LEARNING AND WORK INSTITUTE

Trustees' report and financial statements
For the year ended 31 March 2026

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Foreword

Our mission has never mattered more. Lifelong learning and good work can help people to adapt in an era of multiple economic shocks, promote social inclusion and cohesive communities, and help turbocharge stalled economic growth. They are essential if we are to master the challenges and opportunities ahead.

We're pleased the Government adopted our calls for an 80% employment rate ambition and Youth Guarantee in England so all young people are offered help to find a job, training place or apprenticeship. We now need policy and delivery to match this ambition. We're building the research base, finding that only one in four young people not in education, employment or training are on unemployment-related benefits. The Youth Guarantee must reach beyond the benefit system to help all of the nearly one million NEETs (Not in Education, Employment or Training) and we're working with local government on how to do that. We're also testing Jobs Plus, based on the successful approach to helping social housing tenants into work in the US, with nine Housing Associations.

On skills, our research on employer investment in training, supported by Nuffield Foundation, is exploring the reasons behind the 36% drop in training per employee over the last 20 years. We've found differing patterns by sector, with a predominance of short and often online training sessions and drops in longer more developmental training. Employer investment in training often gets less attention than public skills budgets, so we've been pleased to shine a light on it. Our Ambition Skills research programme highlighted that we remain on track to be middle of the pack internationally for low and intermediate skills, with larger regional inequalities than many European countries. Its final report showed the economic and social benefits from a higher ambition for world class skills, and a plan for delivery.

Our work on lifelong learning continued. Our long running Adult Participation in Learning Survey showed that more adults are taking part in learning since the pandemic, despite a recent dip. This rise has been driven by self-directed and informal learning. New technology has given people new ways to learning, an exciting development and one we need to harness to tackle longstanding inequalities in participation in learning.

We made the case for lifelong learning through Adult Learners' Week and the Inspire! awards in Wales and Get the Nation Learning in England. This helped shine a light on amazing adult learners, as well as highlighting what we can all do – employers, providers, housing associations, local government, voluntary sector and more – to get the nation learning. More than 100 organisations have already signed our Get the Nation Learning charter.

As ever, we know that none of this is possible without our excellent and dedicated trustees and team. We thank them for their work over the year. There is undoubtedly uncertainty and change ahead. But we will continue to make the case for learning skills and employment, build the evidence base, shape policy, and test new ways of working.

Jeremy Moore and Stephen Evans

Report of the Trustees: impact report

Our mission

Learning and Work Institute is an independent policy and research organisation focused on lifelong learning and better work.

Our vision is for a fair and prosperous society where learning and work enable everyone to realise their potential.

We research what works, influence policy and develop new ideas to improve practice.

Social and economic inclusion are at the heart of all we do as we work towards a fair and prosperous society.

Our priorities

Our strategic plan for 2024-29 focuses on four priorities:

Lifelong learning

Learning is good for careers, health and wellbeing, civic engagement and much else. But while people are increasingly engaging in learning independently, more formal opportunities for adults to learn have been in decline. Some groups – like older people, those out of work, people with lower qualification levels – are far less likely to participate in learning than others.

Essential skills

One in five adults has low literacy or numeracy, and core capabilities such as these and health, financial literacy and citizenship are unequally distributed between demographic groups. This holds back people's life chances and is worse than in many comparator countries.

Employment

The UK's employment rate is relatively high by international standards, but is far from world leading because some groups, like disabled people, and areas of the country have much lower employment rates than the average. Helping more people into work would bring economic benefits, improve the public finances, and boost living standards and life chances.

Better work

Most people are satisfied with their work and a flexible range of employment opportunities gives people more chance to find work that suits them. However, some people would prefer more secure work but are unable to find it. Despite rises in the minimum wage many people in work find themselves struggling to make ends meet while many people find themselves stuck in low paid work, unable to progress, often linked to socioeconomic background.

Our vision would mean that by 2040:

- More adults are participating in learning, achieving this by substantially reducing inequalities between groups and areas.

- Everyone has the essential skills and capabilities like literacy, numeracy and digital that they need for life and work.
- The UK has the highest employment rate in the G7, with 80% of working-age adults in work, achieving this by narrowing employment gaps between groups and areas.
- More people are in work that meets their needs, supporting wellbeing, development and good living standards.

Why we're here

- Just two in five adults in the UK say they've taken part in learning in the last three years. Stark and stubborn divides by age, class and work status, and cuts to public and employer investment are leaving too many people locked out of learning.
- For nine in ten adults in the UK to have essential skills such as functional literacy, numeracy and digital skills by 2035, an additional 3.5 million people would need to gain these skills compared with today.
- Lifelong learning is associated with higher employment and reduced reliance on benefits within two-and-a-half years of starting, with the biggest gains seen among people with low or no prior qualifications.
- For people in routine jobs such as cleaners, labourers and sales assistants, people who receive training at work get paid around 15% more than for those who receive none. Those who get training also move twice as far up the occupational skills ladder into higher-skilled, better-paid roles.
- Employer investment in skills has fallen 30% per employee since 2011. The training that remains is often of short intensity and driven by compliance, at the expense of more in-depth upskilling required for the jobs of the future.
- Achieving a world-class skills base could boost the economy by £22 billion and save taxpayers £8 billion per year. It would need ten years of effort, returning adult skills attainment to 2010 levels with an extra £2.2 billion per year invested by people, employers and the Government.
- Nearly one million young people are not in education, employment or training (NEET), yet only one in four receives help from Jobcentre Plus. As a result, these young people are too often overlooked for support to gain skills, qualifications, or employment, with long-term damage to their career prospects.
- Young people's education and employment opportunities still depend on where they live. One in seven young people claim Universal Credit and are either looking for work or assessed as too ill to work in more deprived areas such as Blackpool, Hartlepool and Burnley – five times the rate in places with the lowest claimant levels, such as Cambridge, Guildford and Oxford.

- Two in ten out-of-work disabled people say they want to work, but only one-in-ten get help to find work each year. This limits opportunity for disabled people and holds back economic growth.

Shaping policy

We encourage evidence-based policy development and use our insights to improve service design and delivery. Highlights of our achievements during 2025-26 include:

- Influencing the Government's plans to improve employment support, including engaging with the Keep Britain Working Review (led by Sir Charlie Mayfield), advising the Milburn Review focused on young people and work, and the new Job Guarantee for young people. The Government took up our proposal for widening eligibility for the Job Guarantee to 18-24 years.
- Supporting the delivery of year one, and influenced the design of year two, of the Youth Guarantee and Economic Inactivity trailblazers, which are designed to trial innovative ways to support people into work and help reach the Government's aim of reaching a 80% employment rate.
- Bringing together the adult learning sector, leading employers and voluntary sector organisations to identify how we can deliver a higher ambition on adult essential skills at a roundtable event with our patron Her Royal Highness The Princess Royal.
- Being a leading voice for high standards in English and maths within apprenticeships and technical education programmes, including as a member of the English and Maths Coalition.
- Working with Welsh Government and Medr to shape forthcoming legislation that will make adult learning a core part of the post-16 system, including supporting data mapping on essential skills.
- Securing a commitment from Medr to work with ESOL providers to implement recommendations from the Welsh Government Review of ESOL Policy, which we delivered in partnership with the University of South Wales.
- Working with Medr to better understand and enhance learner voice and engagement in the adult community learning sector in Wales.
- Building support for our campaign to change the 21 hour rule, which prevents young adult carers studying more than 21 hours per week from claiming Carer's Allowance, including engagement with the Minister of State for Social Security and Disability.
- Continuing to influence thinking on how to reverse the decline in employer investment in skills, informed by our research funded by Nuffield Foundation, Multiverse, and the Gatsby Charitable Foundation.
- We highlighted that England has more occupational standards that take longer to revise than other countries, risking apprenticeships and qualifications that don't prepare people well

enough for future careers. The post-16 skills white paper committed to changing this in England.

- Being called to give evidence to the House of Lords Numeracy for Life Committee on adult numeracy skills, the Work and Pensions Committee on young people who are NEET and the transfer of skills to DWP, and to support a Parliamentary Post Note on Lifelong Learning and Skills.

- Helping to shape the agenda and priorities of All Party Parliamentary Groups for Further Education and Lifelong Learning, young carers and young adult carers, and youth employment. Our CEO is a member of the Skills England Expert Advisory Group.

Developing solutions

Here is a snapshot of our wide-ranging research, development and campaigns work. We are proud to partner with national and local government, businesses and charities, maintaining our reputation for high quality research and analysis.

Lifelong learning

In its 29th year, our Adult Participation in Learning Survey found 42% of adults say they have taken part in learning in the last three years, down from a record high of 52% in 2024. However, participation remains well above the pre-pandemic lows of the late 2010s, following rises in self-directed learning, including online, for personal reasons or leisure. This is positive, but local and national government, employers and others need to make sure adults also have routes to more formal learning and accreditation where they want to and where that would be of benefit to them. The survey continues to highlight stark inequalities in who participates in learning, meaning there is much more to do to ensure fair access to opportunities.

Our research funded by the Standard Life Centre for the Future of Retirement on the benefits of lifelong learning. This found that lifelong learning increases the likelihood of being in employment within two-and-a-half years of starting, with the greatest impact for people with no or low prior qualifications.

We have completed our flagship Ambition Skills programme, funded by City & Guilds and NOCN Group. The final report showed that achieving world-class skills could boost the UK economy by £22 billion and save taxpayers £8 billion per year. It argued for new ways to support learning to make it an everyday choice for people and valued investment for employers.

Through our multi-year strategic partnership with Ufi VocTech Trust we continue to support the adoption and deployment of technology to help adults get the skills they need to participate and benefit from our changing economy. This includes evaluating place-based pilots to test and learn what works to increase adult participation in learning.

Our Lottery funded Driving Change in Higher Education project is working with 23 universities across England to review and improve their support for young adult carers. In partnership with Carers Trust, our campaign to exempt young adult carers from the 21 hour rule in the benefit system continues to raise awareness of the challenges that young adult carers face in accessing further education.

Through the Welsh Government's Taith programme and in partnership with Aontas in Ireland, we delivered pilots in Wales to develop learner ambassador activities within adult learning, this included facilitating exchange visits between Wales and Ireland. The final report was launched at the Senedd at an event sponsored by Cefin Campbell MS.

We have continued to develop our Life Skills for Wales framework, and this is now being used as part of a collaborative "Pathways" project led by The Open University to support people into education.

Advocating for adult learning

Our campaigns have highlighted the benefits of adult learning for more than 30 years, inspiring similar initiatives around the world.

We refreshed our campaign in England and launched Get the Nation Learning in May 2025. Get the Nation Learning aims to make and win the case for lifelong learning and we have gained support from 200 organisations in our first year, including Channel 4, West Midlands Combined Authority, Make UK and the British Army.

Get the Nation Learning Week – the highpoint of our campaign – took place from 3 to 7 November 2025. During the week, we published the 29th edition of our annual Adult Participation in Learning Survey and hosted our national awards ceremony at The Barbican in London. The awards were supported by NOCN Group, Ufi VocTech Trust, City Lit and the Education and Training Foundation. Award winners, selected from hundreds of nominations, included Manchester City Council, BBC Studio Productions and Ed Balls.

We partnered with the West Midlands Combined Authority to deliver their West Midlands Adult Learning Awards for a third time, with the ceremony taking place in June 2025. We also worked with the team at City Hall to deliver the Mayor of London's Adult Learning Awards for a fourth year, with a celebration in November 2025 for adult learners and their supporters.

In partnership with Welsh Government, we delivered a multi-media marketing campaign and coordinated a network of over 100 partners to promote Adult Learners' Week. This collaboration successfully signposted hundreds of individuals to advice and guidance while facilitating over 600 events. In total, at least 6,000 people participated in various courses, outreach activities, and information sessions hosted across the Working Wales and Adult Learners' Week platforms.

In September 2025, we hosted over 200 guests for the Inspire! Adult Learning Awards at the Brangwyn Hall in Swansea. The award winners' stories were promoted alongside Adult Learners' Week, securing over 177 media items. Key press features included a segment on ITV Wales evening news, BBC Radio Wales, S4C and Nation Cymru.

In March 2026 we held the Inspire! Tutor awards recognising the achievements of the workforce across the tertiary sector, showcasing community outreach, supported employment, ESOL and learning Welsh.

Essential skills

Our focus is on raising the profile of essential skills and looking at ways to raise participation and delivery of high quality learning. We continue to argue for essential skills through media and sector engagement, including highlighting the importance of English and maths being part of apprenticeships and sharing insights on the impact of skills devolution on English for Speakers of Other Languages (ESOL) provision. Our patron, Her Royal Highness The Princess Royal, joined us for a roundtable exploring ways to boost participation in essential skills provision.

We continued to support Mayoral Strategic Authorities with local commissioning and delivery of essential skills provision and other aspects of the Adult Skills Fund through research and evaluation. We delivered an evaluation of the West Midlands Combined Authority's Multiply programme, with lessons to inform future adult numeracy delivery. For the South East Strategic Partnership for Migration, we delivered a programme of regional ESOL coordination and capacity building activity funded by the Ministry of Housing, Communities and Local Government, including distributing small grants to support the establishment and development of new local ESOL co-ordination networks and partnerships, teacher and volunteer training, and managing small grants for informal ESOL delivery.

We continue to play an active role in the European Association for the Education of Adults and the European Basic Skills Network, sharing insights from our work with adult learning providers, practitioners and policymakers across Europe. This included joint activity responding to the OECD's Survey of Adult Skills, and collaborating with partners to explore the role of emerging technologies in adult literacy programmes.

Employment

We are at the heart of key policy debates on employment and reducing economic inactivity. As co-chairs of the Youth Employment Group, we have regularly convened our members to argue for better support for young people. We were pleased the Government adopted our calls for a Youth Guarantee, aiming to ensure every young person is offered help to find a job, training place or apprenticeship. We are working to ensure that policy and practice live up to the scale of this ambition, and set out our vision for a Youth Guarantee in England. We also refreshed our Youth Opportunity Index, which quantifies young people's varying education and employment opportunities across England, published new analysis showing that just one in four young people who are NEET get help from Jobcentre Plus, and a deep dive into the young people's interactions with the benefits system. We are also working with Central London Forward and Cambridgeshire and Peterborough Combined Authority to evaluate their Youth Guarantee Trailblazers, and supporting trials to test and learn through our partnership with Shaw Trust.

We continue our work to support local delivery of employment support and the evidence base on what works. This has focused on the delivery of JobsPlus pilots, a community-led employment scheme that aims to help people into work through on-site employment services, community support and financial incentives. The programme is funded by the Department for Work and Pensions and Youth Futures Foundation. L&W is leading the programme working in collaboration with Communities that Work and the Institute for Employment Studies, with additional support from MDRC. There are 10 pilot sites across England, delivered in partnership with social landlords, who engaged more than 1,200 people by March 2026.

We also produced practical guidance on local implementation of Connect to Work, including top tips for local government, as well as service user and employer insights research to inform delivery of Connect to Work in London. Our work to support regions with employment challenges includes supporting the North East Combined Authority with their Economic Inactivity Trailblazer, co-designing an Areas of Research Interest to guide future evidence development.

We are working in partnership with the Institute of Employment Studies to deliver the Department for Work and Pensions' Labour Market Evidence Synthesis and Dissemination programme. This is laying the foundations for a What Works Centre for local employment support.

In November 2025, we launched our Work, Health and Skills plan for Wales, setting out a plan to boost employment and tackle economic inactivity in Wales. The research, funded by Serco, challenges Welsh Government to set a bold ambition to achieve at least three quarters of working-age adults in work within the next 10 years. This would require another 60,000 people in work in Wales, demanding dedicated action to support those least likely to be in work today to find and stay in work.

Better work

We have had substantial success in building and disseminating the evidence on how to increase employer investment in training. Our multi-year project funded by the Nuffield Foundation, and delivered in partnership with Ulster University and the University of Strathclyde, has explored how employers are responding to the need to upskill in a transitioning economy. This research includes new analysis highlighting an over-reliance on mandatory and compliance training in UK workplaces compared to other countries, and international case studies, with lessons for UK skills policy.

Our research funded by the Gatsby Charitable Foundation included insights on how employers in the manufacturing and construction sectors are meeting their higher technical skills needs. We also conducted research funded by Multiverse, which explored the benefits of workplace training to individuals. This showed that training is associated with higher pay and movement up the career ladder, particularly for people in routine occupations.

We continue to test and explore what works to support progression at work. With funding from the Robertson Trust, we have been working with Edinburgh College to develop a pilot to support low-income workers in Scotland to progress in work. We now want to test this pilot to support people to move into and progress within toles in the social care sector.

Our reach in numbers

We received 925 pieces of media coverage in 2025-26 for our research, analysis and campaigns. This is a 14% increase on the previous year.

We achieved significant national media coverage in print, online and broadcast for our policy research, including in BBC News, The Times, the Guardian, the Financial Times, The Telegraph, LBC, The i paper, Big Issue, Channel 5 News, Times Radio and a wide range of local press. Our work has also been featured in sector press including Politics.co.uk, FE Week, Times Higher Education, Wonkhe, People Management, Personnel Today, HR Magazine, Inside Housing, Business News Wales and Construction Management Magazine.

Our L&W, L&W Wales and Get the Nation Learning websites received 256,090 views in the year (down 6% compared to the previous year). In February 2026, we launched our new website.

Our followers on LinkedIn rose more than 2,000 this year to 9,027. We received 257,450 impressions and 3,436 unique visitors. We opened a new account on LinkedIn for L&W Wales, which has now received 153 followers. Our YouTube channels had 20,701 views (11% higher than the previous year).

Bringing people together

We maintain a range of networks, advocate through coalitions, and convene people and organisations to focus on burning issues, and to increase our influence and impact. We secure industry leaders to speak at our online and in-person events throughout the year.

In July, we hosted our Employment and Skills Convention in London. The event was sponsored by Maximus, Clarion Futures, Youth Futures Foundation, Edge Foundation, PeoplePlus, Shaw Trust and Serco, and attended by 200+ people. We also held webinars on the implementation of government programmes like Youth Guarantee and Connect to Work, as well as webinars to share our research and development work, including the JobsPlus pilots, employer investment in skills and impact of workplace training. In addition, we hosted an in-person event about the importance of essential skills, attended by our patron, Her Royal Highness The Princess Royal.

In Wales, during Adult Learners' Week, we hosted a webinar on how adult education supports post-industrial communities through economic and social transition. We ran a Taith dissemination event exploring what Wales can learn from the Republic of Ireland about learner participation in adult education. The Raymond Williams Lecture was delivered by Sabrina Cohen-Hatton, Chief Fire Officer for West Sussex, who shared her journey from poverty and homelessness to becoming the most senior woman in the UK fire service. We also hosted events to launch a new Family Learning Framework and a work, health and skills plan for Wales.

Report of the Trustees - continued

The Company Board who are the Directors of the Company and Trustees of the Charity present their report together with the audited financial statements for the year ended 31 March 2026. This report constitutes the Trustees' Annual Report for the purposes of charity law, and both the Directors' report and Strategic Report for the purposes of company law. The Strategic (Impact) Report is on pages 4-11.

Results
The statement of financial activities is set out on page 26 and shows the net movement in funds for the year.

Tax status
The Company is a registered charity, number 1002775, and is exempt from corporation tax and income tax.

Our objectives
Learning and Work Institute is established for the advancement of all forms of adult education and the relief and prevention of unemployment and poverty.

Our vision
A fair and prosperous society where learning and work enable everyone to realise their potential.

Our mission
Learning and Work Institute is an independent policy and research organisation focused on lifelong learning and better work.

We research what works, influence policy and develop new ideas to improve practice.

Social and economic inclusion are at the heart of all we do as we work towards a fair and prosperous society.

Our values

- Ambition. The leading and most powerful voice for lifelong learning and better work.
- Expertise. Using evidence-based thinking to deliver real-world change in learning, skills and employment.
- Independence. An unshakeable commitment to being open-minded, honest and fair.
- Collaboration. Putting partnership and networking at the heart of what we do.

Public benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the organisation.

The Trustees review the activities of the organisation against its aims on an ongoing basis and are satisfied that all activities continue to be related to the aims.

Learning and Work Institute seeks to benefit all members of the public in the UK, with no exclusions. Its focus is on those adults who have benefited least from initial education and training. For further information please see the impact report on page 4.

Structure, governance & management

Constitution

The Company is incorporated as a company limited by guarantee (Registered No. 02603322). It is governed according to the provisions contained in the Memorandum and Articles of Association. The liability of the members in the event of a winding up is limited to £1.

Governance structure

The Company Board consists of a maximum of 12 members, including the L&W President as specified in the Articles of Association. The Board membership comprises:

- President.
- Chair of Company Board.
- Honorary Treasurer.
- Chair of Audit, Risk and Assurance Committee.
- Chair of Learning and Work Institute Wales Strategy Group.
- Up to 7 co-opted members, chosen to secure a proper balance of members in terms of skills, experience and diversity.

Currently the Company Board has 10 members.

All members of the Company Board exercise their authority in their capacity as Trustees under the relevant companies' legislation and as Trustees of the charity.

The Company Board maintains a strategic overview of the work of the organisation and its annual work programme and is responsible for all National Learning and Work Institute governance, regulatory and accountable functions, including financial and legal matters, and may establish standing committees with delegated authority to carry out specific and detailed work on its behalf. Whilst delegating the detailed consideration of policies and work programmes to standing committees, of which the designated Board members may be ex-officio members, the Board members may call in any matter for their determination.

However, the Company Board establishes as standing committees:

- The Audit, Risk and Assurance Committee is responsible for advising the Board on the effectiveness of risk management, internal control and governance arrangements within the organisation.

- The People and Remuneration Committee oversees the principles and process of the remuneration relationship with staff and unions. It also oversees the process of determining annual awards. There is an organisational award based on financial position and future outlook, inflation and other factors. In addition, L&W has a mechanism to make individual awards based on merit. Remuneration of the CEO and his Directorate reports is determined by this Committee.

- L&W's Wales Strategy Group is the Committee established to oversee operations in Wales and has devolved responsibility.

Each Committee's constitution includes designated representatives of the Company Board ex-officio, plus a balance of elected and co-opted members, with specific terms of reference. The members of the Committees are listed on pages 43 and 44.

The Chief Executive of L&W is appointed by the Company Board, which is responsible for all the arrangements relating to this appointment. The Chief Executive is the Company Secretary. It is the responsibility of the Chief Executive to carry forward the agreed policies and work programmes of L&W and to ensure continuity of action and policy between meetings of the governing bodies. The Chief Executive is the accounting officer of L&W and is responsible, with the senior management team, for the establishment and supervision of suitable systems of financial and resource management and control in respect of all its activities.

The Haldane Trust

Two trustees of L&W are also the sole trustees of the Haldane Trust, created in 1934 to commemorate the work of Viscount Haldane of Cloan in connection with Adult Education. The Haldane Trust holds investments with a market value of £184,256 at 31 March 2026 (£123,494 at 31 March 2025). Due to the common control and materiality, the investments of the Haldane Trust are consolidated into the L&W accounts. Further details are provided in note 20 to the financial statements.

Recruitment, induction and training of Trustees

A Search Committee is established to identify nominations to the Company Board, including the post of President, which are proposed to the membership by the Board. Members can also nominate Trustees.

Most Trustees are already familiar with the work of L&W when appointed, having served on other committees or been involved in its work, and many also serve on other charity boards.

The members' handbook details the responsibilities of New Directors and Trustees are inducted and given the members' handbook detailing their responsibilities.

L&W hosts an annual residential meeting for Board Members to discuss strategy and various issues of policy and practice.

Periodically the Board self-assesses its effectiveness by way of a survey and has a follow up discussion. Any knowledge gaps or other concerns are identified and acted on.

Financial review for the year ended 31 March 2026

Trustees are confident that L&W continues to operate on a going concern basis. The organisation is in control of its annual income and expenditure and enters 2026-27 having already secured a significant proportion of the income required for the year ahead. Furthermore, resilience is derived from free reserves held in the form of short term investments that have a current market value in accordance with the reserves policy.

More generally, as for many organisations in the third sector, L&W continues to experience funding pressures. Focus continues to be placed on pipeline development to increase funding from sources other than government grants. L&W continues to have a positive impact and uses its funds carefully to deliver on all contracts and grant agreements.

We are grateful to all our funders both those included in the Impact Report on pages 4-11 and beyond.

Year on year headline income increased by £1,258,000 from restricted grants to deliver the Jobs Plus pilot. Diversification of income sources and a focus on pipeline continue to be a major focus for future income generation. L&W also raises income from conference activities and sponsorship.

Expenditure supporting each activity is a combination of direct costs, salary costs for staff directly employed on that activity and support costs. Direct costs are incurred as part of contracts or are specific to an event or campaign and often made to partner organisations in delivery of major projects. Year on year headline expenditure increased by £1,028,000 primarily through restricted payments to partners engaged as part of the Jobs Plus pilot.

Any surplus generated from these and other sources is used to fund L&W's advocacy and information work and initiatives of importance to our strategic objectives whilst maintaining adequate free reserves levels.

Net income before unrealised gains / losses on investments was £35,000. In the prior year, there was net expenditure of (£195,000). This improvement of £230,000 is attributable to higher investment income and a general increase in core charitable activities.

Pension schemes

L&W offer a defined contribution pension scheme with Standard Life to all staff.

Reserves policy

The Trustees reviewed their desired reserves policy in December 2025. The overriding principle is that L&W should use its reserves to maintain financial stability of the organisation and meet the needs of the organisation's beneficiaries both current and future. Free reserves are defined as the following:

- A minimum of £300,000 necessary to cover the statutory obligations of winding up its affairs; And a maximum of £1,500,000 necessary to cover a temporary loss of income (6months) in order for the organisation to plan its future strategy

Organisation free reserves at the end of March 2026 were £2,012,000 comprising £1,910,000 of short term investments and £102,000 unrestricted bank account balance. Free reserves are higher than policy due to timing.

The organisation has sufficient reserves to meet its policy requirement. The Trustees note that the organisation holds short term investments with a market value of £2,561,000 as of 31 March 2026 and the ability to access long term investments in exceptional circumstances. Long term investments are held to derive an income utilised to contribute towards L&W work. In conjunction with a viable three year financial plan, regular funding forecasts and ability to flex the cost base the Trustees consider the organisation to be a going concern.

Investment policy

Investment performance is overseen by the Honorary Treasurer, the Chair of the Audit, Risk and Assurance Committee, the CEO and Director of Finance and Operations. Reviews are held with the Investment Managers and reports are made to the Board of Trustees. The Investment Policy was last reviewed and approved by Trustees in December 2025.

The current approach for short term investments is for a low risk profile to preserve capital. Up to 100% can be invested in fixed income investments, with a minimum of 50% invested in bonds rated AA- or above, the remainder of the bond element should be investment grade credit. A maximum of 20% can be invested in equity funds that invest in ‘large cap’ companies. All assets must be liquid and realisable as cash. The objective is to maintain the value of the portfolio in real terms over the longer term of 5-10 years. Trustees consider performance is on track to meet this objective.

The current approach for long term investments is for a medium risk profile to generate an income to contribute to the work of L&W whilst maintaining the real value of the portfolio. To achieve the long term objectives of this mandate this portfolio will hold a diversified blend of asset classes including bonds, equities, alternatives and cash. The objective is to increase the value of the portfolio by targeting a return of 3-4% in real terms over the longer term of 5-10 years. Trustees consider performance is on track to meet this objective.

Risk management

The Trustees have overall responsibility for ensuring that the organisation has an appropriate system of controls to manage risk and safeguard its assets. A risk management framework and process is in place to assess business risks and implement risk management strategies. This involves identifying the types of risks the organisation faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The identified risks and the consequent risk management activities are reviewed by the Audit, Risk and Assurance Committee at each of their meetings. Any risks that could have a significant impact on the organisation's success in achieving its objectives are considered by the Trustees.

The strategic risk register includes a clear articulation of the specific actions that will be undertaken to mitigate risk. The major risks and mitigations are summarised as follows:

Risk	Mitigation
Failure to influence the policy changes we want to see.	Maintenance of strong relationships with officials. Controls on external communication. Strategic plan sets clear priorities.
Failure in Governance.	Self-audit, independent internal audit and Charity Commission internal financial controls checklists is in place. Non-Exec Audit, Risk and Assurance Committee meet three times a year.
Failure to secure adequate income to offset costs and break even.	Strategic plan underpinned by funding forecasts which are regularly reviewed.
Cashflow – inability to pay staff and suppliers on time.	Regular cashflow reviews by management and Board. Ability to call on free reserves.
Failure of IT systems and GDPR breach.	Cyber essentials plus accredited and external IT security audited. Staff mandatory training of threats. Annual penetration tests.
Staff are not engaged, and we lack sufficient capacity & capability to deliver our strategy.	Gold Investors in People accredited. Mechanisms to monitor capacity in place. Engagement of staff monitored through the Investors in People survey.

The internal audit programme is approved by the Audit, Risk and Assurance Committee and the findings and conclusions of audits are reported back to this Committee. The Audit, Risk and Assurance Committee reports annually to the Board on the overall efficiency of the risk management process and the adequacy of the internal control systems.

Financial risk

L&W uses cash and other liquid resources to fund its operations. Investments are maintained as part of the reserves for funds which are not required as working capital. The Trustees review the levels of investments and working capital required under the reserves policy.

The main risk is from any potential shortfall in funding. The organisation has a strategic plan which is underpinned by programmes of work. These in turn are underpinned by a funding forecast. Funding is reviewed every month by the Management team of L&W and at each Board Meeting. A significant proportion of funding required for the year ahead has already been secured. As mentioned earlier in this report, further comfort is derived from having short term investments valued at over 5 month's worth of income.

Grant making

Occasionally L&W manages and distributes grants on behalf of other agencies and government departments. L&W may distribute the grant, provide support to the recipient, and monitor the outcomes as part of the contract with the funder. All such grants will be made in accordance with the contract requirements. Receipt of funding by L&W and payment to the grant recipients are recognised in the accounts at the time of entitlement. The reader will have already noted the restricted income primarily from the Jobs Plus pilot where significant related expenditure from grants by L&W have been distributed to partners.

People and Remuneration policy

Sets out the principles and process of the remuneration relationship with staff and unions together with other people related matters. The People and Remuneration Committee approves all staff related policies, reviews equal pay metrics and also debates annual awards for subsequent approval by the Board. This is fully reviewed in consultation with staff and unions when changes occur. L&W seeks to offer a competitive salary and benefits package to attract and retain quality staff in the context of:

- Affordability
- Equality – no discrimination
- Simplicity and ease of understanding and application by everyone in the organisation
- Committing to pay at least the real living wage to all staff.

Remuneration of the CEO and his Directorate reports are also determined by the People and Remuneration Committee who make an objective assessment of the appropriate level considering factors such as the market, needs of the organisation and comparable benchmarks.

Disability policy

L&W promotes Inclusion, Equality and Diversity throughout its work and this commitment underpins the organisation's staffing policies and recruitment and selection processes. This is articulated through L&W's People Strategy.
L&W has processes in place to support staff with disclosed disabilities; including for example making reasonable adjustments to the workplace and taking advice and guidance from Access to Work. We also work closely with staff to review working patterns and ways of working.

Staff training and continuous professional development

L&W's staff development plan is part of our wider commitment to continuous quality improvement. The plan is based on input from our personal development review process and an organisational skill needs analysis. Learning and development starts with the induction process and continues throughout the lifecycle through role specific development, individual career paths and any other development in pursuit of our strategic aims. During the year a range of formal and informal learning took place. Within our performance review process, objectives are cascaded from the strategic plan to all staff ensuring everybody understands how their role contributes to L&W's strategic aims.

Trustees' responsibilities for the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the organisation and of the profit or loss of the organisation for that period.

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware there is no relevant audit information of which the charitable company's auditors are unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' liability insurance

L&W maintained Trustees liability insurance cover during the year and continue to do so within the Management liability package.

Creditor payment policy and practice

It is the policy of L&W to follow standard payment terms of 30 days (or as otherwise agreed with the supplier) unless there are reasons to dispute the amounts with suppliers. Trade creditors at the end of the year were £956,000 equating to 56 creditor days (2025 £690,000 and 48 days). The higher creditor days is overstated temporarily where the restricted grant claims from the Jobs Plus pilot are settled on a lag following receipt of the DWP funding, in line with the contract.

Auditors

TC Group offer themselves for reappointment as auditors in accordance with section 485 of the Companies Act 2006.

Future plans

L&W's strategic plan 2024-29 is available at www.learningandwork.org.uk. L&W seek a prosperous and fair society in which learning and work provide opportunities for everyone to realise their potential and ambitions throughout life. To progress this, L&W will prioritise work in the areas of lifelong learning, essential skills, employment, and better work. Trustees consider the combination of the strategic plan, careful financial and operational management and reserves will ensure any challenges will be overcome. This report which includes the Strategic Report required by company law, has been approved by the Board both as company directors and charity Trustees.

ON BEHALF OF THE TRUSTEES

Jeremy Moore

Jeremy Moore
Chair of Company Board
9th July 2026

Stephen Evans

Stephen Evans
Company Secretary
9th July 2026

Independent auditor's report to the members of National Learning and Work Institute

Independent auditor's report to the members of National Learning and Work Institute

Opinion

We have audited the financial statements of National Learning and Work Institute for the year-ended 31 March 2026 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Organisation Balance Sheets, the Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 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's and of the parent charitable company's affairs as at 31 March 2026 and of the group's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustee and Strategic Report. Our opinion on the financial

statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustee and Strategic Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee and Strategic Report (which incorporates the strategic report and the directors' report prepared for the purpose of company law).
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those acts.
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, the control environment and business performance targets including targets for incoming resources and surplus or deficit positions achieved;
- Results of our enquiries with management and the Trustees about their own identification and assessment of the risks and irregularities;
- Any other matters that we have identified having obtained and reviewed documentation of the Charity's policies and procedures;
- Identifying, evaluating and complying with relevant laws and regulations and whether management were aware of any instances of non—compliance. This includes non-compliance with General Data Protection Regulations and the Bribery Act 2010;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud occurring in the reporting period or to the date of approval of these financial statements;
- The internal controls designed and implemented to mitigate the risks of fraud or non-compliance with laws and regulations;
- The audit engagement team held discussions to determine how and where the financial statements would be susceptible to misstatement and how to identify any indicators of fraud;

As a result of the procedures, we have considered that the greatest opportunity and incentive for fraud to occur within the business is the ability of management to manipulate revenue recognition. This is in common with audit engagements conducted under ISA (UK), in addition, we are required to perform specific procedures in response to the risks of management override.

We have also reviewed the legal and regulatory framework in which the company operates. We have focused on the specific laws and regulations that directly impact the determination of material balances or disclosures required within the financial statements. We considered the key laws applicable were: The Companies Act 2006, The Charities Act 2011 and the Financial Reporting Standard 102.

We have also considered laws and regulations that do not have a direct impact on the financial statements but with which compliance is fundamental to company operations or are required to avoid material penalties. The key areas identified in this regard were: The General Data Protection Regulations, Health and Safety Policies and the Bribery Act 2010.

We developed appropriate procedures to respond to the risks identified prior. These procedures included:

- A review of the disclosures made within the financial statements and to ensure that sufficient testing was undertaken on supporting documentation to assess compliance with the provision of laws and regulations.
- Enquired of management and trustees concerning the existence of any actual or potential litigation claims.
- Obtained third party evidence confirming the existence of material bank balances.
- Documenting and verifying all related party transactions and any balances due between such parties at the reporting period end.
- Performed analytical procedures to identify any unexpected relationships that could indicate material misstatement as a result of fraud.
- To directly address the risks of misstatement through revenue recognition, we have tested a sample of revenue recorded in the year and agreed that the relevant documentation matched the recognition criteria. Additionally, we have ensured that revenue is complete by performing a review of invoices and generating expectations for revenue. This was supported by discussions with management over the volatility of revenue in a given reporting period.
- To address the risks of misstatement occurring as a result of management override of controls, we have tested the appropriateness of journals entries and adjustments made within the period. We have focused our testing on adjustments that were made by unexpected team members, entries of an unexpected or unusual size or volume or entries made at unusual dates and times. Key accounting estimates were reviewed to ensure that any judgements, assumptions and calculations made by management are indicative of management bias. Finally, we reviewed the business rationale of any significant transactions that have been considered unusual or outside of the normal course of business.
- We also communicated relevant identified laws, regulations and potential fraud risks to all engagement team members to ensure that we remain vigilant for any indicators of fraud or non-compliance with laws and regulations and that a suitable level of professional scepticism was maintained throughout the audit engagement.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charites Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Liptrott

James Liptrott (Senior Statutory Auditor)
For and on behalf of TC Group (Statutory Auditor)
10 Stadium Business Court
Millennium Way
Pride Park, Derby, DE24 8HP

Consolidated statement of financial activities (incorporating the income and expenditure account)

	Note	Unrestricted funds	Restricted funds	Endowed funds	2026 Total funds	2025 Total funds
		£'000	**£'000**	**£'000**	**£'000**	£'000
Income						
Investment income	2	**393**	**-**	**-**	**393**	378
Income from charitable activities – from core projects	3	**1,721**	**4,048**	**-**	**5,769**	4,553
Income from other charitable activities	4	**99**	**-**	**-**	**99**	122
Donations and Legacies		**-**	**-**	**50**	**50**	-
Total income		**2,213**	**4,048**	**50**	**6,311**	5,053
Expenditure						
Cost of raising investment funds	5	**53**	**-**	**-**	**53**	41
Cost of core charitable activities	5	**2,072**	**4,019**	**-**	**6,091**	5,092
Cost of other charitable activities	5	**132**	**-**	**-**	**132**	115
Total expenditure		**2,257**	**4,019**		**6,276**	5,248
Net income (expenditure) before gains on investment assets		**(44)**	**29**	**50**	**35**	(195)
Realised and unrealised gains / (losses)		**336**	**-**	**11**	**347**	(234)
Net income (expenditure)		**292**	**29**	**61**	**382**	(429)
Net movement in funds for the year		**292**	**29**	**61**	**382**	(429)
Reconciliation of funds						
Total funds brought forward		**10,072**	**245**	**123**	**10,440**	10,869
Total funds carried forward		**10,364**	**274**	**184**	**10,822**	10,440

All activities are continuing and are in furtherance of the objectives of the organisation. The net income for the purposes of the Companies Act was £35,000 (2025: (£195,000) net expenditure).

Balance sheet

	Note	Organisation		Group	
		2026	2025	**2026**	2025
		£'000	£'000	**£'000**	£'000
Fixed assets					
Tangible assets	10	**-**	-	**-**	-
Long term Investments	11	**8,340**	8,032	**8,524**	8,155
Total fixed assets		**8,340**	8,032	**8,524**	8,155
Current assets					
Debtors	12	**1,268**	1,669	**1,268**	1,669
Cash at bank and in hand		**102**	595	**102**	595
Short term Investments	11	**2,561**	1,565	**2,561**	1,565
Total current assets		**3,931**	3,829	**3,931**	3,829
Creditors falling due within one year	13	**1,591**	1,507	**1,591**	1,507
Net current assets		**2,340**	2,322	**2,340**	2,322
Total assets less current liabilities		**10,680**	10,354	**10,864**	10,477
Liabilities falling due after one year					
Provisions for liabilities	15	**42**	37	**42**	37
Net assets		**10,638**	10,317	**10,822**	10,440
The funds of the charity					
Unrestricted funds		**10,364**	10,072	**10,364**	10,072
Restricted funds	16	**274**	245	**274**	245
Haldane Trust endowment		**-**	-	**184**	123
Total charity funds		**10,638**	10,317	**10,822**	10,440

The financial statements were approved and authorised for issue by the Board of Trustees on 9th July 2026

Jeremy Moore

Jeremy Moore
Trustee

Tim Render
Trustee

Consolidated cash flow statement

	Note	**2026**	2025
		£'000	£'000
Cash used in operating activities	18	**362**	3,821
Cash flows from investing activities			
Interest and dividend income		**393**	378
Sales of investments		**3,335**	1,946
Purchase of investments		**(4,583)**	(5,790)
Cash provided by (used in) investing activities		**(855)**	(3,466)
Increase (decrease) in cash in the year		**(493)**	355
Cash at the beginning of the year		**595**	240
Total cash at the end of the year		**102**	595

The accompanying accounting policies and notes form an integral part of these financial statements. The company had no borrowing; therefore no statement of net debt is shown.

Notes to the financial statements

1 Accounting policies

L&W is a private company by guarantee incorporated in England and Wales with the registered office detailed on Page 43. It meets the definition of a public benefit entity as defined by FRS 102. The principal accounting policies adopted in the preparation of the financial statements are as follows;

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) (second edition effective 1 January 2019) -(Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements are prepared in thousands of pounds (£'000s).

b) Basis of consolidation

In 2021 the trustees reviewed the accounting treatment in respect of the Haldane Trust, a charity controlled by L&W. On the basis that the Haldane Trust was material as of 31 March 2021 and remains material as of 31 March 2026, it is consolidated into L&W's financial statements on a line-by-line basis. These consolidated financial statements include a consolidated statement of cash flows. The parent charity has not presented a separate cash flow statement because it has applied the qualifying exemptions available under FRS102.

c) Preparation of the accounts on a going concern basis

Trustees have reviewed the forecast results, cashflow and reserves for the foreseeable future and a minimum period of twelve months and consider factors that may influence income such as a reduction in Government funding. Trustees are confident L&W will continue and there is no material uncertainty over its ability to operate as a going concern. More information can be found in the Independent Auditors report on page 21.

d) Estimates and judgements

The financial statements include estimates and judgements which are susceptible to change in subsequent periods. Dilapidation liabilities are estimated for leasehold properties and based on the expected cost of fulfilling L&W's obligation under the leases. The actual amounts payable may vary from the amounts calculated with landlords.

e) Income and expenditure account

The Statement of Financial Activities on page 26 discloses the information required within the Income and Expenditure account and as such no separate Income and Expenditure account has been prepared.

f) Income

The recognition of income as receivable varies according to the nature of the income. Income from contracts and performance related grants (including government grants) is recognised only to the extent that related services have been delivered and contract or performance conditions met. Income received in excess of that recognised as earned is carried forward as deferred income. Donations and general grants are credited to the Statement of Financial Activities as they become due. For grants which are not specifically performance-related income is recognised once L&W is entitled to the funds, receipt is considered probable, and the amount can be reliably measure. Unspent amounts related to such grants are carried forward as funds.

g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the management costs incurred by professional advisors in the management of the organisation’s investments.
- Expenditure on the charitable activities in furtherance of the organisation's objectives and any associated support costs.
- Costs of carrying out other trading activities namely the provision of publications and conference and event activities
- Other expenditure representing those items not falling into any other heading.

h) Allocation of support costs

Support costs are those functions that assist the work of the organisation but do not directly undertake charitable activities. Support costs include back office costs, finance, human resources, IT, payroll and governance costs which all support the charitable objectives. The bases on which support costs have been allocated are set out in note 6.

i) Operating leases

The organisation has leases for the office buildings from which it operates. Rentals payable under operating leases are charged as an expense on a straight line basis over the term of the lease.

j) Investments

Investments are valued at the market rate prevailing at the balance sheet date.

Net gains and losses on revaluation and disposals during the year are included in the statement of financial activities.

k) Tangible fixed assets

Individual fixed assets costing more than £5,000 are capitalised at cost and are depreciated over the estimated useful economic life on a straight line basis as follows;

Tangible fixed assets are stated at cost net of depreciation.

Computer equipment	-	33% straight line
Office equipment	-	20% straight line
Buildings maintenance	-	6-20% straight line
Leasehold improvements	-	straight line over balance of leases

l) Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of financial activities under cost of core charitable activities.

m) Current asset investments

Current asset investments comprise investments held to generate supplementary income and execution only stockbroking as part of the charity's treasury management arrangements. These balances are recognised initially at transaction value.

n) Creditors

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

o) Provisions

An assessment of dilapidations liabilities is made for leasehold properties. The provision is based on an assessment of the nature of each lease, risk of materialisation and size of each property.

p) Financial instruments

Financial liabilities are classified according to the substance of their governing contractual arrangements entered into.

Where the contractual obligations of financial instruments are classed as financial liabilities, financial liabilities are presented as such in the balance sheet. Finance costs & gains or losses relating to financial liabilities are included in the Statement of Financial Activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.
The charitable company's financial instruments comprise cash, investments, trade debtors and trade creditors.
Financial assets are measured at amortised cost, except investments which are measured at fair value through income and expenditure. Financial liabilities are measured at amortised cost.
The principal risks arising from the entity's financial instruments are: credit risk, liquidity risk and market risk.
Credit risk primarily arises from trade debtors and is managed through credit control procedures.
Liquidity risk is managed through the monitoring of cash flow forecasts.
Market risk relates mainly to the potential fluctuations to the valuation of the investment portfolio.

q) Pension costs

Employees are automatically enrolled into a defined contribution pension scheme with standard life.
At the year ended 31 March 2026 all employees were enrolled in the defined contribution standard life scheme.

r) Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2. Investment income

The income derived from dividends and interest received from the charity's investments held and managed in the UK, and interest arising from money held in interest bearing accounts.

	2026 Total £'000	2025 Total £'000
Dividends and Interest on investments	**388**	346
Interest on Bank savings account	**5**	32
Total Investment Income	**393**	378

3. Income from charitable activities – core projects

	Contract & sales 2026 £'000	**Recurrent grant 2026 £'000**	**Total 2026 £'000**
L&W Wales	**-**	**540**	**540**
Research and development	**917**	**4,312**	**5,229**
Total charitable activities income	**917**	**4,852**	**5,769**

	Contract & sales 2025 £'000	Recurrent grant 2025 £'000	Total 2025 £'000
L&W Wales	-	509	509
Research and development	1,107	2,937	4,044
Total charitable activities income	1,107	3,446	4,553

Income analysed by funding source

	Total 2026 £'000	Total 2025 £'000
Welsh Government	**551**	509
Department of Work and Pensions	**2,120**	2,453
Ministry of Defence	**137**	170
Other Government	**13**	15
European Funding	**13**	(12)
Public sector	**461**	391
Charitable trusts	**2,226**	871
Other project funding	**248**	156
	5,769	4,553

4. Income from other charitable activities

	2026 Total £'000	2025 Total £'000
Conference and events income	**93**	119
Other income	**6**	3
Total income from other charitable activities	**99**	122

5. Analysis of total expenditure

	Unrestricted 2026 £'000	**Restricted 2026 £'000**	**Total 2026 £'000**
Direct project costs	**270**	**3,107**	**3,377**
Direct salary costs associated with projects	**1,052**	**912**	**1,964**
Allocation of support costs	**682**	**-**	**682**
Allocation of governance costs	**68**	**-**	**68**
Total costs of core charitable activities	**2,072**	**4,019**	**6,091**
Other charitable activity direct costs	**102**	-	**102**
Other charitable activity direct salary costs	**30**	-	**30**
Total costs of other charitable activities	**132**	**-**	**132**
Cost of raising investment funds/ Investment Management Fees	**53**	**-**	**53**

	Unrestricted 2025 £'000	Restricted 2025 £'000	Total 2025 £'000
Direct project costs	510	2,038	2,548
Direct salary costs associated with projects	906	877	1,783
Allocation of support costs	684	-	684
Allocation of governance costs	77	-	77
Total costs of core charitable activities	2,177	2,915	5,092
Other charitable activity direct costs	85	-	85
Other charitable activity direct salary costs	30	-	30
Total costs of other charitable activities	115	-	115
Cost of raising investment funds/ Investment Management Fees	41	-	41

6. Analysis of support and governance costs

	2026 Total £'000	2025 Total £'000
Support costs		
Support Staff Salaries	**323**	340
Office costs	**136**	59
Computer	**102**	137
Depreciation	**-**	2
HR Costs	**35**	64
Travel	**25**	38
Policy and publicity	**10**	6
Telephone	**10**	19
Printing and stationery	**9**	8
Finance, VAT recovery and Other	**32**	11
Total support costs	**682**	684
Governance costs		
Audit services	**29**	29
Board and Committee Costs	**12**	6
Legal and insurances	**27**	42
Total governance costs	**68**	77
Cost of raising investment funds/ Investment Management Fees	**53**	41

Auditors remuneration includes the external audit fee of £24,500 and non-audit services of £5,400.

Notes on basis of allocation
Support and governance cost are the total L&W overheads plus specified support staff.

7. Net expenditure for the year

This is stated after charging:	2026 £'000	2025 £'000
Operating leases		
Land and buildings	**96**	102
Others	**-**	-
Depreciation	**-**	2
Auditors remuneration		
External audit fees	**29**	29
Other accountancy services	**-**	-
Trustee's indemnity insurance	**5**	5

8. Analysis of staff costs, trustee expenses and the cost of key management personnel

	2026	2025
	£'000	£'000
Salaries and wages	**1,663**	1,551
Social security costs	**206**	179
Pension costs:		
Employer contributions paid	**448**	424
	2,317	2,154

The number of employees where emoluments (including salary and taxable benefits) exceeded £60,000 was:

	2026	2025
	Number	Number
£ 60,001 - £ 70,000	**3**	3
£ 70,001 - £ 80,000	**1**	3
£ 80,001 - £ 90,000		2
£ 90,001 - £ 100,000	**4**	-
£100,001 and above	**2**	1
	10	9

The key management personnel of the organisation comprise the Trustees, the Chief Executive Officer and the Senior Management Team. Trustees were not paid any remuneration for their services in the year, nor in the prior year. The total employment benefits for the Senior Management Team, including the CEO, was £639,014 (2025: £716,539).

9. Staff numbers

The average annual headcount of employees, employed by L&W during the year:

	2026	2025
Employees	**40**	40

L&W has a number of part-time employees. The average number of full-time equivalents employed during the year was as follows:

	2026	2025
Employees – full time equivalents	**37.2**	37.3

10. Tangible fixed assets

	Computer equipment	Office equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2025	50	-	50
Disposals	(13)	-	(13)
At 31 March 2026	37	-	37
Depreciation			
At 1 April 2025	50	-	50
Elimination on Disposal	(13)	-	(13)
Charge for the year	-	-	-
At 31 March 2026	37	-	37
Net book value			
At 31 March 2026	**-**	**-**	**-**
At 31 March 2025	-	-	-

11. Investments (all held and managed in the UK)

	Long term	Short term
Cost or Valuation	**£'000**	**£'000**
At 1 April 2025 - L&W	**8,032**	**1,565**
Additions at cost	**2,204**	**2,318**
Disposal at proceeds	**(2,048)**	**(1,287)**
Transfers	**-**	**-**
Unrealised gains/ (losses)	**152**	**(35)**
At 31 March 2026	**8,340**	**2,561**

The long term fixed asset investments were held as follows

	2026	2025
	£'000	£'000
Listed stocks and shares	**8,089**	7,791
Cash	**251**	241
Market value at 31 March 2026	**8,340**	8,032

The short term current asset investments were held as follows

	2026	2025
	£'000	£'000
Listed stocks and shares	**1,294**	1,469
Cash	**1,267**	96
Market value at 31 March 2026	**2,561**	1,565

The L&W book cost of listed stock and shares was £9,111,130 (2025 £9,177,617).

On the Balance sheet, the consolidated investments include the Haldane Trust portfolio valued at £184,256 as of 31 March 2026 and £123,494 as of 31 March 2025. The Haldane Trust book cost of listed stock and shares was £171,092 (2025: £117,268).

12. Debtors

	2026	2025
	£'000	£'000
Trade debtors	**964**	394
Prepayments and accrued income	**304**	1,274
Other debtors	**-**	1
	1,268	1,669

13. Creditors: amounts falling due within one year

	2026	2025
	£'000	£'000
Trade creditors	**956**	690
Other creditors	**1**	144
Tax and social security	**150**	139
Accruals	**118**	352
Deferred income (see note 14)	**366**	182
	1,591	1,507

14. Deferred income

	Balance 31-Mar-25 £'000	**Movement In year £'000**	**Balance at 31-Mar-26 £'000**
Restricted funds charitable activities	123	60	183
Unrestricted funds charitable activities	(10)	129	119
Unrestricted funds other trading activities	69	(5)	64
	182	184	366

Deferred income comprises amounts received in advance for which the charity is not yet entitled to recognise income at the balance sheet date. This primarily relates to income received in advance of performance-related conditions being satisfied and contract income received in advance of the charity's delivery of the related services, where income is recognised by reference to the level of completion.

15. Provisions

	2026	2025
	£'000	£'000
Provision for costs of relocation on leased premises	**42**	37

	Dilapidation Provision
Balance as at 1 April 2025	37
Provided during the year	5
Released during the year	0
Balance as at 31 March 2026	**42**

The dilapidation provision relates to the costs of reinstatement and repair at the Charity's leased premises. The core balances in this provision are for leases which the latest expected date of provision would be 2036. The provision is based on management's latest assessment of the existence of a liability or the probability of a related cash outflow. These assessments take account of outcomes which have become known since the balance sheet date and of any relevant professional advice received.

16. Analysis of charitable funds

Analysis of movement in restricted fund

	2026	2025
	£'000	£'000
Opening balance	**245**	357
Income	**4,048**	2,803
Expenditure	**(4,019)**	(2,915)
Closing balance	**274**	245

L&W gratefully acknowledge the following restricted grant income recovered and receivable.

Funder	**Income**	**Expenditure**	**Surplus/ (deficit)**	**Transfer from/(to) unrestricted funds**
	2026	**2026**	**2026**	**2026**
	£'000	**£'000**	**£'000**	**£'000**
DWP - Jobs plus pilot	**2,072**	**(2,044)**	**28**	-
YFF - Jobs plus pilot	**1,636**	**(1,636)**	**-**	**-**
The National Lottery Community Fund - Driving change in Higher Education	**131**	**(131)**	**-**	**-**
Taith - Pathway 2	**7**	**(7)**	**-**	**-**
Robertson Trust - Testing in work progression	**82**	**(82)**	**-**	**-**
Ufi VocTech Trust - Skills for an economy in transition	**98**	**(98)**	**-**	**-**
The Rigby Foundation - AI workforce transition	**11**	**(11)**	**-**	**-**
Various	**11**	**(10)**	**1**	-
	4,048	**(4,019)**	**29**	**-**

Funder	Income	Expenditure	Surplus/ (deficit)	Transfer from/(to) unrestricted funds
	2025	2025	2025	2025
	£'000	£'000	£'000	£'000
DWP				
Jobs plus pilot	2,453	(2,478)	(25)	-
Other consultancy/research				
The National Lottery Community Fund - Driving change in Higher Education	80	(80)	-	-
Taith - Pathway 2	26	(26)	-	-
Robertson Trust - Testing in work progression	23	(23)	-	-
Ufi VocTech Trust - Skills for an economy in transition	116	(116)	-	-
Other Charitable Trusts	90	(90)	-	-
Charities Aid Foundation	-	(87)	(87)	-
Various	15	(15)	-	-
	2,803	(2,915)	(112)	-

L&W gratefully acknowledge the following unrestricted grant income recovered and receivable where the funders contract stipulates disclosure.

Funder	Income	Expenditure	Surplus/ (deficit)
	2026	2026	2026
	£'000	£'000	£'000
Cambridge & Peterborough Combined Authority - Youth Guarantee trailblazer evaluation	**132**	**(132)**	**-**
Welsh Government - Campaigns	**241**	**(241)**	**-**

17. Analysis of net assets between funds

	Balance at 01-Apr-25	Movement In year	Balance at 31-Mar-26
	£'000	£'000	£'000
Restricted funds	**245**	29	**274**
Unrestricted funds	**10,072**	292	**10,364**
Endowment funds	**123**	61	**184**
	10,440	382	**10,822**

	Restricted funds 2026 £'000	Unrestricted funds 2026 £'000	Endowment funds 2026 £'000	Total funds 2026 £'000
Fund balances at 31 March 2026 are represented :				
Tangible fixed assets	**-**	**-**	**-**	**-**
Long term Investments	**-**	**8,340**	**184**	**8,524**
Short term Investments	**651**	**1,910**	**-**	**2,561**
Cash at bank	**-**	**102**	**-**	**102**
Current assets	**725**	**543**	**-**	**1,268**
Current liabilities	**(1,102)**	**(489)**	**-**	**(1,591)**
Provisions for liabilities	**-**	**(42)**	**-**	**(42)**
Total net assets	**274**	**10,364**	**184**	**10,822**

	Restricted funds 2025 £'000	Unrestricted funds 2025 £'000	Endowment funds 2025 £'000	Total funds 2025 £'000
Fund balances at 31 March 2025 are represented :				
Tangible fixed assets	-	-	-	-
Long term Investments	-	8,032	123	8,155
Short term Investments	-	1,565	-	1,565
Cash at bank	368	227	-	595
Current assets	-	1,669	-	1,669
Current liabilities	(123)	(1,384)	-	(1,507)
Provisions for liabilities	-	(37)	-	(37)
Total net assets	245	10,072	123	10,440

18. Reconciliation of net movements in funds to net cash flow from operating activities

	2026	2025
	£'000	£'000
Net movement in funds	**382**	(429)
Add back depreciation charge	**-**	2
Deduct interest income shown in investing activities	**(393)**	(378)
Decrease (increase) in debtors	**401**	3,951
Increase (decrease) in creditors	**84**	392
Increase (decrease) in provisions	**5**	(142)
Unrealised (gains)/ losses	**(117)**	425
Net cash used in operating activities	**362**	3,821

19. Commitments

Operating lease payments amounted to £96,279 during 2025-26 (£102,073 during 2024-25). The leases to which these amounts relate expire as follows:

	2026		2025	
	Land and buildings	**Other**	Land and buildings	Other
	£'000	**£'000**	£'000	£'000
Operating leases which expire in:				
Less than one year	**69**	**-**	69	-
One to five years	**13**	**-**	38	-
Total	**82**	**-**	107	-

20. Connected charities and related parties

Two trustees of L&W are also the sole trustees of the Haldane Trust, created in 1934 to commemorate the work of Viscount Haldane of Cloan in connection with Adult Education. The Haldane Trust holds investments with a market value of £184,256 as of 31 March 2026 (£123,494 as of 31 March 2025). Due to the common control and materiality, the investments of the Haldane Trust have been consolidated into the L&W accounts. The Haldane Trust was not consolidated prior to the year ended 31 March 2021 as it was immaterial.

Certain trustees of L&W can be trustees of other bodies who may in turn provide funding to L&W. Trustees declare their interests in line with the policies of L&W and the funding bodies and do not participate in decisions affecting L&W. There were no other connected charities and related parties during the year to 31 March 2026 or the year to 31 March 2025.

No trustees received remuneration in the year (2025: £nil). Trustee expenses of £1,654 (2025:£763) were reimbursed to seven trustees in respect of travel, subsistence and attendance costs.

21. Financial derivatives

There were no financial derivatives as of 31 March 2026 or 31 March 2025.

Legal and administrative details

Company registration number: 02603322

Charity registration number: 1002775

Registered office: Office 1.23, St Martins House
7 Peacock Lane
Leicester
LE1 5PZ

Patron: HRH The Princess Royal

Chief Executive and Company Secretary: Stephen Evans

Trustees and Directors:
Margaret Galliers (President)
Jeremy Moore (Chair)
Timothy Render (Treasurer)
Lauren Harris (Chair of Audit, Risk & Assurance Committee)
Richard Spear (Chair of Wales Strategy Group)
Haf Merrifield
Belinda Vernon
Harriet Ayles
Nichola Ivory-Chapman
Ayokunle Salam
Chris Banks (resigned September 2025)

Committees

Learning and Work has established two Committees and a Strategy Group. The members during the relevant period are as follows:

Audit, Risk & Assurance Committee

Lauren Harris (Chair)
Ayokunle Salam
Belinda Vernon
Kathryn Mackenzie
Paul Greening
Jamie Hutchinson

Learning and Work Institute Wales Strategy Group

Richard Spear (Chair)
Rachel Cable
Linsey Imms
Llyr ap Gareth
Kathryn Robson
Sarah Quibell
Amanda Wilkinson
Jamie Insole
Catherine Jenkins
Lynette Thomas (joined Sept 2025)
Rhys Davies (joined Sept 2025)
Cerith Rhys Jones (joined Jan 2026)
Alan Felstead (resigned Sept 2025)
Michelle Matheron (resigned Dec 2025)

People & Remuneration Committee

Margaret Galliers
Timothy Render
Jeremy Moore
Nichola Ivory-Chapman

Senior Management:

Stephen Evans	Chief Executive
Emily Andrews	Director of Policy & Research (appointed July 2025)
Paul Cleminson	Director of Finance & Operations

Solicitors:	Shakespeare Martineau Two Colton Square Leicester, LE1 1QH
External auditor and accountants	TC Group 10 Stadium Business Court Millennium Way Derby, DE24 8HP
Bankers:	Bank of Scotland 8 Humberstone Gate Leicester, LE1 3PH
Investment advisors:	Canaccord Genuity Wealth Limited 88 Wood Street London EC2V 7QR
Haldane Trust Trustees: Registered charity No 314222	Jeremy Moore (Chair) Haf Merrifield