained focused on helping our local community of schools, trusts and settings to thrive, whilst delivering modest growth out of county by building upon the initiatives adopted in previous years and seeking to consolidate our strengths as an educational services company.

One of the features of HFL Education is the depth and strength of our specialist teams, from educational to business services. In this past year, we have developed those teams by bringing them together to provide a more integrated service and creating new support opportunities, under the banner of 'One HFL'. As a result of these changes, under the leadership of our Chief Executive Officer, Carole Bennett, we have taken the opportunity to reshape the Executive team to better reflect our priorities and to reduce that team by one member.

Our strategy and recent team-working changes are in response to the growing financial pressures we know the education sector is facing and we continue to work in close partnership with our customers to ensure we are aligning our products and

services to their needs, at affordable cost. For example, we now offer an affordable package of support specially tailored for small schools.

Since Carole's arrival as our new Chief Executive Officer in May 2023, many of the changes we have made during the past year have come as a direct result of Carole actively meeting with educational leaders and their staff. The HFL Education Board hears directly from Carole about the competing demands and challenges on the education system, as well as bringing their own experiences as governors, trustees, senior educational leaders or independent non-executive directors drawn from related fields for their particular expertise.

Elected by schools, non-executive directors Lee Clarke and Stephen Hoult-Allen resigned from the Board in July 2023, along with co-opted Non-Executive Director Nick Novak, and school elected Non-Executive Director Cynthia Rowe, resigned in November 2023.



The Board is greatly enriched by the direct links we have with schools, trusts and settings through elected non-executive directors, as well as benefitting from Board appointed co-opted directors who are selected to bring specific key skills and experience to the Board. I would like to thank all four non-executive directors for their service and excellent contributions to the HFL Board. However, we were successful in appointing two new co-opted non-executive directors, Simon Hay and Emma Bradley, joining in August 2023 and October 2023, respectively. Simon has a successful career in technology to support schools and Emma supports social enterprises in leadership and coaching roles.

In Autumn 2023, following an election process, Tracy Clements, Marcus Cooper and Angela O'Rourke joined the Board as non-executive directors representing a cross-section of schools and academies across Hertfordshire.

At a time of significant change amongst the Board, school elected Non-Executive Director Natalie Knight-Wickens had her second term of office extended by one year to November 2024.

Finally, because of technical reasons associated with academy funding conditions, Margaret Chapman stepped down from the Board as a Non-Executive Director in October 2023. However, we have found a way for Margaret to be appointed as a non-voting Associate Director and I am delighted that she has been able to rejoin the HFL Board.

I concluded my report last year by reflecting on the challenge of future financial settlements and demographic change and how the changes we made at HFL Education would prepare us. This year, those challenges and the need to proactively respond to a changing world remain, as does our purpose to help schools, trusts and settings succeed in delivering great outcomes for young people. To make this a reality, the HFL Board will continue to prioritise development of our partnership working, listening carefully to the needs of the sector and working with them to co-design affordable and practical solutions.



Professor Paul Layzell
Chair of the Board of Directors
HFL Education



CHIEF EXECUTIVE OFFICER'S REPORT 2023-24

In my first year as Chief Executive Officer (CEO) of HFL Education, I have been delighted to receive such a warm welcome from colleagues across the education sector.

I have been invited to many local consortia meetings, conferences, events and networks, and to meet with key partners in education partnerships across the U.K. At these meetings, education leaders have shared with me the critical nature of the support they receive from HFL Education, and how important this is in providing horizon scanning, strategic challenge, ongoing operational support and pastoral care. Feedback from our stakeholders has been critical in ensuring that we understand where we are excelling, where we could improve and where we could evolve, and this has been used to inform our central and local delivery plans for 2024-25.

The visits have also re-enforced the unique place that HFL Education occupies in the educational landscape. We are neither a Local Authority (LA), nor a solely commercial organisation, we are part of a rich eco-system, owned by schools and trusts. Therefore, we must not be complacent about how we engage with our customers or how we serve them, rather seek to provide high quality services on the open market so customers choose us, in order that we can reinvest into the education system.

The ongoing financial challenges being experienced by our customers in all areas, for schools, settings, trusts and LAs, continued to bite in 2023-24. Contracts offered by HFL Education to support ongoing service delivery in schools continued to perform well, but some of our pay as you use

Continuing Professional Development (CPD) offer came under challenge as customers pulled back on discretionary spend. To respond to financial challenges, we have had a relentless focus on driving efficiencies in the business, ensuring that we operate in a lean fashion, whilst also delivering strong and reliable customer care.

Key feedback from customer visits also led to the development of the 'One HFL' project. This theme has provided us with a united internal focus to ensure that we offer a smooth customer experience, that our teams provide strong but complementary advice and support and that we work effectively together across the organisation to develop our services and maximise our strengths. To this end, we have restructured our Executive team, re-aligning responsibilities across our senior team. Whilst we have created two new Co-director roles for Education Services, adding phase expertise to our leadership team, we have been able to reduce the overall size of the Executive team and create a leaner decision-making structure that can respond more quickly to the needs of our customers. This new way of working across and between HFL teams, means that we can provide 'theme not team' responses quickly to our customers, and reflect emerging needs quickly. An example of this is our new Complaints Service, which has



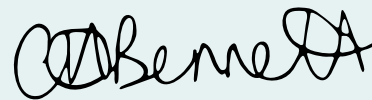
been quickly and efficiently created to provide customers with robust, clear and evidence-based ways to manage and resolve the increasing number of complaints that schools and trusts are facing on a day-to-day basis.

Our work with Hertfordshire County Council (HCC) has continued throughout 2023-24. As their contracted provider of education services, and a key partner, it has been important to review our contract delivery with them and explore how we can better work together for the benefit of children and young people in Hertfordshire. Our joint contract review meetings in spring term 2024 were also attended by schools, trusts and settings leaders, and we were able to talk through some of the significant contributions that the partnership of HCC, HFL and schools has brought to the local educational landscape. We received positive feedback about our work, and jointly noted the ever-improving educational standards in Hertfordshire. In February 2024, 92.7% of schools and settings in Hertfordshire were graded good or better by Ofsted, meaning that 41,500 more pupils had access to a good or better educational setting than in 2013. Work continues with HCC to endeavour to improve outcomes for disadvantaged pupils across the county, and to identify how HFL Education and HCC can work together to help schools to better support pupils with Special Educational Needs and Disabilities (SEND).

As we move to provide services and support to a growing number of education providers, we have been building a new relationship with key neighbours, working with trusts and LAs from beyond our borders to create rich partnerships. In some cases, this has been about working with them to provide access to our online training offer, in others this has been about

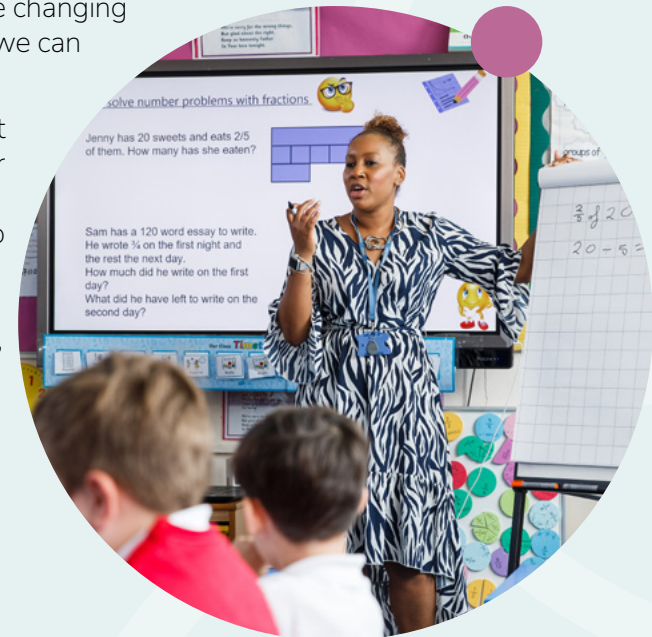
creating a bespoke training package to deliver in their locality, with our support. As we move to the next academic year, HFL Education is keen to widen our engagement with local partnerships, sharing experience, expertise and engaging with them on key priorities. This building of symbiotic relationships adds value for us and our partners, but also ensures that we are able to bring strength and reflect the changing educational landscape to our members, so we can thrive locally.

As we move to 2024-25, we recognise that we need to continue to evolve and meet our customers' needs, whilst delivering our strategic goals (see page 11). I would like to thank you for your continued support. Our members and customers are at the heart of everything we do, and by working with you, we can, together, deliver a great education for all our children.



Carole Bennett

Chief Executive Officer, HFL Education



OUR EXECUTIVE



Carole Bennett
Chief Executive Officer



Andrew Griffiths
Chief Finance Officer



Dave Windridge
*People and Organisation
Development Director*



Catherine Tallis
*Director of Business
Services*



Jeremy Loukes
*Interim Education
Services Co-Director
(Primary and
Early Years)*



Liz Shapland
*Interim Education
Services Co-Director
(Secondary, Special
and AP)*



FINANCIAL OVERVIEW 2023-24

£23.5m

Revenue

-£231k

Operating loss

-£531k

Full reported loss

Our financial performance this year was significantly behind budget as, for the first time, we reported an operating loss for the full year.

Intensifying financial pressures across our customer base contributed to a shortfall on income across our PAYU and contract services. The PAYU shortfall was particularly stark with notable impacts on CPD income, technology projects and consultancy. We are refocussing our efforts to ensure that our products and services meet the needs of our customers and are offered at an accessible price.

Some aspects of our Grow National programme to increase revenue from out-of-county failed to deliver against target, and we have re-positioned our Grow National focus as a result. Consequently, we are starting to forge deeper relationships with key partners outside of Hertfordshire and to drive growth across a better-defined range of services that are scalable and have a proven impact.

In recognition of our financial challenges, we have also taken steps to control our expenditure. This includes a reduction in the number of senior leader roles and the introduction of a

leaner Executive structure. Full year savings will be delivered in 2024-25 to significantly reduce our salary base. We are also on track to reduce our spend in 2024-25 on the hire of external space through our occupation of an office footprint that enables us to host all internal meetings and training on site at no additional cost.

We work closely to ensure that our reserves remain at an appropriate level and, despite the loss incurred in 2023-24, believe that our reserves are strong. Our financial strength is also supported by the fact that we have put in place a budget for 2024-25 that delivers a 1% profit margin.



HFL EDUCATION'S STRATEGIC PRIORITIES

HFL Education has four key strategic priorities. These are agreed with the HFL Board and shape the delivery plans of our organisation:

1. Thrive Local
2. Grow National (grow our customer base)
3. Organisational Effectiveness
4. Corporate Social Responsibility

Each strategic priority is underpinned by specific goals:



THRIVE LOCAL

As a schools' company, owned by Hertfordshire schools, trusts and Hertfordshire County Council, our priority is to provide the right support, services and guidance to schools, trusts and settings to enable children and young people in Hertfordshire to have access to a great education. It is therefore vital for us to listen to our stakeholders, understand their challenges and successes, and provide evolving services that help them to overcome difficulties and build on existing greatness. This year, we have made it a key priority to visit local consortia, taking feedback on what is working well and how we can improve. As a result, in 2023-24 we:

- Focused on ensuring our services are accessible and relevant to our stakeholders by offering new low-cost options for support, including an online support programme for small schools.
- Created new support and services to reflect the changing educational landscape, including an attendance programme, toolkits for the induction of staff and a new service to help schools and settings to manage and resolve complaints effectively.
- Increased our support for MATs by building new services to support educational and operational compliance and developing new relationship managers for local trusts.
- Worked to develop and present our support based on educational themes and to align the training of HFL managers to reduce duplication and ensure consistency of message.
- Worked with HCC to create a clearer roadmap of our shared offer, reviewing how we can evolve our relationship in the light of the complex educational and financial landscape.

GROW NATIONAL (grow our customer base)

Although our roots are in Hertfordshire, HFL Education is committed to developing strong relationships with partners and schools across the country, and particularly in bordering areas. This work ensures that we develop an outward-facing, reflective culture; play our role in creating a strong, partnership system across education and provide increasing value for money for those using our services by spreading the development and delivery costs of our products with a wider customer base. As a result, in 2023-24 we:

- Promoted our existing, impactful Reading Fluency programme to schools across the country as part of an EEF (Education Endowment Foundation) accelerator project.
- Worked with key partners in neighbouring LAs and created relationship managers for local multi academy trusts.
- Worked with members of the Area Education Partnership Association to explore synergies and identify how we could develop stronger service and system support.
- Developed a strong conference and thematic programme offer on high quality digital platforms so that schools, settings and trusts can join events and communities from across the country. These included programmes for attendance, serving underserved learners, English leads, small school leaders and SEND practitioners.



ORGANISATIONAL EFFECTIVENESS

Given the increasing financial pressures on education providers and LAs, it is important that HFL Education continues to provide high quality customer care and service, but that we also reflect the economic climate and provide value for money services for those we serve. Throughout the last year, we worked to reduce our cost base, so we:

- Reviewed, refocused and reduced the size of our Executive team removing two posts from the structure and, as a result, investing in training, support and development for our senior leaders
- Removed a number of other senior posts from our structure, where work could be delivered more efficiently.
- Created a new business area bringing together the work of the Company HR, Marketing and Events teams, so that there are synergies of practice and clearer communications to our customers
- Introduced team Delivery Plans so that we can prioritise our activity and the support provided by our central teams
- Agreed and planned a move of our office space to Abel Smith House in Stevenage, which enables us to reduce spend on the hire of external space for meeting rooms and training space.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a not-for-profit organisation, HFL Education has an ongoing and robust commitment to be an ethical services provider and employer, and to add value to the educational world and community we serve. We are committed to becoming an anti-racist employer and working with schools, settings and trusts to highlight the ongoing challenge of systemic racism and to ensure that this is eradicated, so that all children and young people can flourish. In addition to this work, we planned to widen our social responsibility lens and adopt the internationally recognised UN United Nations Sustainable Development Goals (SDG) framework to give a holistic approach to our CSR work. Therefore, in 2023-24 we:

- Led and part-funded another cohort of our established Great Representations programme, enabling 28 more schools to reflect on their practice and consider how to drive forward an anti-racist organisation
- Created a new race equity coffee break for colleagues, enabling them to discuss how racism affects them and how they can help drive forward a fairer and more equal society. This development widened participation and dialogue and was created by our established 'Colleague Network' who focus the Company's work on diversity and inclusion
- Developed a sustainability network, bringing together 93 schools, settings and trusts who are keen to reflect on environmental sustainability and how their organisations can drive change through governance, practice and the curriculum to share best practice, guidance and ideas.

OUR BOARD OF DIRECTORS



Professor Paul Layzell
Chair of the Board



Carole Bennett
Chief Executive Officer



Rachael Adler
Non-Executive Director



Emma Bradley
Non-Executive Director



Tracy Clements
Non-Executive Director



Marcus Cooper
Non-Executive Director



Catherine Glickman
Chair of the People & Remuneration Committee



Dr Simon Hay
Non-Executive Director



Beth Honnor
Non-Executive Director



Natalie Knight-Wickens
Chair of the Audit and Risk Committee



Angela O'Rourke
Non-Executive Director



Hero Slinn
Non-Executive Director



Supported by
Lynette Dexter
Company Secretary

Profiles of the
HFL Education
Directors

OUR BOARD OF DIRECTORS

During the year 1 April 2023 to 31 March 2024, five meetings of the HFL Education Board took place. Both the People and Remuneration (P&R) Committee and the Audit and Risk (A&R) Committee met four times each during the same period. The attendance record of each Director at these meetings is set out below. Against each Director's name the number of meetings at which the Director was present is shown and, in brackets, the number of such meetings that the Director was eligible to attend during the year.

The directors of the Board who were in office as from 1 April 2023 and up to the date of signing the financial statements on 3 July 2024 were as follows.

Director	Role	Date of appointment	Number of Board meetings	Number of P&R Committee meetings	Number of A&R Committee meetings	AGM September 2023
Total number of meetings held in the year:			5	4	4	1
Executive Director						
Carole Bennett	Chief Executive Officer	2 May 2023	5 (5)	4 (4)	4 (4)	1 (1)
Non-executive Directors						
Rachael Adler	HCC appointed	9 September 2022	5 (5)	-	4 (4)	0 (1)
Emma Bradley	Board appointed	1 October 2024	2 (2)	-	3 (3)	-
Margaret Chapman	Elected by Secondary School phase (to 6 October 2023)	9 January 2023	3 (3)	2 (2)	-	1 (1)
Lee Clarke	Elected by Primary School phase (to 31 July 2023)	26 November 2020	2 (2)	-	1 (1)	-
Tracy Clements	Elected by Primary School phase	27 November 2023	2 (2)	1 (1)	-	-
Marcus Cooper	Elected by Primary School phase	27 November 2023	1 (2)	0 (1)	-	-
Catherine Glickman	Chair of the People and Remuneration Committee. Board appointed	27 September 2018	4 (5)	2 (4)	-	1 (1)
Simon Hay	Board appointed	1 August 2023	3 (3)	-	3 (3)	1 (1)

Director	Role	Date of appointment	Number of Board meetings	Number of P&R Committee meetings	Number of A&R Committee meetings	AGM September 2023
Beth Honnor	Elected by Secondary School phase	28 March 2019	3 (5)	4 (4)	-	0 (1)
Stephen Hault-Allen	Elected by Special Schools and Alternative Provision Academies (to 31 July 2023)	26 November 2020	0 (2)	-	0 (1)	-
Natalie Knight-Wickens	Chair of the Audit and Risk Committee. Elected by Primary School phase	6 July 2017	5 (5)	-	4 (4)	1 (1)
Paul Layzell	Chair of the Board. Board appointed	1 April 2022	4 (5)	-	-	1 (1)
Nick Novak	Board appointed (to 31 July 2023)	26 March 2020	1 (2)	-	0 (1)	-
Angela O'Rourke	Elected by Special Schools and Alternative Provision Academies	27 November 2023	2 (2)	1 (1)	-	-
Cynthia Rowe	Elected by Primary School phase (to 25 November 2023)	26 November 2020	3 (3)	2 (3)	-	1 (1)
Hero Slinn	HCC appointed	16 September 2022	2 (6)	2 (3)	-	1 (1)

Summary of Board changes:

- Lee Clarke, Nick Novak and Stephen Hault-Allen resigned from the Board on 31 July 2023.
- Simon Hay joined the Board on 1 August 2023.
- Emma Bradley joined the Board on 1 October 2023.
- Margaret Chapman resigned from the Board on 6 October 2023.
- Cynthia Rowe stepped down from the Board at the end of her first term of office on 25 November 2023.
- Tracy Clements, Marcus Cooper and Angela O'Rourke joined the Board on 27 November 2023.
- Natalie Knight-Wickens extended her second term of office by one year to 25 November 2024.

Profiles for each [Board Director](#) are available to view on the HFL Education website.

CORPORATE GOVERNANCE

Herts for Learning Limited (trading as HFL Education) is a School Company, established under the School Companies Regulations 2002. Hertfordshire County Council (HCC) is the Supervisory Authority. The HFL Education Board meets the full statutory responsibilities under the Companies Act 2006 and the School Companies Regulations 2002.

The Board of Directors consists of the Company's Chief Executive Officer and twelve non-executive directors. Six elected by school shareholders, two appointed by HCC and four appointed by the Board. The term of office for a Non-Executive Director is three years.

The Board has two sub-committees, the People and Remuneration Committee and the Audit and Risk Committee, and one Board sub-group for Nominations and Governance. The Board of Directors determines the terms of reference, responsibilities and composition of the committees/sub-group, which are authorised to make decisions within agreed delegations and make recommendations to the Board of Directors, as appropriate.

The Board provides over-arching strategic direction and corporate governance for the organisation and holds the Company's Executive team leaders to account for the educational impact, standards achieved, and quality of provision and infrastructure services provided to schools, trusts and settings. The Board also has a strategic duty to ensure that our products, resources and services meet the evolving needs of schools and children, whilst ensuring that high standards, a focus on school improvement and financial viability are the strategic intention of all decisions made.

Directors are responsible for upholding the values of the Company and ensuring that the organisation promotes equality, diversity and inclusion for all of our stakeholders.

The Board undertakes various duties in accordance with the Matters Reserved for the Board, including approving acquisitions and partnerships, capital expenditure and common good investments. The Board also oversees the system of internal controls, corporate governance and risk management and approves the Strategic Plan, which is reviewed at the annual Board Strategy Day each summer.

The Board has an established and detailed process for the management of conflicts of interests. On appointment, each Director is required to disclose any conflicts to the Chair of the Board and Company Secretary and has personal responsibility for ensuring that any changes are notified. At each Board or sub-Committee meeting, each Director is asked to note any changes. Once a year, each Director confirms all conflicts of interests to the Company Secretary, and the Conflicts of Interest Register is reviewed by the Board.

The Board is supported by the Company Secretary, who provides assistance on corporate governance matters and ensures the Board has access to independent advice, if required.

**THE 2024
ANNUAL
GENERAL
MEETING
(AGM)**

of Herts for Learning Ltd (trading as HFL Education) will take place virtually on **Tuesday 24th September 2024** at 5pm via Livestorm. For further information about the AGM please email: board@hfleducation.org

CHAIR'S REPORT: PEOPLE AND REMUNERATION COMMITTEE

Year ended 31 March 2024

On behalf of the HFL Education People and Remuneration (P&R) Committee, I am pleased to present its report for the year ended 31 March 2024.



Over the past year, the P&R Committee has continued to work closely with David Windridge in his extended role of People & Organisational Development Director, and more recently, with Louise Brace, who has been promoted into the position of Head of Company HR, after several years with HFL both as an Adviser and Team Manager in our schools-facing HR Services team.

The Committee has overseen the ongoing implementation of the People Plan which focuses on developing our organisational people capability and key HR workstreams, across three strands, which are aligned with the HFL Education Strategic Plan and evolving needs of the organisation:

- Leadership & Culture
- Developing Capability & Skills
- Organisational Effectiveness.

2023 saw the launch of Project Learn, our overarching learning and development programme, designed to create a series of HFL-wide resources and interventions for colleagues and managers, assisting with both technical development and building our people-leadership capability.

The 'Lead Well' leadership development programme, which

launched in summer 2023, forms part of Project Learn, and is one of the pillars that focuses on managing others. It has been designed to equip all HFL line managers with the knowledge, skills, mindset and confidence necessary to drive both their own and their teams' performance. The programme consists of six modules (Lead Well, Attract Well, Start Well, Develop Well, Perform Well and Transition Well). Feedback from participants to date has been very positive and the organisation is already seeing the benefits of a joined up and consistent leadership framework. As at the end of the spring term 2024, colleagues had completed the third module and the programme continues into 2024-25 conjoining this way of working into our One HFL 'layers of leadership'.

The mental health and wellbeing of colleagues remains a priority and a range of advice and support is in place, including access to an Employee Assistance Programme (including a counselling service), a team of internal Mental Health First Aiders and HFL Extras, an employee discount and rewards platform. A colleague engagement survey was conducted in summer term 2023 and spring term 2024 and the latter survey saw a movement to more positive metrics across all of the ten reviewed areas. This suggests that despite the financial pressures facing schools and messaging

about internal efficiencies, colleagues remain relatively settled and positive.

The Committee continues to ensure that we invest affordably in the team and recognise the contribution that our colleagues make to the Company and to schools, trusts and settings.

The Committee is fully supportive of our continuing approach to support the Real Living Wage, and of the 'job families' project that is currently underway to review and benchmark all internal roles and identify career pathways for colleagues. The Committee also reviews and monitors a termly Pay Gap Report, which provides helpful insight into not only gender pay gaps, but also disability and ethnicity pay gaps.

Our 'Work from Anywhere' Policy is embedded across the organisation, with many colleagues adopting a hybrid working model, which encourages a healthier work life balance, whilst meeting the needs and expectations of our customers. We have recently relocated our office space to Abel Smith House in Stevenage, which provides a modern and flexible working and meeting environment. Our hybrid working model continues to contribute to reducing our carbon footprint by promoting more efficient use of resources, reducing emissions from commuting and encouraging sustainable behaviours in the workplace.

Over the past year the Committee has supported the induction of Carole Bennett, our new Chief Executive Officer, and has worked with her to review the structure of the Executive team and implement the 'One HFL' cultural programme.

The P&R Committee also continues to oversee the work being undertaken to support our Corporate Social Responsibility

goals (see page XX). This important work is sponsored by David Windridge and supported by the Company HR team. In 2023 we expanded our EDI lens to include more support for disability in the workplace and helping managers to support colleagues with visible and/or invisible disabilities. We have an established Colleague Forum in place, which offers an informal and friendly environment for colleagues who identify as coming from racially minoritised groups to connect, and we have recently set up a Company-wide Inclusion Committee, to help us maintain our focus on becoming an anti-racist organisation and a fully inclusive employer. In 2024 HFL will be aligning our approach to CSR using the United Nations Sustainable Development Goals (SDG) framework, a known and recognised international model. Going forwards, the SDG framework will help us to track and monitor our environmental, social, and governance goals and commitments.

Looking to the future, the Committee will continue to support the Executive and the Company HR team on the ongoing implementation of the People Plan. Once again, I would like to pay tribute to the professionalism, dedication and sheer hard work of all the HFL Education teams over the last year: on behalf of the P&R Committee, we will continue to support them to continue their work with schools, trusts and settings, and to support the delivery of the strategic objectives to Thrive Local and Grow National.

Catherine Glickman

Catherine Glickman

Chair of the People and Remuneration Committee



CHAIR'S REPORT: AUDIT AND RISK COMMITTEE

Year ended 31 March 2024

On behalf of the HFL Education Audit and Risk (A&R) Committee, I am pleased to present its report for the year ended 31 March 2024.

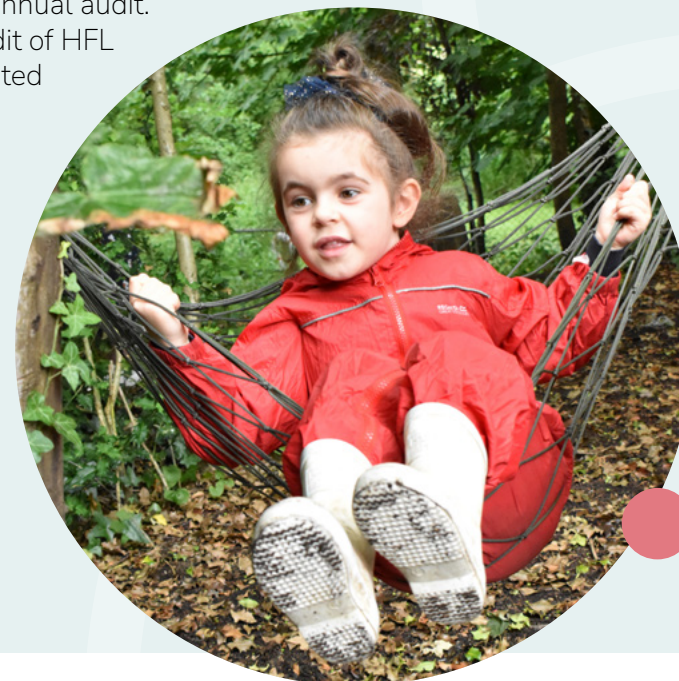
The key function of the A&R Committee is to provide scrutiny and to ensure that the Board observes due process relating to the management of financial and other risks procedurally and competently. The Committee exercises oversight of financial controls and reviews financial statements and other significant documents, prior to approval by the Board.

Over the past year, the A&R Committee has continued to work closely with the Chief Finance Officer, Andrew Griffiths, and the Executive team, to ensure that the Company remains financially stable and that any associated risks are identified and managed robustly. Throughout the year, the Committee monitored the 2023-24 budget and termly budget reforecasts, taking into consideration the impact of the financial challenges facing our core customer base, including Hertfordshire County Council, schools, trusts and settings, on the HFL business. Appropriate challenge was made during the year as the extent of the financial position became clear. The Committee has scrutinised income shortfalls and business expenditure to ensure that budgets are being managed appropriately during this challenging period. Through engagement with the robust budget setting process for 2024-25 the Committee has ensured that the loss

to be reported in 2023-24 will not be repeated in 2024-25. Over the past year the Committee has taken a more proactive approach in managing our cash reserves to ensure that we are benefiting from higher interest rates and achieving the best possible return on our investments.

The A&R Committee is responsible for reviewing the scope of, and outputs from, the external annual audit. Hillier Hopkins completed their audit of HFL Education in May 2023 and presented their findings to the Committee in June 2023 which was materially in line with Management Accounts forecasts.

While the Board is ultimately responsible for risk management, the A&R Committee oversees the overall effectiveness of risk management within the business and spends considerable time at each meeting reviewing any key current and emerging risks on

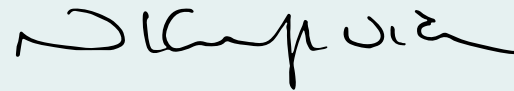


the Company's Risk Register, together with the associated controls and mitigating factors. In the 2024 spring term the Committee undertook a thorough review of the Risk Register, ensuring that all current Risks remain relevant and reflect the present operating environment. The Committee also oversees the HFL Education's compliance with the UK General Data Protection Regulation and is responsible for reviewing and approving a number of financial and risk related Company policies throughout the year.

The past year has seen a changeover in Committee membership, which has brought fresh perspective and commercial challenge. All A&R Committee members have executed their responsibilities with diligence and expertise, and, using their broad range of experience and expertise, have continued to provide support and guidance to the Executive

team during what has been another challenging year.

Key issues discussed by the A&R Committee are reported to and discussed by the Board, thus ensuring any significant matters are considered and addressed appropriately. I therefore believe that members can be confident that the A&R Committee continues to protect both the integrity and values of the Company for all stakeholders.



Natalie Knight-Wickens
Chair of the Audit and Risk Committee



