ANNUAL REPORT TO MEMBERS 2026.

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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, and we will extend our reach where we have scalable services that have broad appeal. By working with partners in local authorities, trusts and partnerships, we will provide services that meet local needs. 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.

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CHAIR'S MESSAGE 2025-26

Throughout the year, your HFL Education Board directors have continued to work with the Executive team, HFL colleagues, supporters and customers, to deliver our purpose and vision – at the heart of which is a passion to realise the potential of children and young people.

Last year I reported that under the leadership of our Chief Executive Officer, Carole Bennett, the Board oversaw the realignment of resources to those services most needed by our customers whilst ensuring that HFL Education remained responsive to changing needs. At the start of the new business year, the Board sought and received assurance that these actions were having a positive impact with our customers. Alongside this positive engagement, we saw growth in income and with continued tight cost control, enabled HFL Education to achieve a modest surplus and allowed the Board to approve a distribution to our school shareholders.

The Board has been pleased by the dialogue that has continued between the HFL team and customers, responding and adapting to changing needs and financial capacity. We have remained conscious of the pressures on our customers and the hard budgeting choices they must make.

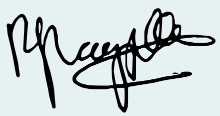
The Board has continued to triangulate its strategic intent, with reports from the Executive and the voice of our customers, as well as firsthand experiences and encounters through conferences, meetings and visits and, by meeting with HFL colleagues through occasional Company Updates and informal events, and joining the annual Company Conference.

Recognising our common purpose with other placed-based organisations, the Board has supported engagement with the Area-Based Education Partnerships Association. This connection helps give us greater insight into education policy development and thus better support for our customers. In the future, the Board sees this link as an opportunity to bring better dialogue into the policy development arena.

Each year, the HFL Board undergoes changes as non-executive directors complete their terms of office. This year, the Board said farewell to Beth Honnor, a long-standing member whose extensive expertise and thoughtful guidance were greatly valued. In the secondary phase, Beth has been succeeded by Robin Newman.

In the primary phase, the Board welcomed a new director, Hazel Leslie. Additionally, Hero Slinn, who represented Hertfordshire County Council on the Board, has been replaced by Tony Fitzpatrick.

At end of the business year, HFL Education is in great shape – with strong foundations of high quality products, stable finances, great staff, strong external relationships and a Board with a diverse range of experience. This places HFL in a key position as we enter a period of change in the wider educational landscape. Local Government Reorganisation and the Education Act have the potential to significantly alter the environment in which the schools, trusts and settings we serve operate. However, your Board is confident that it has the basis to respond in a timely and effective manner to help our customers and the new local authorities.



Professor Paul Layzell
Chair of the Board of Directors
HFL Education

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CHIEF EXECUTIVE OFFICER'S REPORT 2025-26

Leading the work of HFL Education, and responding to the needs of our shareholders, is an honour and a privilege. Our position in the educational landscape remains distinctive. We are neither a Local Authority, nor a purely commercial organisation, but part of a rich, place based eco system owned by schools and trusts. This model – rooted in education, relationships and reinvestment – is something of which we are immensely proud and which, in a changing national context, is increasingly important.

Our mission is something we are very proud of. We were created in 2013 to provide the very best service and support to schools, settings and trusts, so that every child and young person can access a great education, wherever they live and whatever their circumstances. This purpose underpins every decision we take as an organisation. Through this strong local eco system, our shareholding schools continue to deliver a high quality education for Hertfordshire children and young people, with performance consistently strong when compared to statistical and geographical neighbours. These outcomes matter deeply – not just as measures of success, but because they are life changing for the children and families we serve.

As we reflect on 2025-26, we are pleased with the progress we have made. Over the last year we have worked closely with our local communities to listen, refine and strengthen our offer, ensuring that it continues to reflect the realities facing schools and settings. Alongside this, we have grown and developed our out of county work, extending our reach and impact, increasing our national profile and receiving external recognition for the quality of our services. This growth has been purposeful: it supports the sustainability of HFL Education and enables us to reinvest in the local system for the long term – something that is vital to our shareholders.
In 2025-26 we were also able to redistribute funding to each school shareholder as a result of strong local and national trading. In total, since our inception, HFL has now redistributed £1.8m of funding to HFL school shareholders.

The financial context for education has remained challenging, and choices continue to be difficult for schools and settings. In response, HFL has remained relentlessly focused on value for money, efficiency and impact. By modernising our internal systems, reshaping services where needed, and making careful, sometimes hard, decisions about prioritisation and investment, we have strengthened our resilience and ended the year in a positive financial position. For a not-for-profit organisation, this matters greatly. Sustainability is not an abstract concept: it is what ensures that HFL can continue to stand alongside schools for the long haul, through periods of change and uncertainty.

Engagement with our customers and partners has remained central to our work. During 2025-26 we have continued to attend local forums, consortia meetings, conferences and events, enabling us to understand emerging needs and to test and refine our thinking. This feedback has shaped our delivery across the organisation. Over the year, we have continued to evolve teaching and learning support, inclusion and behaviour services, technology and governance offers, and targeted programmes that respond to specific local need. We have also extended our use of digital delivery where it adds value, allowing us to widen access while maintaining quality.

Our collaboration with Hertfordshire County Council has remained a critical part of the local education system. Throughout the year we have worked in close partnership to refresh and adapt our support, including extending work linked to SEND, wellbeing and inclusion, and agreeing new commissions that strengthen collective capacity. This work culminated in April 2026, when a new contract to provide school improvement services to Hertfordshire County Council was signed. As Local Government Reorganisation and system change continue to evolve, these relationships – built on trust, shared history and a commitment to children and young people – will be increasingly important, providing leadership, support and stability to our local area.

Internally, the work to modernise HFL has continued at pace. Our '#OneHFL' approach has strengthened organisational coherence, clarified accountability and enabled faster, more responsive decision making. We have invested in leadership, refreshed our People Plan, and embedded more efficient ways of working, supported by system transformation and improved use of data and insight. We have refreshed our internal systems, benefiting from new technologies and working practices from outside of our sector. This work is helping to ensure that HFL remains a high performing, efficient organisation, that we are controlling our costs well and offering ever-improving value for money.

The wider landscape around us continues to shift. National education policy, curriculum reform, changing local communities and Local Government Reorganisation are all reshaping the context in which schools, settings, trusts and HFL operate. In this environment, organisations that are rooted in place, trusted by schools, and able to bridge national policy into meaningful local practice will be essential. HFL Education is well positioned to play this role. We continue to work with national partners, such as the Area-based Education Partnerships Association (AEPA) to ensure that we are bringing best practice to our organisation. In 2025-26 we were also able to work with AEPA to create new opportunities for our shareholders to meet and engage directly with national policymakers. By combining

strong local relationships with our growing national reach, and by continuing to adapt and mature as an organisation, we are confident in our ability to better support shareholders.

The work of HFL is never complete. We will continue to reflect critically on where we add most value, how we use our resources wisely, and how we ensure that our services remain relevant, high quality and sustainable. Having the strong base we built in 2025-26 – culturally, financially and educationally – puts us in a strong position to continue to be a force for good in our local education system and beyond.

As we move forward into 2026-27, I would like to thank you – our shareholders – for your continued trust and support. You are at the heart of everything we do. By working together, we can ensure that HFL Education remains strong, sustainable and firmly positioned to support great education for all our children and young people, now and in the future. Together, I am confident that we have the strength, knowledge and skills to ensure that our shareholders are well placed to navigate and thrive in our ever-changing environment.

CABennett

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 Loake
Director of Business Services

Anne Peck
Director of Education Services (Primary and Early Years)

Liz Shapland
Director of Education Services (Secondary, Special and AP)

FINANCIAL OVERVIEW 2025-26

£23.2m
Revenue

£867k
Profit before tax

We are pleased to report a profit for the 2025-26 financial year, demonstrating the Company's resilience and ability to operate sustainably in a challenging financial climate. The profit was slightly ahead of budget and builds well on the previous financial year.

The financial pressures continued to intensify across our customer base in 2025-26, putting our income lines under pressure. After a difficult summer term 2025 of trading, income responded well over the autumn term 2025 and spring term 2026 and overall, income was in line with budget. All schools in Hertfordshire continue to trade with us, but the level of average spend is being impacted. We have offset some of the reductions in spend by continuing to expand our customer base outside Hertfordshire and have increased sales based on strong relationships with specific out-of-county customers. We continue to develop these key relationships to increase income and therefore maintain the full breadth and depth of HFL's services.

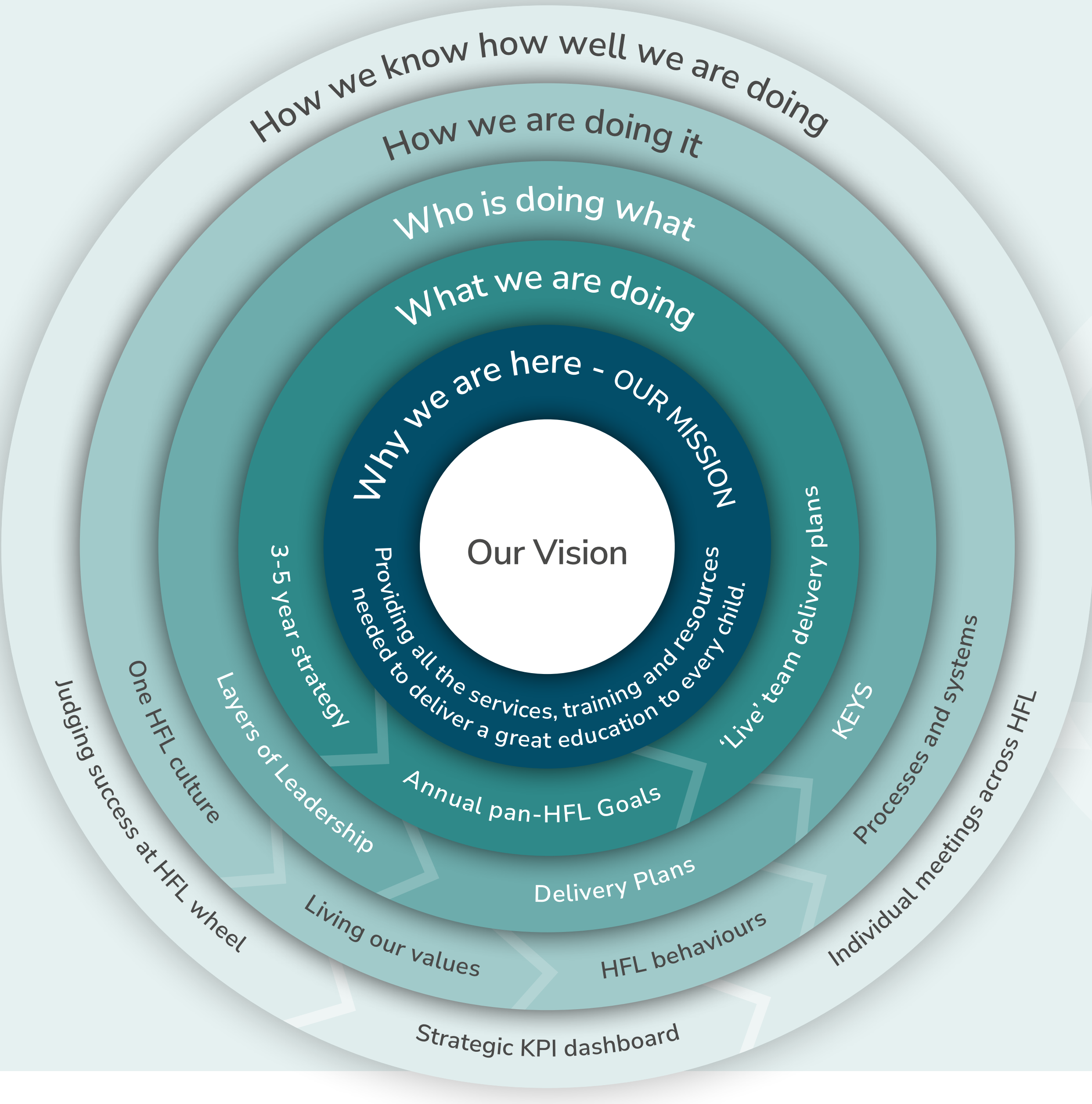
A focus on cost control has enabled us to deliver significant savings in 2025-26, and further savings will be delivered from these changes into 2026-27. The savings have not impacted on service delivery and have been focussed on right-sizing the infrastructure of the business. This has included changes to key business systems and internal processes.

We are working hard to match our service offer to the changing needs of our customers, and to ensure that we are delivering services as efficiently as possible. The above savings programmes have enabled us to minimise price inflation for the new 2026-27 financial year as we strive to ensure that our services remain accessible to our customers.

We believe that our balance sheet remains in a healthy position, which puts us in a strong position to tackle further anticipated challenges. Together with our efficiency programmes, we are confident that we are well placed to deliver a budget for 2026-27 that is again targeting a 1% profit margin.

OUR STRATEGIC FRAMEWORK

HFL Education has a clear and well established strategic framework that shows how our systems support our purpose, and how responsibilities and activities are shared across the organisation. This framework helps colleagues understand who we are, what we do and how we work together to deliver our goals. It is accessible to all colleagues through our online portal, *Pulse*, providing transparency around how we organise ourselves and how we track and monitor our progress.



ACHIEVEMENTS AGAINST HFL EDUCATION'S STRATEGIC PRIORITIES 2025-26

During 2025-26, the Board and Executive leadership strengthened HFL Education's role as a trusted local partner, grew our national reach and delivered strong financial results and impact for schools, trusts and settings. These priorities are reflected in the strategic objectives that guided our work across the year.

THRIVE LOCALLY, WHILE GROWING OUR REACH AND IMPACT

Throughout the year, HFL Education strengthened its role as a trusted education partner locally, while continuing to build our reach, reputation and influence beyond Hertfordshire.

In 2025-26, HFL:

- **Reaffirmed our long-term partnership with Hertfordshire County Council (HCC), schools and settings**
  Following extensive engagement with maintained schools, local consortia, Schools' Forum and Hertfordshire County Council, the Core Contract was renewed and formally signed in April 2026. The agreement secures HFL's role as the Local Authority's strategic education partner and provides continuity and stability for schools during a period of wider system reform, including Local Government Reorganisation.
- **Built school relationships and created local engagement opportunities for shareholders**
  The de-delegation consultation for the Core Contract with Hertfordshire County Council achieved the highest level of school support since 2019, with 83% of voting schools endorsing the maintained school support package. Regular attendance by HFL senior leaders at local consortia meetings, alongside stronger feedback mechanisms, is now embedded to sustain and deepen these relationships.
- **Targeted support for disadvantaged and vulnerable learners**
  New and expanded HFL programmes focused on improving outcomes for pupils facing disadvantage, including children eligible for free school meals and those with SEND, were delivered through commissioned funding and now form a sustainable part of the Core Contract offer. This work reflects our ongoing commitment to equity, inclusion and place-based improvement.
- **Supported national initiatives for school improvement**
  HFL Education strengthened its role within the Department for Education (DfE) RISE programme, acting as a supporting organisation for multiple schools and contributing to the Eastern Region's universal training offer. This work supports local improvement and strengthens our regional and national profile.

- **Expanded our national reach and profile**
  Participation in Education Endowment Foundation trials, national showcases and DfE-funded programmes continued to attract schools from across England. Out-of-county trading grew year on year, particularly through targeted products and services, rising to 17% of HFL's income.
- **Extended our work with strategic partners**
  Through active membership of the Area-based Education Partnerships Association (AEPA), HFL Education contributed to national publications and hosted AEPA webinars attended by up to 1,000 delegates. Sponsorship of national conferences and the launch of new communication channels, including podcasts and community media partnerships, also helped extend our reach.
- **Celebrated external recognition of our quality and brand strength**
  HFL Education received national awards and commendations during the year, including Overall Supplier/Company of the Year 2025, reflecting our reputation for quality, innovation and impact across the education sector.

ORGANISE EFFECTIVELY, AND OPERATE RESPONSIBLY

HFL Education focused on strong leadership, disciplined financial management and effective governance to support long-term sustainability and resilience.

Throughout 2025-26, we:

- **Demonstrated strong financial performance and sustainability**
  The 2025-26 financial year closed with a significantly improved position, with an operating profit of £884k after school shareholders were allocated an in-year profit share. Reserves increased, enabling investment and a profit distribution to our school shareholders and enabling HFL to invest in products, services and educational initiatives in 2026-27.
- **Delivered major efficiency and cost saving programmes**
  Large-scale transformation projects, including pension reform and the migration of finance and CPD systems, were delivered during the year. These changes strengthen HFL's long-term cost base, modernise internal infrastructure and improve operational resilience.
- **Evidenced our strong governance, assurance and risk management**
  Clean audit outcomes, strong budgetary control and active risk management continued throughout the year. The HFL Board and its committees maintained oversight of financial, operational and strategic risks, including those linked to new technologies (including AI), system change and external reform.
- **Invested in our people, leadership and culture**
  The updated HFL People Plan (2025–27), incorporating new EDI metrics, underpinned continued progress in colleague engagement, leadership capability and organisational effectiveness. Colleague survey results showed the highest engagement levels since 2022, with significant improvements in trust, support and confidence in leadership.

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MOVING FORWARD: STRATEGIC GOALS 2026-28

In April 2026, the HFL Board approved an updated series of goals underpinning HFL's long-term strategy, aligned with two key priorities:
- **Thrive locally; growing our reach and impact**
- **Organise effectively; operate responsibly**

Activity to support these goals is integrated into all local team delivery plans and monitored each month to ensure that we remain agile but focussed on our longer term strategic priorities.

Thrive locally: growing our reach and impact

1	Deliver **the core contract for HCC**, contributing to strong outcomes for all pupils and the success of educational settings and schools in our local eco-system
2	Build a strong brand reputation for service quality and value in the **academy market**
3	Maintain **a strong presence across Hertfordshire** to understand the short- and long-term needs of our local customers and shareholders
4	**Build on relationships with key partners**, including trusts, AEPA and neighbouring LAs, to ensure they know how HFL can help them to achieve their strategic objectives.
5	Develop and bring to market **innovative, sustainable products** and services that meet sector challenges and local needs, particularly those that could be scalable
6	Ensure that all customers of HFL are well **supported through educational policy and landscape changes** through informed service delivery and training

Organise effectively: operate responsibly

7	Extend and embed the **'One HFL'** Layers of Leadership model, developing stronger organisational consistency and adaptability
8	Embed the use of **AI** to develop efficient ways of working across HFL and that services are adapted to **add value in an increasingly digitally adapted landscape**
9	Build **a high quality and agile workforce** to reflect the changing needs of customers and meet evolving business needs
10	Strive to be **an inclusive, diverse organisation**, creating a rich traded offer for our customers and a strongly supportive culture for colleagues
11	Develop a long-term strategy for the evolution of HFL in the light **of Local Government Reorganisation**
12	Embed a united #OneHFL culture, balancing **margin, reach and impact** in all company activity and decision making

OUR BOARD OF DIRECTORS

Professor Paul Layzell
Chair of the Board

Carole Bennett
Chief Executive Officer

Rachael Adler
Non-Executive Director

Margaret Chapman
Associate Non-Executive Director

Hilary Clifford
Chair of the Audit & Risk Committee

Liz Edwards
Chair of the People & Remuneration Committee

Tony Fitzpatrick
Non-Executive Director

Dr Simon Hay
Senior Non-Executive Director

Hazel Leslie
Non-Executive Director

Simon Newland
Associate Non-Executive Director

Robin Newman
Non-Executive Director

Angela O'Rourke
Non-Executive Director

Allen Talbot
Non-Executive Director

Supported by
Lynette Dexter
Company Secretary

Profiles of the HFL Education Directors

OUR BOARD OF DIRECTORS

During the year 1 April 2025 to 31 March 2026, six meetings of the HFL Education Board took place, and both the Audit and Risk (A&R) Committee and the People and Remuneration (P&R) Committee met four times. 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 2025 and up to the date of signing the financial statements on 30 June 2026 were as follows:

Director	Role	Date of appointment	Number of Board meetings	Number of A&R Committee meetings	Number of P&R Committee meetings	AGM September 2025
Total number of meetings held in the year:			6	4	4	1
Executive Director						
Carole Bennett	Chief Executive Officer	2 May 2023	6 (6)	4 (4)	4 (4)	1 (1)
Non-executive Directors						
Rachael Adler	HCC appointed	9 September 2022	6 (6)	3 (4)	n/a	1 (1)
Emma Bradley	Chair of the Audit and Risk Committee (to 25 August 2025). Board appointed	1 October 2023	0 (3)	0 (1)	n/a	n/a
Tracy Clements	Elected by Primary School phase	27 November 2023	4 (6)	n/a	1 (4)	1 (1)
Hilary Clifford	Chair of the Audit and Risk Committee (from 26 August 2025). Elected by Secondary School phase	1 December 2024	6 (6)	4 (4)	n/a	1 (1)
Marcus Cooper	Elected by Primary School phase (to 18 July 2025)	27 November 2023	2 (3)	n/a	0 (1)	n/a
Liz Edwards	Chair of the People and Remuneration Committee. Board appointed	1 October 2024	6 (6)	1 (1)	4 (4)	0 (0)
Tony Fitzpatrick	HCC appointed (from 1 April 2026)	1 April 2026	n/a	n/a	n/a	n/a
Simon Hay	Senior Independent NED. Board appointed	1 August 2023	6 (6)	3 (4)	n/a	1 (1)
Beth Honnor	Elected by Secondary School phase (to 27 March 2026)	28 March 2019	6 (6)	n/a	3 (4)	0 (1)

Director	Role	Date of appointment	Number of Board meetings	Number of A&R Committee meetings	Number of P&R Committee meetings	AGM September 2025
Paul Layzell	Chair of the Board. Board appointed	1 April 2022	6 (5)	n/a	n/a	1 (1)
Hazel Leslie	Elected by Primary School phase (from 3 November 2025)	3 November 2025	2 (2)	2 (2)	n/a	n/a
Robin Newman	Elected by Secondary School phase (from 1 April 2026)	1 April 2026	n/a	n/a	n/a	n/a
Angela O'Rourke	Elected by Special Schools and Alternative Provision Academies	27 November 2023	6 (6)	3 (3)	2 (2)	1 (1)
Hero Slinn	HCC appointed (to 31 March 2026)	16 September 2022	4 (6)	n/a	0 (2)	0 (1)
Allen Talbot	Elected by Primary School phase	1 December 2024	6 (6)	n/a	2 (2)	1 (1)
Associate non-executive directors (advisers to the Board)						
Margaret Chapman	Board appointed	1 October 2024	n/a			
Simon Newland	Board appointed	1 October 2024	n/a			

Summary of Board changes:

- Marcus Cooper resigned from the Board on 18 July 2025.
- Emma Bradley resigned from the Board on 25 August 2025.
- Hazel Leslie joined the Board on 3 November 2025.
- Beth Honnor stepped down from the Board at the end of her extended second term of office on 27 March 2026.
- Hero Slinn resigned from the Board on 31 March 2026.
- Robin Newman and Tony Fitzpatrick joined the Board on 1 April 2026.
- In September 2025, after a year in existence, the Board agreed to disband the Strategy & Performance Committee, recognising that its broad mix of responsibilities led to inefficiencies and duplication, and that these functions could be more effectively managed by the full Board, the Audit & Risk Committee, and flexible working groups.

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 owned company established under the School Companies Regulations 2002, with Hertfordshire County Council (HCC) as the Supervisory Authority. The HFL Education Board fulfils statutory responsibilities under the Companies Act 2006 and the School Companies Regulations 2002.

The Board of Directors includes the Company's Chief Executive Officer and twelve non-executive directors: six elected by school shareholders, two appointed by HCC, and up to four appointed by the Board. The term of office for a Non-Executive Director is three years and a Director may serve up to two terms of office.

The Board can also appoint up to two associate non-executive directors at any time. These directors act as advisers to the Board but do not have voting or decision-making authority.

The Board has two sub-committees: the Audit and Risk Committee and the People and Remuneration Committee. Additionally, there is a Board sub-group for Nominations and Governance. The Board of Directors sets the terms of reference, responsibilities, and composition of these committees/sub-group, which are authorised to make decisions within agreed delegations and provide recommendations to the Board.

The Board provides strategic direction and corporate governance for the organisation, holding the Executive team accountable for educational impact, standards, and quality of services provided to schools, trusts, and settings. It ensures that products, resources, and services meet the evolving needs of schools and children, focusing on school improvement and financial viability.

Directors uphold the Company's values and promote equality, diversity, and inclusion for all stakeholders.

The Board undertakes various duties as outlined in the Matters Reserved for the Board, including approving acquisitions, partnerships, capital expenditure, and common good investments. It oversees internal controls, corporate governance, and risk management, and approves the Strategic Plan, reviewed annually at the Board Strategy Day.

The Board has a detailed process for managing conflicts of interest. Upon appointment, each Director must disclose any conflicts to the Chair and Company Secretary and update them, as necessary. At the start of each Board or sub-Committee meeting, directors note any changes. Annually, directors confirm all conflicts to the Company Secretary, and the Conflicts of Interest Register is reviewed by the Board.

The Board is supported by the Company Secretary, who assists with corporate governance matters and ensures access to independent advice when needed.

THE 2026 ANNUAL GENERAL MEETING (AGM)

of Herts for Learning Ltd (trading as HFL Education) will take place online on

Monday 28th September 2026 at 5pm.

For further information about the AGM please email: board@hfleducation.org

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CHAIR'S REPORT: AUDIT AND RISK COMMITTEE

Year ended 31 March 2026

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 2026.

The Audit & Risk Committee supports the Board by providing independent oversight and robust challenge in relation to financial reporting, internal controls, risk management and assurance. The Committee seeks to ensure that the Company maintains strong governance arrangements and that risks to financial sustainability, compliance and delivery are identified, understood and effectively managed.

During the year, the Committee met regularly and worked closely with the Chief Finance Officer, Andy Griffiths and the Chief Executive Officer, Carole Bennett. The Committee reviewed detailed management accounts, strategic dashboards and budget reforecasts, enabling it to monitor performance against plan and to assess the impact of financial and structural pressures across the education sector.

The Committee provided constructive challenge on income trends, cost control and workforce capacity, ensuring that short term efficiencies did not compromise longer term service quality or resilience. Strong traded income performance in the latter part of the year, combined with continued cost control, resulted in a robust forecast year end operating surplus. The Committee considered management's proposals for the responsible use of surplus, balancing reinvestment in the business, returns to shareholding schools and the need to maintain appropriate reserves in an increasingly uncertain policy environment.

Oversight of the external audit process remained a core focus. The Committee reviewed the draft financial statements and the findings of the external audit in June 2026 and was satisfied that the audit was effective and that the 2025-26 accounts presented a true and fair view of the Company's financial position. Only minor control observations were identified, all of which were addressed promptly by management. The Committee recommended the financial statements to the Board for approval.

Risk management was a standing agenda item at every meeting. During the year, the Committee supported a comprehensive refresh of the Risk Register to ensure it reflects the most significant strategic and emerging risks facing the organisation. Particular attention was given to risks arising from Local Government Reorganisation, national policy shifts directing funding towards MATs and teaching

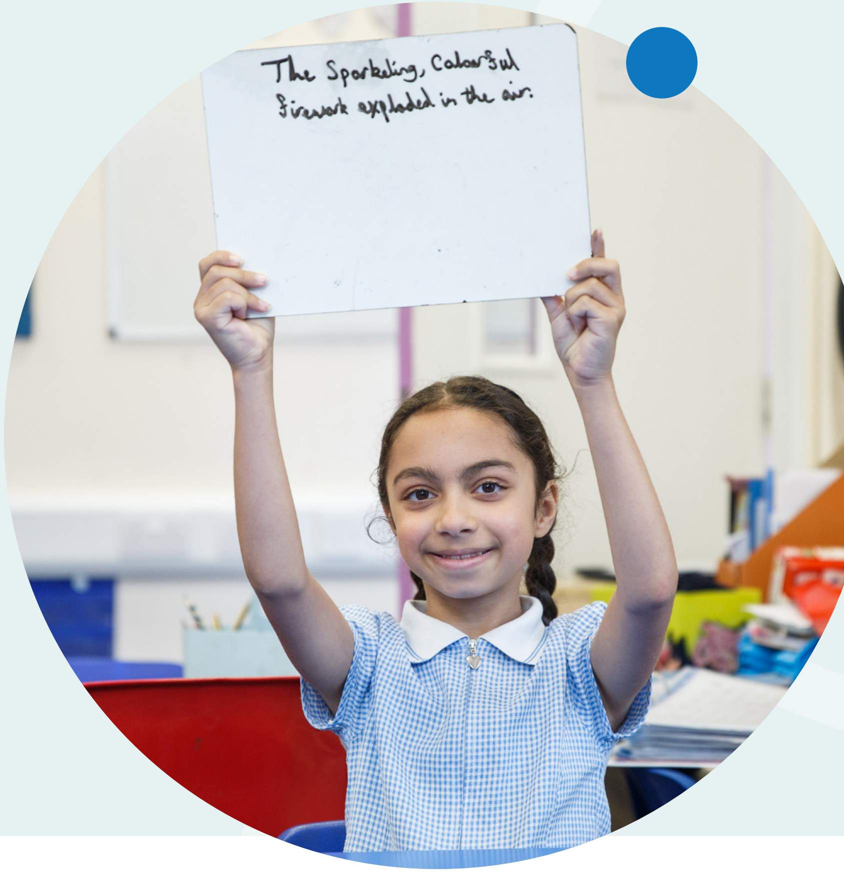
school hubs, and the potential impact of market consolidation on HFL's traditional operating model. In March 2026, the Committee reviewed a further update to the Risk Register, noting the sharpening and elevation of several strategic risks in response to the publication of the Government's Schools White Paper, while also agreeing the retirement of risks that are now effectively managed through established work programmes.

The Committee also oversaw a range of assurance and compliance activities, including annual reviews of data protection and GDPR compliance, whistleblowing arrangements and cyber security. In particular, the Committee reviewed the annual cyber security report and approved targeted investment in training and systems to strengthen organisational resilience, recognising the growing importance of user awareness and behaviour in mitigating cyber risk.

I would like to thank my fellow Committee members for their insight, challenge and commitment, and to acknowledge the openness and professionalism of the Executive team in supporting the Committee's work. Key matters arising from Committee discussions were reported regularly to the Board, ensuring transparency and informed decision making.

I am confident that the Audit & Risk Committee continues to play an effective role in supporting the Board and safeguarding the Company's financial integrity, governance and long term sustainability for the benefit of shareholders and the wider education community we serve.

Hilary Clifford
Chair of the Audit and Risk Committee



CHAIR'S REPORT:
PEOPLE AND REMUNERATION COMMITTEE

Year ended 31 March 2026

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 2026.

This has been a year of continued challenge for the education sector, with sustained financial pressures affecting schools, trusts and settings. Within this context, the Committee has focused on ensuring that HFL Education continues to support its workforce effectively, while maintaining financial sustainability, strong governance and a clear alignment with the organisation's purpose and values.

Throughout the year, the P&R Committee has worked closely with David Windridge, People & Organisational Development Director, and Louise Brace, Head of Company HR, to oversee people related performance against the organisation's strategic priorities. In doing so, the Committee has sought to ensure that decisions relating to workforce, reward and organisational development are taken with a long term view of sustainability, fairness and impact, and remain consistent with HFL's values and responsibilities to the education community it serves.

Our people remain central to HFL's success. The Committee has overseen the evolution and delivery of the HFL People Plan, which continues to strengthen leadership capability, organisational effectiveness and inclusive practice across the organisation. The ongoing embedding of the #OneHFL approach is supporting greater collaboration and consistency, helping to ensure that colleagues are well equipped to respond to changing customer and sector needs.

Colleague engagement has remained strong and the Committee welcomed the positive results of the most recent colleague survey undertaken in November 2025, which demonstrated high levels of engagement and commitment despite a year that included organisational change and consultation activity. The survey showed improvement in perceptions of Executive Team engagement and visibility, reflecting a more consistent and structured approach to communication. The Committee also took assurance that colleague feedback continues to be considered and used to inform leadership actions and people priorities across the organisation.

Investment in learning and development continues to be a key priority for the Committee. During the year, progress has been made in advancing a refreshed learning and development strategy, building on established leadership programmes

and extending development opportunities to colleagues across the organisation. This blended approach supports both mandatory and role specific development, with an increasing emphasis on inclusivity, mentoring and the effective use of apprenticeships.

The Committee also recognises the importance of fair, transparent and responsible reward practices. A significant focus for the Committee during the year was oversight of the organisation's pension consultation, which represented a significant and complex programme of work and formed a substantial element of the people agenda. The Committee recognises the scale and challenge of this activity and acknowledges the professionalism and diligence demonstrated by both the Executive and Company HR teams in managing the process. The consultation was conducted with appropriate rigour, clear communication and a focus on fairness and transparency, and the Committee was satisfied with the manner in which it was delivered.

Strong governance and regulatory compliance remain fundamental to the Committee's work. During the year, the Committee has monitored developments in employment legislation, taking assurance that policies and colleague documentation are updated as required. The Committee has also maintained oversight of pay gap reporting, continuing to monitor gender, ethnicity and disability pay gaps and using this insight to inform ongoing review and action.

Environmental, social and corporate governance considerations continue to be embedded within the Committee's remit. The Committee has supported the development of ESG indicators aligned to the United Nations Sustainable Development Goal of 'Quality Education' and continues to oversee the integration of equality, diversity and inclusion into people related policies and practices, reinforcing HFL's ambition to be a fully inclusive employer and trusted partner.

Finally, I would like to thank the Executive team and all HFL colleagues for their resilience, professionalism and dedication throughout the year. In an increasingly complex education landscape, their contribution remains critical to the organisation's success and to the support we provide to schools, trusts and settings.

As we look ahead to 2026–27, the People and Remuneration Committee remains committed to supporting the delivery of HFL Education's strategic objectives through effective people governance, responsible reward and continued investment in our workforce.

Liz Edwards
Chair of the People and Remuneration Committee

HFL Education MAKING A DIFFERENCE: REACH AND IMPACT 2025-26

Customer and Reach

100% of Hertfordshire schools and academies purchase from us

2699 total customers served

47% of out-of-county schools /settings are repeat customers

569 PVIs/childminders served

114 trusts used our services

740 new customers onboarded

Quality Assurance and Impact

9.0/10 average learner satisfaction *(courses & conferences)*

NET PROMOTER SCORE: **+52** ("Good") *

CSAT SCORE: **90%** ("Good") *

Supporting Quality Education in Hertfordshire (UN SDG 4)

Where schools have been inspected under the new framework **100%** of pupils are in a school that meets expected standards for Curriculum & Teaching, Inclusion and Leadership & Governance (**vs 85.6%** nationally).

Hertfordshire outperforms national attainment across all key stages, uniquely for the East of England.

Improving the national education ecosystem

Active in **149** Local Authority areas

2 Education Endowment Foundation projects in progress

RISE schools being supported by HFL **8**

NATIONAL AWARDS

*Based on deep dive department scores and ongoing customer surveys

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HFL Education

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