

Company number: 1686164  
Charity Number: 286621

# Edge Foundation

Report and financial statements  
For the year ended 31 December 2019

Contents

For the year ended 31 December 2019

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|   |    |
|---|----|
| Reference and administrative information .....  | 1  |
| Trustees' annual report .....   | 2  |
| Independent auditor's report .....  | 17 |
| Statement of financial activities (incorporating an income and expenditure account) ..... | 21 |
| Balance sheet .....   | 22 |
| Statement of cash flows .....   | 23 |
| Notes to the financial statements .....   | 24 |

Reference and administrative information

For the year ended 31 December 2019

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Company number 1686164

Charity number 286621

Registered office and operational address 44 Whitfield Street, London W1T 2RH

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Rt. Hon. Lord Baker of Dorking C.H. Chair (resigned as Chair November 2018, resigned as director 3 July 2019)  
Neil Bates Chair (appointed Chair 11 March 2019)

Professor Ann-Marie Bathmaker (appointed 22 October 2019)  
Michael Butler (appointed 22 October 2019)  
Pauline Daniyan  
Sir Garry Hawkes  
Toby Peyton-Jones  
Professor Colin Riordan  
Sir Kevin Satchwell (resigned 18 April 2019)  
Andrew Stevens  
Stephen Gray (appointed 1 April 2020)  
Elaine Lilley (appointed 1 April 2020)

|                                 |               |   |
|---------------------------------|---------------|---|
| <b>Key management personnel</b> | Alice Barnard | Chief Executive                         |
|                                 | Oliver Newton | Executive Director                      |
|                                 | Jane Samuels  | Company Secretary, Director of Projects |

**Bankers** HSBC  
16 King Street  
Covent Garden  
London WC2E 8JF

**Solicitors** Russell-Cooke  
2 Putney Hill  
Putney  
London SW15 6AB

**Auditor** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108-114 Golden Lane  
London EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 December 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## **1 Purpose, aims, objectives and activities**

As set out in the Foundation's memorandum and articles of association, Edge's purpose is to promote, develop and encourage the advancement of education. The Trustees have agreed to concentrate on the promotion, development and advancement of technical and professional education, with a particular focus on the paths people take from secondary education and through Higher Education to the world of work.

Edge has focused within this purpose on making progress towards five key aims.

1. Ensuring that all young people have access to high quality careers guidance from an early age that includes full information about technical and professional routes.
2. Supporting the development and delivery of profound employer engagement in education to improve the links between pupils and the world of work.
3. Promoting a coherent 14–19 phase of education that provides a broad curriculum for all, including technical and creative education as well as an academic core.
4. Encouraging the development and delivery of more high quality apprenticeships, particularly for new entrants to the labour market and at higher skill levels.
5. Pressing for reform within Higher Education to improve the focus on employability and connection to the world of work, including through Degree Apprenticeships.

Working towards these, Edge had the following objectives during 2019:

- A. Strengthen the evidence base in support of our key aims – through both internal and externally commissioned research.
- B. Use this evidence base to bring together clear and constructive policy proposals that further our aims.
- C. Develop, run, support and fund projects that make a positive difference to our aims on the ground and provide lessons and models for future practice.
- D. Support a strong network of policy makers and opinion formers to champion our aims and ensure our work receives full consideration as part of the policy process.
- E. Undertake proactive and effective communications to raise the status of technical and professional education and ensure a wide audience for our research and policy work.

Our activity during the year is set out in the next section. It is organised under each of our Objectives as headings and each activity is linked back to one or more of our Aims.

## 2 Strategic report

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities, all activities are undertaken to further the Foundation's charitable purposes for the public benefit.

- A. Strengthen the evidence base in support of our key aims – through both internal and externally commissioned research.

### Research Review Group (AIMS: 1–5)

Edge chairs a Research Review Group that brings together leading academics and researchers, research commissioners and policymakers. It aims to improve the overall quality and effectiveness of research in this area by providing an overview of the work being done to identify cold and warm spots, minimising overlap and promoting collaboration. The group has been recognised as an example of good practice by the research community.

This year, Edge has built on the success of the Research Review Group by leading a series of more specific research groups, including on skills shortages in the UK economy, European vocational education research, innovation in Higher Education and education in an island context.

Find out more about the full range of networks at <http://www.edge.co.uk/research-policy/networks>.

### Supporting Early Career Researchers (AIMS: 1–5)

Edge brings together a network of more than 15 early career researchers (who are undertaking or have recently finished their PhD) who are working in the areas covered by the charity's interests. It provides networking and peer support opportunities including a termly Network meeting as well as a small bursary fund and mentoring provision to help these researchers present their work at conferences.

Edge also sponsors collaborative studentship PhDs at the University of Oxford and Kings College London. Through these activities, we are building the next generation of researchers working in this area.

Find out more about the support for early career researchers at <http://www.edge.co.uk/research-policy/sponsorship-and-bursaries>.

### Primary Research (AIMS: 1–5)

Edge has developed its own expertise and in house capacity for independent primary research on projects that further the charity's aims, working with partners that share similar objectives.

This year, we completed a piece of work for World Skills UK to understand how the skills landscape differs in England, Scotland, Wales and Northern Ireland and to support them to consider how their own work and methodology could be adapted to best fit with the four different systems.

We also began to lead two pieces of primary research for Skills Development Scotland focused on the future of National Occupational Standards (NOS). We reviewed and summarised existing evidence about NOS, organised and chaired a series of workshops for the NOS Governance Group and undertook a programme of focused research interviews with key stakeholders to understand their perspectives on NOS. All of this will support the development by the group of the next NOS Strategy.

We have also been successful in partnership with Kings College London in securing support and funding from the Economic & Social Research Council (ESRC) for the four-year longitudinal study Young Futures, Young Lives that will look at how young people make post-16 transitions.

Find out more about this research project at <https://www.kcl.ac.uk/research/opportunity-equality-and-agency-in-englands-new-vet-landscape-a-longitudinal-study-of-post-16-transitions>.

### External Research (AIMS: 1–5)

Edge works with associate researchers in a number of different respected University Departments and research organisations to support them to undertake high quality research that takes forward the charity's aims and improves practice in the sector.

Key pieces of external research this year have included:

- The final report on the evaluation of University Technical Colleges – [https://www.edge.co.uk/sites/default/files/documents/utc\\_report\\_-\\_phase\\_2\\_final\\_0.pdf](https://www.edge.co.uk/sites/default/files/documents/utc_report_-_phase_2_final_0.pdf)
- The Evaluation of Careers Colleges (UCL) – [https://www.edge.co.uk/sites/default/files/documents/edge\\_evaluation\\_of\\_cc\\_final\\_report\\_1.pdf](https://www.edge.co.uk/sites/default/files/documents/edge_evaluation_of_cc_final_report_1.pdf)

In addition, we have commenced pieces of external research looking at:

- The school inspection system across the four nations of the UK
- The evaluation of the Edge Hotel School
- The evaluation of the Edge grant fund

### Study Visits (AIMS: 1–5)

Edge led a series of study visits to gather and disseminate the most effective practice in technical and professional education from other countries. These included:

- March 2019 – Visited High Tech High, the Envision Academy and PBL Works in San Diego and San Francisco. These leading examples of high quality project based learning and portfolio defence have provided further evidence and practical models to help support educational change in the UK.
- September 2019 – Took a group of senior leaders from schools and colleges in the North East to Nashville to understand first-hand the model of school transformation that has been successful there over the last ten years. This enabled them to put in place elements of the model in their own institutions.
- October 2019 – Visited Guernsey College and key partners as part of our work to understand and support education in an island context. Following this visit, Guernsey College have become a key partner in this work and will take part in a research project with us.

**B. Use this evidence base to bring together clear and constructive policy proposals that further our aims.**

**Publications (AIMS 1 – 5)**

Edge published a series of high profile reports during the year bringing together key findings from our research and delivery work to make a clear case for change.

These included *Our Plan for Apprenticeships: Broader, Higher Quality, Better Prepared*. This report set out extensive quantitative and qualitative research about English apprenticeships, arguing that these should become broader, that they should focus on quality over quantity and that they should focus on young people aged 16–24 or those who are new to their occupation.

You can download this at

<https://www.edge.co.uk/sites/default/files/documents/edge20e2809320apprenticeships20report2028final20–20web29.pdf>.

**Skills Shortages in the UK Economy (AIMS 1, 2)**

Edge continued to publish a termly bulletin bringing together the latest evidence on the size and shape of skills shortages in the UK economy. Each bulletin features articles on the latest reports or data in this area as well as a focus on a particular sector of the economy. The three 2019 bulletins can be downloaded at:

- Bulletin 4 –  
[https://www.edge.co.uk/sites/default/files/documents/skills\\_shortage\\_bulletin\\_4\\_web-1.pdf](https://www.edge.co.uk/sites/default/files/documents/skills_shortage_bulletin_4_web-1.pdf).
- Bulletin 5 –  
[https://www.edge.co.uk/sites/default/files/documents/skills\\_shortage\\_bulletin\\_5\\_final\\_-\\_web.pdf](https://www.edge.co.uk/sites/default/files/documents/skills_shortage_bulletin_5_final_-_web.pdf).

- Bulletin 6 – [https://www.edge.co.uk/sites/default/files/documents/skills\\_shortage\\_bulletin\\_6\\_web-2.pdf](https://www.edge.co.uk/sites/default/files/documents/skills_shortage_bulletin_6_web-2.pdf).

### **Debating the First Principles of English Vocational Education (AIMS 3, 4)**

Edge continued to lead a series of debates in partnership with Kings College London and the UCL Institute of Education to discuss the fundamental principles of education philosophy in the context of the English vocational education system.

We published our second report in April

([https://www.edge.co.uk/sites/default/files/documents/vocational\\_philosophy\\_2\\_final\\_-\\_web.pdf](https://www.edge.co.uk/sites/default/files/documents/vocational_philosophy_2_final_-_web.pdf))

and held our third debate in this area in September, which will form the basis of a report in early 2020.

- C. Develop, run, support and fund projects that make a positive difference to our aims on the ground and provide lessons and models for future practice.

### **Edge Future Learning (AIMS 1–3)**

Building on our partnerships with leading school and college models around the world, our Edge Future Learning programme is working with schools and colleges to transform their curriculum and delivery by making it relevant to the real world.

In the North East, in 2019, we held a competition across the North East and received more than 50 proposals from schools and colleges keen to join the existing three schools involved in the programme.

We selected four schools and colleges to take part and took key leaders from these institutions on a study visit to Nashville to see first-hand the model that inspired this work.

They have kicked off their programmes by bringing together wide groups of pupils, teachers, employers and community organisations to develop their 'graduate profiles', a set of skills and attributes they want to instil in their students. Pupils will be engaging in interactive projects, working directly with local businesses and community organisations to bring the curriculum to life.

Find out more at <https://www.edge.co.uk/edge-future-learning>.

We have also been successful during 2019 in securing funding from the European Social Fund, in partnership with the North East LEP, to offer teacher externships – a programme giving teachers the chance to experience a local workplace and then use what they find to develop a project to bring the curriculum to life for their students.



Find out more at <https://www.edge.co.uk/edge-future-learning/our-offer/teacher-externships>.

### **Edge Hotel School (AIM: 5)**

The Edge Hotel School, now part of the humanities faculty at the University of Essex, continues to offer a different approach to higher education, offering accelerated and standard degrees in Hotel Management and Events Management with Hospitality, together with working alongside professionals in the 4\* Wivenhoe House hotel. July saw a further cohort of young professionals graduate to take their places in the global hospitality and events industry. In October, EHS welcomed its largest cohort to date to start their hospitality and event management studies.

The Edge Hotel School continues to offer industry engaged education offering current students and past alumni a range of opportunities to gain real world experience, whether through student conferences with industry speaker, alumni networking events, masterclasses from industry experts or by level 6 students carrying out consultancy projects for hospitality organisations.

Find out more about the Edge Hotel School at <http://www.edge.co.uk/projects/edge-hotel-school>

### **Edge Grant Fund (AIMS 1–5)**

In 2019 eleven new projects were selected for funding from over 300 initial applications. Applications were invited for projects addressing one or more of the following funding themes:

- Addressing areas of skills shortages for the UK economy
- Improving the design and delivery of engaging and relevant Careers Education, Information, Advice and Guidance
- Supporting the development of Project Based Learning
- Supporting the development of a 14–19 curriculum which integrates both academic and technical/professional subjects
- Supporting the development of innovative approaches to higher education at levels 4, 5 and 6.
- Measuring the performance of technical education.

The eleven successful projects were:

Activate Learning was awarded £75,000 to develop a teaching toolkit which will link students' learning to local businesses. Activate Learning runs schools and further education colleges and provides work-based training across Oxfordshire and Berkshire.

The Barbican Centre Trust was awarded almost £40,000 to encourage young people into careers in the creative industries. The Barbican Creative Careers Challenge will give 90 students from three London schools the opportunity to work on creative projects designed by teachers, local employers and creative practitioners, to develop skills and learn about career opportunities in the sector.

Derby College was awarded a grant of almost £80,000 to develop a programme to ensure students leave the college 'work-ready'. The College will work with local engineering businesses and Twycross Zoo, to design and deliver a curriculum which will ensure that what students learn is put into context via real-world experiences in the work place.

The Eden Project was awarded a grant of almost £95,000 to develop its Horticulture Advocates Programme (HAP) to encourage young people to consider STEAM careers in horticulture. The HAP will train 14 year olds from five local secondary schools to become Horticulture Advocates.

The Edge Hotel School, part of the University of Essex, was awarded a grant of £65,000 to continue its programme to raise the profile of the hospitality industry amongst teachers and careers advisors. The Inspiring Hospitality Careers project offers free learning resources for teachers to use in the classroom and events to bring the hospitality industry to life.

Enabling Enterprise, now known as Skillsbuilder, was awarded a grant of £90,000 to support children in primary school to develop their essential skills. The work will take a Project Based Learning approach to supporting the development of the eight essential skills of listening, presenting, teamwork, problem-solving, creativity, staying positive, aiming high, leadership and teamwork.

The Middlesex University led consortium of Sheffield Hallam and Staffordshire Universities and the University Vocational Awards Council (UVAC) was awarded a grant of £99,000 for research into the provision of degree apprenticeships. The consortium will develop a network of Higher Education Institutes (HEIs) to develop sustainable degree level apprenticeships.

Newcastle University was awarded £77,532 to support Project Based Learning (PBL) in secondary schools. The project, entitled PBL goes to University, is designed to focus the university's outreach work into mainstream curriculum projects for secondary schools, which will be developed with the involvement of local employers. The projects will be linked closely to the Gatsby Benchmarks.

The Ormiston Academies Trust was awarded almost £97,000 in support of its maritime economy curriculum project to meet skills gaps in the industry. The Multi-Academy Trust will work with Cowes Enterprise College to deliver vocational education which will blend theory in the classroom embedded in key curriculum subjects, with practical learning linked to the maritime industry.

XP School was awarded £91,000 to support the creation of a new diploma. The XP Diploma will combine qualifications, personal development and careers advice through learning expeditions which will be both academically rigorous and rooted in the real world. Students will study the curriculum from 14-19 and build a digital portfolio of skills and experience.

Yeovil College was awarded £94,000 to create a Healthcare Simulation Suite to give young people an insight into careers in healthcare. The Healthcare Futures project will use Project Based Learning (PBL) to introduce 14-19 year olds to the opportunities available in the healthcare sector via learning in the classroom, experience its application in the simulation suite and work

experience.

Edge continues to support and monitor the projects supported in previous grant funding rounds

Find out more about the Edge Grant Fund and the projects it supports at  
<http://www.edge.co.uk/projects/the-edge-grant-fund>

### **AoC Beacon Award (AIM: 3)**

Edge continues to support the AoC Beacon Awards, sponsoring the award for Excellence in the Practical Delivery of Technical and Professional Learning for the 2019/20 Academic Year. After a rigorous selection process including both written applications and on site assessment visits, three finalist colleges were selected. The finalist colleges are: Grimsby Institute for Further and Higher Education; London South East Colleges and Abingdon and Witney College. The winner has been chosen and will be announced at a AOC event in the spring of 2019.

Find out more at: <https://www.edge.co.uk/projects/awards-and-sponsorship>

### **Working with Partners (AIMS: 1–5)**

Edge continued to support a number of partner organisations during 2019 to develop and test different approaches to successful technical and professional education. These included:

- Ongoing work with Bulwell Academy in Nottingham, Milton Keynes Academy and Madeley Academy in Telford to integrate excellent technical and professional education and employer engagement into these schools. All three are now part of Multi Academy Trusts. Madeley transferred to the Thomas Telford MAT, Bulwell Academy and Milton Keynes Academy both completed the move to The Creative Education Trust.
  - Monitoring the work of the Baker Dearing Trust, Studio Schools Network and Career College Trust in their work to develop a range of institutions providing high quality technical and professional education to 14–19 year olds.
- D. Support a strong network of policy makers and opinion formers to champion our aims and ensure our work receives full consideration as part of the policy process.

### **Responses to Consultations and Select Committees (AIMS: 1–5) and All–Party Parliamentary Group (AIM: 3)**

During the year, the Edge Foundation provided detailed and constructive responses to public consultations by both the government and Select Committees of both Houses.

Through our sponsorship of the All–Party Parliamentary Group for Skills and Employment, chaired by Nic Dakin MP, Edge raises the profile of skills policy in Parliament and across the UK. Working

## Edge Foundation

### Trustees' annual report

#### For the year ended 31 December 2019

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with Policy Connect has given Edge the opportunity to contribute to their latest Skills Commission and various other events linked to the organisations agenda.

#### Parliamentary Affairs (AIMS: 1–5)

Edge led a full programme of parliamentary affairs during 2019 to raise the profile of technical and professional education in both Houses. This included:

- Influencing Parliamentary debate, asking MPs and Peers to table questions, providing ideas for backbench debates, providing briefs for members across the house;
- Individual face-to-face meetings with Members of Parliament;
- MP lunch meetings focusing on specific policy issues such a broader 14– 19 curriculum and apprenticeships.

E. Undertake proactive and effective communications to raise the status of technical and professional education and ensure a wide audience for our research and policy work.

#### Edge Website (AIMS: 1–5)

Edge continues to update and add content to its website. The aim is to ensure that it is engaging and interactive and to update it with all of the latest information about the Foundation's work. Subject to the outcome of the strategic review and budget approval, a new website and CRM system will be launched in 2020.

<http://www.edge.co.uk/>.

#### Conferences and Events (AIMS: 1–5)

##### Annual Lecture

2019 saw a different approach to this event. Once again hosted by the Victoria and Albert Museum of Childhood, we saw Professor Kneebone and Dr Will Houstoun MIMC, Magician in Residence present to an audience of educationalists, children, parents and carers the importance of skills and behaviours in the modern work place. Will showed the audience the importance of communication, eye contact and story telling as a medium for a successful magic trick. He and Professor Kneebone drew similarities between the skills needed on stage to these needed in the workplace and the importance of building and developing these skills alongside traditional education.

##### Events

Edge was delighted to support the Teach First Teacher Development Conference held in Leeds in July 2019. This event brought together the 2019 cohort of Teach First recruits and enabled them to network and share best practice amongst peers and educational experts.

Edge again supported the conference, Developing Careers Guidance through the Gatsby Benchmarks, held at London South Bank University in June 2019. This event enabled careers practitioners to share best practice and meet interested and engaged employers.

Edge also supported the Sheffield Hallam Festival of Education, which brought more than 250 education professionals to the city for a two-day event looking at all aspects of education from primary school to university.

### **Media Relations (AIMS: 1–5)**

Media work through 2019 has primarily focused on communications supporting the Research and Policy Team, alongside our flagship annual lecture event and providing general comment on education issues.

We attempted to broaden our scope beyond education media outlets and journalists and reach a wider and more targeted audience.

The focus for 2020 will be to strengthen and develop the communications team to allow us to increase our reach in both the sector press and beyond. Increased reporting of our activities and a greater emphasis on launching our reports with set piece events are amongst the plans for the coming year.

## **3 Plans for the future**

The Edge Foundation will continue to position itself as the leading organisation promoting innovative models of education to prepare people for their future careers, from primary school right through to lifelong learning. The Board initiated a strategic review, making time for Trustees to discuss and develop the strategy for the next five years. The new direction will be finalised in the early part of 2020 and will form the pathway for our future activities.

With this in mind, Edge wants to focus on providing constructive solutions that redefine the debate. This will evolve over the coming year, but until the new strategy is crystallised we will focus on:

- Developing and expanding Edge Future Learning to offer schools across the country the CPD and models they need to transform and enrich the learning experience in their school or college by engaging with employers, offering externships for teachers with local businesses, developing and delivering real, rich and relevant curriculum projects.
- Securing commissioned research work from likeminded stakeholders, engaging in collaborative research projects with partners and expanding the research and policy team to develop further capacity.
- Working closely with partners to look in detail at school and college accountability, including starting work to develop new destinations measures and examining school inspection across the four nations of the UK.

- Designing and launching the 2020/21 Edge Grant Fund.

Edge also wants to continue to play a central coordinating and convening role, bringing together a range of organisations and partners to support technical and professional education. This will include:

- Chairing the Research Review Group and other specific research groups to provide a forum to share plans and results of research on technical and professional education.
- Continuing to coordinate a programme of support for early career researchers to train the next generation of academics in this field.
- Establishing an international Edge Future Learning network to share practice and champion this approach.
- Establishing a group to bring together all previous recipients of Edge grant funding to share lessons and approaches.
- Continuing to support the All Party Parliamentary Group on 14–19 Education to provide a regular opportunity for parliamentarians to debate the key issues affecting this stage of education.

## 4 Financial review

Total income for the year was £0.8m (2018: £0.7m), the majority of which is investment income. Resources expended during the year were £3.3m (2018: 2.4m), which resulted in net outgoing resources before investment disposals or revaluations of £2.5m (2018: £1.7m). After an increase in the value of investments of £0.7m (2018: reduction of £1.7m) the result was a deficit of £1.8 m (2018 deficit: £3.5m). Net assets at 31 December 2019 were £26.7m (2018: £28.5m) which including £23.8m (2018: £26.1m) held as long term investments. During the year £3m was withdrawn from the long-term investment fund to finance current and future projects.

### Principal risks and uncertainties

The Board has identified the major risks facing the charity and the Finance committee reviews these in detail to ensure that these risks are managed. Such issues are reported to the Board and the Board reviews the risk register on an annual basis.

The principal risks are:

- Edge may have an insufficiently clear purpose, mission and direction. This risk is mitigated by the Trustees developing a clear strategy in conjunction with the Senior Management. The Senior Management is then responsible for implementing. If deemed necessary additional Trustee meetings are held specifically to review and/or revise strategy. Strategy is reviewed on an annual basis as part of the annual budgeting process.
- A conflict of interest may arise among Trustees, particularly in terms of loyalties to the Edge 'family' of charities – notably the Baker Dearing Educational Trust and the Career Colleges Trust. To mitigate this risk, Edge has a clear conflicts of interest policy, including conflicted Trustees absenting themselves from meetings when conflicted and abstaining from taking any part in conflicted decisions. When necessary Edge specifically recruits non-conflicted Trustees to ensure independence is maintained.
- Association with a failed project may cause damage to Edge's reputation. To mitigate this risk, an assessment process is carried out by senior staff prior to any new project being funded. Major risks are highlighted to the board of trustees prior to approval of the project. Projects are closely monitored by senior staff and any emerging issues are reported to the board of trustees.
- The Coronavirus pandemic led the trustees to consider the company's status as a going concern, including its financial security, the adequacy of its reserves and the robustness of future financial forecasts up to 30<sup>th</sup> September 2021. Edge Foundation has made undertaken a re-appraisal of expenditure across a number of areas and made conservative budget projections for 2020–21. The financial impact of the pandemic has only had a limited impact on the financial position of the company. There is a reasonable level of confidence attached to the current projections, which do not threaten the solvency of Edge Foundation or its status as a going concern. Current resources provide the company with sufficient financial

strength to withstand a significant downturn within the coming twelve months while income and expenditure remain carefully controlled.

Prior to a new project being undertaken, an assessment process is carried out by the Senior Management to identify any potential risks to the charity. Any significant risks are highlighted to the Board as appropriate prior to approval of the project.

#### **Reserves policy and going concern**

At 31 December 2019 the reserves of Edge are £26.7m (2018: £28.5m). The charity's reserves are required to provide sufficient income to cover the budgeted annual expenditure. Edge does not have any other significant sources of income and is therefore reliant on the reserves to generate sufficient return for its on-going operations. The Board approves expenditure of the reserves to increase the effectiveness of the charity over the medium term. For 2019 it has approved £2m of expenditure.

#### **Investment policy and performance**

The charity's investment policy during 2018 included a target to obtain a return of between 3 and 4% p.a. from the portfolio without diminishing the capital value of the fund (adjusted for inflation). The net return achieved in 2019 exceeded the target, there was a drawdown of £3m but an increase in value of £0.7m, combined with income from investments of £0.5m generated a return of £1.2m or 4.7% in the value of the investments. The Finance Committee continues to monitor the performance and strategy of the investment funds, ensuring the policy remains appropriate to changing circumstances

#### **Fund Raising policy**

The trustees are aware of their obligations under the Charities Act to report the charity's fundraising policy. We occasionally engage with statutory funders, trust and foundations in order to raise our income but do not engage in public fundraising or use commercial fundraisers. There have been no instances of complaints or non-compliance with any code.

## **5. Structure, management and governance**

The organisation is a charitable company limited by guarantee, incorporated on 10 December 1982 and registered as a charity on 4 May 1983. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

#### **Appointment of trustees**

A nominations committee set up by the board helps to ensure that new trustees are selected by ensuring that their skills complement those of the existing members thereby ensuring that the membership reflects all the activities of the charity. Members are elected to the Board by a majority vote of the members present at the Board meeting.



### **Trustee induction and training**

To ensure effective performance, new members are provided with information to inform them of the governance of the charity, the current and future activities of the charity, the financial status of the charity and details of other Board members and key staff.

### **Related parties and relationships with other organisations**

See note 21 for details of related parties and connected organisations.

### **Remuneration policy for key management personnel**

The trustees consider the board of trustees and the Chief Executive as comprising the key management team of the charity. No Trustees receive any remuneration. The remuneration of the Chief Executive is reviewed annually by the Chairman and generally increased in accordance with current annual inflation rates. Board approval is also required for any increase in remuneration for the Chief Executive, the Board also approves the annual pay rises for all staff. Remuneration is also bench-marked initially with similar organisations to ensure fair and in line with general remuneration levels for similar roles.

### **Grant making policy**

The charity funds projects in various ways including grants and loans according to the different circumstances of the projects. Individual project proposals are assessed by the trustees to identify those which best support the strategic objectives of the charity. The charity's grant-making policy continues to state that grants will not be made to unsolicited applications.

### **Statement of responsibilities of the trustees**

The trustees (who are also directors of Edge Foundation for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

**Trustees' annual report**

**For the year ended 31 December 2019**

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The trustees are responsible for keeping adequate 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.

The 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2019 was 10 (2018: 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

**Auditor**

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 23 September 2020 and signed on their behalf by

Neil Bates  
Chairman

## Opinion

We have audited the financial statements of Edge Foundation (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

## 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 charitable company 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

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

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

## Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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 trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities 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 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 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

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

## Independent auditor's report

To the members of

Edge Foundation

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are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Noelia Serrano (Senior statutory auditor)

15 October 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## Edge Foundation

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2019

|  | Note | Unrestricted<br>£'000 | Restricted<br>£'000 | 2019<br>Total<br>£'000 | Unrestricted<br>£'000 | Restricted<br>£'000 | 2018<br>Total<br>£'000 |
|--|------|-----------------------|---------------------|------------------------|-----------------------|---------------------|------------------------|
| <b>Income from:</b>  |      |                       |                     |                        |                       |                     |                        |
| Charitable activities  | 2    | –                     | 237                 | 237                    | –                     | 76                  | 76                     |
| Investments  | 3    | 587                   | –                   | 587                    | 626                   | –                   | 626                    |
| <b>Total income</b>  |      | <b>587</b>            | <b>237</b>          | <b>824</b>             | <b>626</b>            | <b>76</b>           | <b>702</b>             |
| <b>Expenditure on:</b>   |      |                       |                     |                        |                       |                     |                        |
| Raising funds  | 4    | 80                    | –                   | 80                     | 195                   | –                   | 195                    |
| Charitable activities:   |      |                       |                     |                        |                       |                     |                        |
| Research   | 4    | 906                   | 24                  | 930                    | 674                   | –                   | 674                    |
| Promotion and PR   | 4    | 297                   | –                   | 297                    | 255                   | –                   | 255                    |
| Public Affairs   | 4    | 190                   | –                   | 190                    | 154                   | –                   | 154                    |
| Education  | 4    | 1,628                 | 219                 | 1,847                  | 1,062                 | 70                  | 1,132                  |
| <b>Total expenditure</b>   |      | <b>3,101</b>          | <b>243</b>          | <b>3,344</b>           | <b>2,340</b>          | <b>70</b>           | <b>2,410</b>           |
| <b>Net expenditure before net gains / (losses) on investments</b>  |      | <b>(2,514)</b>        | <b>(6)</b>          | <b>(2,520)</b>         | <b>(1,714)</b>        | <b>6</b>            | <b>(1,708)</b>         |
| Gains / (Losses) on investments                                    |      | 718                   | –                   | 718                    | (1,748)               | –                   | (1,748)                |
| <b>Net (expenditure)/income for the year and movement in funds</b> |      | <b>(1,796)</b>        | <b>(6)</b>          | <b>(1,802)</b>         | <b>(3,462)</b>        | <b>6</b>            | <b>(3,456)</b>         |
| <b>Reconciliation of funds:</b>                                    |      |                       |                     |                        |                       |                     |                        |
| Total funds brought forward  |      | 28,506                | 6                   | 28,512                 | 31,968                | –                   | 31,968                 |
| <b>Total funds carried forward</b>                                 |      | <b>26,710</b>         | <b>–</b>            | <b>26,710</b>          | <b>28,506</b>         | <b>6</b>            | <b>28,512</b>          |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

# Edge Foundation

## Balance sheet

Company no. 1686164

As at 31 December 2019

|  | Note | £'000        | 2019<br>£'000 | £'000        | 2018<br>£'000 |
|--|------|--------------|---------------|--------------|---------------|
| <b>Fixed assets:</b>                           |      |              |               |              |               |
| Tangible assets                                | 10   |              | 144           |              | 16            |
| Investments                                    | 11   |              | 23,844        |              | 26,147        |
|  |      |              | <u>23,988</u> |              | <u>26,163</u> |
| <b>Current assets:</b>                         |      |              |               |              |               |
| Debtors  | 12   | 90           |               | 129          |               |
| Cash at bank and in hand                       |      | 3,430        |               | 3,018        |               |
|  |      | <u>3,520</u> |               | <u>3,147</u> |               |
| <b>Liabilities:</b>                            |      |              |               |              |               |
| Creditors: amounts falling due within one year | 13   | 746          |               | 754          |               |
|  |      |              | <u>2,774</u>  |              | <u>2,393</u>  |
| <b>Net current assets</b>                      |      |              |               |              |               |
|  |      |              | <u>26,762</u> |              | <u>28,556</u> |
| <b>Total assets less current liabilities</b>   |      |              |               |              |               |
| Creditors: amounts falling due after one year  | 15   |              | (52)          |              | (44)          |
|  |      |              | <u>26,710</u> |              | <u>28,512</u> |
| <b>Total net assets</b>                        |      |              |               |              |               |
|  |      |              | <u>26,710</u> |              | <u>28,512</u> |
| <b>The funds of the charity:</b>               | 16   |              |               |              |               |
| Restricted income funds                        |      |              | -             |              | 6             |
| Unrestricted income funds:                     |      |              |               |              |               |
| Revaluation reserve                            |      |              | 3,479         |              | 2,767         |
| General funds                                  |      |              | 23,231        |              | 25,739        |
|  |      |              | <u>26,710</u> |              | <u>28,512</u> |
| <b>Total charity funds</b>                     |      |              |               |              |               |
|  |      |              | <u>26,710</u> |              | <u>28,512</u> |

Approved by the trustees on 23 September 2020 and signed on their behalf by

Neil Bates FCGI  
Chairman



# Edge Foundation

## Statement of cash flows

For the year ended 31 December 2019

|   | Note | 2019<br>£'000       | 2018<br>£'000       |
|---|------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>             |      |                     |                     |
| <b>Net cash (used in) operating activities</b>          | 18   | (2,964)             | (2,310)             |
| <b>Cash flows from investing activities:</b>            |      |                     |                     |
| Dividends, interest and rents from investments          |      | 587                 | 626                 |
| Purchase of fixed assets                                |      | (152)               | (7)                 |
| Capital drawdown from investments                       |      | 2,941               | 2,885               |
| <b>Net cash provided by investing activities</b>        |      | <u>3,376</u>        | <u>3,504</u>        |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>412</b>          | <b>1,194</b>        |
| Cash and cash equivalents at the beginning of the year  |      | <u>3,018</u>        | <u>1,824</u>        |
| <b>Cash and cash equivalents at the end of the year</b> |      | <u><b>3,430</b></u> | <u><b>3,018</b></u> |

**1 Accounting policies**

**a) Statutory information**

Edge Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 44 Whitfield Street, London, W1T 2RH.

**b) 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 and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any key judgements that the charitable company has made which have a significant effect on the accounts.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Funds are mainly generated from the long term investment fund.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

**h) Expenditure and irrecoverable VAT**

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 relate to the fees we are charged for the management on our investment portfolios.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting policies (continued)**

**i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

|                    |     |
|--------------------|-----|
| ● Promotion and PR | 14% |
| ● Public Affairs   | 9%  |
| ● Education        | 21% |
| ● Research         | 43% |
| ● Support costs    | 11% |
| ● Governance costs | 3%  |

**j) Operating leases**

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

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                          |                              |
|--------------------------|------------------------------|
| ● Computer equipment     | 2 years                      |
| ● Furniture and fittings | 5 years                      |
| ● Leasehold improvements | Over the length of the lease |

**l) Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**m) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

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

**1 Accounting policies (continued)****o) Creditors and provisions**

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**p) Grants Payable**

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

**q) Pensions**

All pension schemes are defined contribution schemes and the costs are therefore accounted for in full as they are incurred on a monthly basis.

**2 Income from charitable activities**

|                          | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|--------------------------|-------------------|-----------------|--------------------|--------------------|
| Global Giving Foundation | -                 | -               | -                  | 76                 |
| Four Acre Trust          | -                 | 182             | 182                | -                  |
| Research Income          | -                 | 55              | 55                 | -                  |
|                          | -                 | 237             | 237                | 76                 |

**3 Income from investments**

|                                   | 2019<br>Total<br>Unrestricted<br>£ | 2018<br>Total<br>Unrestricted<br>£ |
|-----------------------------------|------------------------------------|------------------------------------|
| Income from long term investments | 539                                | 617                                |
| Interest on cash at bank          | 48                                 | 9                                  |
|                                   | 587                                | 626                                |

## 4a Analysis of expenditure

|                                  | Cost of<br>raising<br>funds<br>£'000 | Charitable activities |                              |                            |                    |                              | Support<br>costs<br>£'000 | 2019<br>Total<br>£'000 | 2018<br>Total<br>£'000 |
|----------------------------------|--------------------------------------|-----------------------|------------------------------|----------------------------|--------------------|------------------------------|---------------------------|------------------------|------------------------|
|                                  |                                      | Research<br>£'000     | Promotion<br>and PR<br>£'000 | Public<br>Affairs<br>£'000 | Education<br>£'000 | Governance<br>costs<br>£'000 |                           |                        |                        |
| Staff costs                      | -                                    | 393                   | 126                          | 84                         | 191                | 29                           | 97                        | 920                    | 692                    |
| Research                         | -                                    | 255                   | -                            | -                          | -                  | -                            | -                         | 255                    | 209                    |
| Public Affairs                   | -                                    | -                     | -                            | 46                         | -                  | -                            | -                         | 46                     | 41                     |
| Academies                        | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      | 26                     |
| Career Footsteps                 | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      | 30                     |
| Edge Hotel School – Hotel Future | -                                    | -                     | -                            | -                          | 28                 | -                            | -                         | 28                     | 44                     |
| Give Yourself the Edge           | -                                    | -                     | -                            | -                          | 1                  | -                            | -                         | 1                      | 27                     |
| Grant Fund Monitoring            | -                                    | -                     | -                            | -                          | 10                 | -                            | -                         | 10                     | 1                      |
| Edge Grant Fund                  | -                                    | -                     | -                            | -                          | 897                | -                            | -                         | 897                    | -                      |
| AOC Beacon Awards                | -                                    | -                     | -                            | -                          | 16                 | -                            | -                         | 16                     | 15                     |
| Career Colleges Trust            | -                                    | -                     | -                            | -                          | 40                 | -                            | -                         | 40                     | -                      |
| The Mental Health Project        | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      | 15                     |
| Next Generation Learning         | -                                    | -                     | -                            | -                          | 497                | -                            | -                         | 497                    | 241                    |
| Grants to Partners               | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      | 379                    |
| Other grants and sponsorship     | -                                    | -                     | -                            | -                          | 30                 | -                            | -                         | 30                     | 28                     |
| Communications                   | -                                    | -                     | 49                           | -                          | -                  | -                            | -                         | 49                     | 42                     |
| Edge Events                      | -                                    | -                     | 31                           | -                          | -                  | -                            | -                         | 31                     | 33                     |
| Other employee costs             | -                                    | 14                    | 5                            | 3                          | 7                  | 1                            | 3                         | 33                     | 41                     |
| Premises and office costs        | -                                    | 93                    | 29                           | 20                         | 45                 | 7                            | 23                        | 217                    | 189                    |
| Administration and IT costs      | -                                    | 83                    | 27                           | 17                         | 40                 | 6                            | 21                        | 194                    | 162                    |
| Investment Management fees       | 80                                   | -                     | -                            | -                          | -                  | -                            | -                         | 80                     | 195                    |
|                                  | 80                                   | 838                   | 267                          | 170                        | 1,802              | 43                           | 144                       | 3,344                  | 2,410                  |
| Support costs                    | -                                    | 71                    | 23                           | 15                         | 35                 | -                            | (144)                     | -                      | -                      |
| Governance costs                 | -                                    | 21                    | 7                            | 5                          | 10                 | (43)                         | -                         | -                      | -                      |
| <b>Total expenditure 2019</b>    | <b>80</b>                            | <b>930</b>            | <b>297</b>                   | <b>190</b>                 | <b>1,847</b>       | <b>-</b>                     | <b>-</b>                  | <b>3,344</b>           |                        |
| <b>Total expenditure 2018</b>    | <b>195</b>                           | <b>674</b>            | <b>255</b>                   | <b>154</b>                 | <b>1,132</b>       | <b>-</b>                     | <b>-</b>                  |                        | <b>2,410</b>           |

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2019

4b Analysis of expenditure (prior year)

|                                     | Cost of<br>raising<br>funds<br>£'000 | Charitable activities |                              |                            |                    | Governance<br>costs<br>£'000 | Support<br>costs<br>£'000 | 2018<br>Total<br>£'000 |
|-------------------------------------|--------------------------------------|-----------------------|------------------------------|----------------------------|--------------------|------------------------------|---------------------------|------------------------|
|                                     |                                      | Research<br>£'000     | Promotion<br>and PR<br>£'000 | Public<br>Affairs<br>£'000 | Education<br>£'000 |                              |                           |                        |
| Staff costs                         | -                                    | 256                   | 99                           | 63                         | 180                | 19                           | 75                        | 692                    |
| Research                            | -                                    | 209                   | -                            | -                          | -                  | -                            | -                         | 209                    |
| Public Affairs                      | -                                    | -                     | -                            | 41                         | -                  | -                            | -                         | 41                     |
| Academies                           | -                                    | -                     | -                            | -                          | 26                 | -                            | -                         | 26                     |
| Career Footsteps                    | -                                    | -                     | -                            | -                          | 30                 | -                            | -                         | 30                     |
| Edge Hotel School – Hotel Future    | -                                    | -                     | -                            | -                          | 44                 | -                            | -                         | 44                     |
| Give Yourself the Edge              | -                                    | -                     | -                            | -                          | 27                 | -                            | -                         | 27                     |
| Grant Fund Monitoring               | -                                    | -                     | -                            | -                          | 1                  | -                            | -                         | 1                      |
| Edge Grant Fund                     | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      |
| AOC Beacon Awards                   | -                                    | -                     | -                            | -                          | 15                 | -                            | -                         | 15                     |
| Career Colleges Trust               | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      |
| Test Bed Towns                      | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      |
| The Mental Health Project           | -                                    | -                     | -                            | -                          | 15                 | -                            | -                         | 15                     |
| Next Generation Learning            | -                                    | -                     | -                            | -                          | 241                | -                            | -                         | 241                    |
| Grants to Partners                  | -                                    | -                     | -                            | -                          | 379                | -                            | -                         | 379                    |
| Other grants and sponsorship        | -                                    | -                     | -                            | -                          | 28                 | -                            | -                         | 28                     |
| Release of unused prior year grants | -                                    | -                     | -                            | -                          | -                  | -                            | -                         | -                      |
| Communications                      | -                                    | -                     | 42                           | -                          | -                  | -                            | -                         | 42                     |
| Edge Events                         | -                                    | -                     | 33                           | -                          | -                  | -                            | -                         | 33                     |
| Other employee costs                | -                                    | 15                    | 6                            | 4                          | 11                 | 1                            | 4                         | 41                     |
| Premises and office costs           | -                                    | 70                    | 27                           | 17                         | 49                 | 5                            | 21                        | 189                    |
| Administration and IT costs         | -                                    | 60                    | 23                           | 14                         | 42                 | 5                            | 18                        | 162                    |
| Investment Management fees          | 195                                  | -                     | -                            | -                          | -                  | -                            | -                         | 195                    |
|                                     | 195                                  | 610                   | 230                          | 139                        | 1,087              | 30                           | 118                       | 2,410                  |
| Support costs                       | -                                    | 50                    | 20                           | 12                         | 35                 | -                            | (118)                     | -                      |
| Governance costs                    | -                                    | 13                    | 5                            | 3                          | 9                  | (30)                         | -                         | -                      |
| <b>Total expenditure 2018</b>       | <b>195</b>                           | <b>674</b>            | <b>255</b>                   | <b>154</b>                 | <b>1,132</b>       | <b>-</b>                     | <b>-</b>                  | <b>2,410</b>           |

**5 Grant making**

|                               | Grants to<br>institutions<br>£'000 | Grants to<br>individuals<br>£'000 | 2019<br>£'000 | 2018<br>£'000 |
|-------------------------------|------------------------------------|-----------------------------------|---------------|---------------|
| <b>Cost</b>                   |                                    |                                   |               |               |
| Middlesex University          | 99                                 | –                                 | 99            | –             |
| Ormiston Academies Trust      | 97                                 | –                                 | 97            | –             |
| Eden Project                  | 95                                 | –                                 | 95            | –             |
| Yeovil College                | 94                                 | –                                 | 94            | –             |
| XP School Doncaster           | 91                                 | –                                 | 91            | –             |
| Enabling Enterprise           | 90                                 | –                                 | 90            | –             |
| Derby College                 | 80                                 | –                                 | 80            | –             |
| Newcastle University          | 77                                 | –                                 | 77            | –             |
| Activate                      | 75                                 | –                                 | 75            | –             |
| University of Essex (EHS)     | 65                                 | –                                 | 65            | –             |
| Barbican                      | 39                                 | –                                 | 39            | –             |
| Baker Dearing Trust           | –                                  | –                                 | –             | 375           |
| Ford Next Generation Learning | –                                  | –                                 | –             | 178           |
| UCL                           | –                                  | –                                 | –             | 42            |
| Edge Hotel School             | –                                  | –                                 | –             | 30            |
| Milton Keynes Academy         | –                                  | –                                 | –             | 27            |
| Give yourself the Edge        | –                                  | –                                 | –             | 24            |
| NFER – Other                  | –                                  | –                                 | –             | 20            |
| AoC Beacon Awards             | –                                  | –                                 | –             | 20            |
| Bulwell Academy               | –                                  | –                                 | –             | 12            |
| NFER – Evaluations            | –                                  | –                                 | –             | 14            |
| At the end of the year        | 902                                | –                                 | 902           | 742           |

Grants are made to further Edge's mission and to support the strategic objectives of the charity. All grants are paid to institutions and none to individuals

**6 Net outgoing resources for the year**

This is stated after charging:

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| Depreciation                            | 15            | 10            |
| Operating lease rentals:                |               |               |
| Property                                | 129           | 110           |
| Other                                   | 1             | 6             |
| Auditors' remuneration (excluding VAT): |               |               |
| Audit                                   | 9             | 9             |
| Under-accrual in prior year             | –             | 1             |

**7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| Salaries and wages  | 748           | 559           |
| Social security costs   | 77            | 60            |
| Employer's contribution to defined contribution pension schemes | 37            | 29            |
| Other forms of employee benefits                                | 5             | 5             |
| Other 3rd parties and secondments                               | 53            | 39            |
|   | <b>920</b>    | <b>692</b>    |

The following number of employees received employee benefits (excluding employer pension costs and national insurance contributions) during the year between:

|                     | 2019<br>No. | 2018<br>No. |
|---------------------|-------------|-------------|
| £60,000 – £69,999   | 2           | 1           |
| £80,000 – £89,999   | 1           | –           |
| £110,000 – £119,999 | –           | 1           |
| £130,000 – £139,999 | 1           | 1           |
| £140,000 – £149,999 | –           | 1           |

The total employee benefits including pension contributions and employer's NI contributions of the key management personnel were £250,067 (2018: £247,677).

The charity Trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,083 (2018: £1,253) incurred by 5 (2018: 2) members relating to attendance at meetings of the Trustees.

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

|                  | 2019<br>No. | 2018<br>No. |
|------------------|-------------|-------------|
| Research         | 6           | 5           |
| Promotion and PR | 2           | 2           |
| Public Affairs   | 1           | 1           |
| Education        | 4           | 3           |
| Support          | 2           | 1           |
|                  | <b>15</b>   | <b>12</b>   |



**9 Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**10 Tangible fixed assets**

|                          | Leasehold<br>improvements<br>£'000 | Fixtures<br>and fittings<br>£'000 | Computer<br>equipment<br>£'000 | Total<br>£'000 |
|--------------------------|------------------------------------|-----------------------------------|--------------------------------|----------------|
| <b>Cost</b>              |                                    |                                   |                                |                |
| At the start of the year | 34                                 | 25                                | 56                             | 115            |
| Additions in year        | 143                                | 1                                 | 8                              | 152            |
| Disposals                | (34)                               | (5)                               | (3)                            | (42)           |
| At the end of the year   | 143                                | 21                                | 61                             | 225            |
| <b>Depreciation</b>      |                                    |                                   |                                |                |
| At the start of the year | 26                                 | 21                                | 52                             | 99             |
| Charge for the year      | 8                                  | 1                                 | 6                              | 15             |
| Disposals                | (27)                               | (3)                               | (3)                            | (33)           |
| At the end of the year   | 7                                  | 19                                | 55                             | 81             |
| <b>Net book value</b>    |                                    |                                   |                                |                |
| At the end of the year   | 136                                | 2                                 | 6                              | 144            |
| At the start of the year | 8                                  | 4                                 | 4                              | 16             |

All of the above assets are used for charitable purposes.

**11 Listed investments**

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| Fair value at the start of the year                 | 25,720        | 30,266        |
| Additions at cost                                   | 19,136        | 6,855         |
| Disposal proceeds                                   | (24,266)      | (9,653)       |
| Net gains / (losses) on change in fair value        | 718           | (1,748)       |
|   | 21,308        | 25,720        |
| Cash held by investment broker pending reinvestment | 2,536         | 427           |
| Fair value at the end of the year                   | 23,844        | 26,147        |
| Historic cost at the end of the year                | 20,365        | 23,920        |
| Investments comprise:                               |               |               |
|   | 2019<br>£'000 | 2018<br>£'000 |
| Listed investments                                  | 21,308        | 25,720        |
| Cash  | 2,536         | 427           |
|   | 23,844        | 26,147        |

**12 Debtors**

|                | 2019<br>£'000 | 2018<br>£'000 |
|----------------|---------------|---------------|
| Other debtors  | 41            | 40            |
| Accrued income | 29            | 27            |
| Prepayments    | 20            | 62            |
|                | <u>90</u>     | <u>129</u>    |

**13 Creditors: amounts falling due within one year**

|                              | 2019<br>£'000 | 2018<br>£'000 |
|------------------------------|---------------|---------------|
| Grant commitments            | 408           | 478           |
| Trade creditors              | 178           | 140           |
| Taxation and social security | 42            | 26            |
| Other creditors              | 32            | 4             |
| Accruals                     | 86            | 106           |
|                              | <u>746</u>    | <u>754</u>    |

**14 Grant note**

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| Balance at the beginning of the year    | 478           | 767           |
| Awarded in the year:                    |               |               |
| Individuals                             | -             | -             |
| Institutions                            | 902           | 742           |
| Grants written back during the year:    |               |               |
| Institutions                            | (25)          | -             |
| Charged to expenditure                  | 877           | 742           |
| Paid in the year                        |               |               |
| Individuals                             | -             | -             |
| Institutions                            | (895)         | (1,030)       |
| Balance at the end of the year          | <u>460</u>    | <u>478</u>    |
| Creditors : amounts due within one year | 408           | 478           |
| Creditors : amounts due after one year  | 52            | -             |

## 15 Creditors: amounts falling due after one year

|                            | 2019<br>£'000 | 2018<br>£'000 |
|----------------------------|---------------|---------------|
| Grant commitments > 1 year | 52            | –             |
| Dilapidations provision    | –             | 44            |
|                            | <u>52</u>     | <u>44</u>     |

## 16a Movements in funds – current year

|                               | At the start of<br>the year<br>£'000 | Income &<br>gains<br>£'000 | Expenditure<br>& losses<br>£'000 | At the end<br>of the year<br>£'000 |
|-------------------------------|--------------------------------------|----------------------------|----------------------------------|------------------------------------|
| <b>Restricted funds:</b>      |                                      |                            |                                  |                                    |
| Global Giving Foundation      | 6                                    | –                          | (6)                              | –                                  |
| Four Acre Trust               | –                                    | 182                        | (182)                            | –                                  |
| Other restricted income       | –                                    | 55                         | (55)                             | –                                  |
| <b>Total restricted funds</b> | <u>6</u>                             | <u>237</u>                 | <u>(243)</u>                     | <u>–</u>                           |
| <b>Unrestricted funds:</b>    |                                      |                            |                                  |                                    |
| Revaluation reserve           | 2,767                                | 712                        | –                                | <b>3,479</b>                       |
| General funds                 | 25,739                               | 593                        | (3,101)                          | <b>23,231</b>                      |
|                               | <u>28,506</u>                        | <u>1,305</u>               | <u>(3,101)</u>                   | <u><b>26,710</b></u>               |
| <b>Total funds</b>            | <u>28,512</u>                        | <u>1,542</u>               | <u>(3,344)</u>                   | <u><b>26,710</b></u>               |

**Purposes of restricted funds**

Restricted funds are received for the Edge Future Learning a long term project which develops UK Career Academies.

Supported by the Global Giving Foundation, the Four Acre Trust and other donors it is establishing project based learning career academies, a concept that has been successful in the United States.

## 16b Movements in funds – prior year

|                            | At the start of<br>the year<br>£'000 | Income &<br>gains<br>£'000 | Expenditure<br>& losses<br>£'000 | At the end<br>of the year<br>£'000 |
|----------------------------|--------------------------------------|----------------------------|----------------------------------|------------------------------------|
| <b>Restricted funds:</b>   |                                      |                            |                                  |                                    |
| Global Giving Foundation   | –                                    | 76                         | (70)                             | <b>6</b>                           |
| <b>Unrestricted funds:</b> |                                      |                            |                                  |                                    |
| Revaluation reserve        | 4,966                                | –                          | (2,199)                          | <b>2,767</b>                       |
| General funds              | 27,002                               | (1,122)                    | (141)                            | <b>25,739</b>                      |
|                            | <u>31,968</u>                        | <u>(1,122)</u>             | <u>(2,340)</u>                   | <u><b>28,506</b></u>               |
|                            | <u>31,968</u>                        | <u>(1,046)</u>             | <u>(2,410)</u>                   | <u><b>28,512</b></u>               |

## 17a Analysis of net assets between funds

|                       | Restricted<br>funds<br>£'000 | Unrestricted<br>funds<br>£'000 | Total funds<br>£'000 |
|-----------------------|------------------------------|--------------------------------|----------------------|
| Investments           | –                            | 23,844                         | 23,844               |
| Tangible fixed assets | –                            | 144                            | 144                  |
| Net current assets    | –                            | 2,774                          | 2,774                |
| Long term liabilities | –                            | (52)                           | (52)                 |
|                       | –                            | 26,710                         | 26,710               |

## 17b Analysis of net assets between funds – prior year

|                       | Restricted<br>£'000 | Unrestricted<br>£'000 | Total funds<br>£'000 |
|-----------------------|---------------------|-----------------------|----------------------|
| Investments           | –                   | 26,147                | 26,147               |
| Tangible fixed assets | –                   | 16                    | 16                   |
| Net current assets    | –                   | 2,393                 | 2,393                |
| Long term liabilities | –                   | (44)                  | (44)                 |
|                       | –                   | 28,512                | 28,512               |

## 18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

|  | 2019<br>£'000  | 2018<br>£'000  |
|--|----------------|----------------|
| <b>Net expenditure for the reporting period<br/>(as per the statement of financial activities)</b> | <b>(1,802)</b> | <b>(3,456)</b> |
| Depreciation charges   | 15             | 10             |
| Loss on disposal of fixed assets   | 9              | –              |
| Investment fees  | 80             | 195            |
| (Gains)/Loss on investments  | (718)          | 1,748          |
| Dividends, interest and rent from investments  | (587)          | (626)          |
| Decrease in debtors  | 39             | 2              |
| (Decrease) in creditors  | –              | (183)          |
| <b>Net cash (used in) operating activities</b>   | <b>(2,964)</b> | <b>(2,310)</b> |

## 19 Analysis of cash and cash equivalents

|  | At 1 January<br>2019<br>£'000 | Cash flows<br>£'000 | Other<br>changes<br>£'000 | At 31<br>December<br>2019<br>£'000 |
|--|-------------------------------|---------------------|---------------------------|------------------------------------|
| Cash at bank and in hand               | 3,018                         | 412                 | –                         | 3,430                              |
| <b>Total cash and cash equivalents</b> | <b>3,018</b>                  | <b>412</b>          | <b>–</b>                  | <b>3,430</b>                       |

**20 Operating lease commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

|                    | Property   |            | Equipment |          |
|--------------------|------------|------------|-----------|----------|
|                    | 2019       | 2018       | 2019      | 2018     |
|                    | £'000      | £'000      | £'000     | £'000    |
| Less than one year | 113        | 110        | 1         | 6        |
| One to five years  | 424        | –          | –         | –        |
| Over five years    | –          | –          | –         | –        |
|                    | <b>537</b> | <b>110</b> | <b>1</b>  | <b>6</b> |

**21 Related party transactions**

In 2019 Edge Foundation made Grant Payments of £25,000 were made to The Association of Colleges Charitable Trust (2018 £15,000) supporting the annual Beacon awards recognising outstanding college provision and institutional excellence. Jane Samuels the Director of Projects and Partnership of Edge Foundation is a trustee of the Association of Colleges Charitable Trust, a registered charity.

In 2019 Edge Foundation made grant payments of £65,000 to the Edge Hotel School which is part of the University of Essex (2018 £43,863). These payments were for continuing support of student scholarships and operations. Alice Barnard the Chief Executive of Edge Foundation and Jane Samuels the Director of Projects and Partnerships of Edge Foundation are directors of the Wivenhoe House Hotel the home of the Edge Hotel School.

Career Colleges Trust – on 18 May 2015 Pauline Daniyan, an Edge Trustee, was appointed a Trustee of Career Colleges Trust [CCT]. In the year ended 31st December 2014 Edge Foundation provided CCT with an interest free loan of £25,000 to continue the development of Career Colleges. The loan is fully provided for in the Edge Foundation accounts. In 2019 two grant payments were made to CCT totalling £40,000 (2018 nil) providing funding for their existing project activities and enabling development of their future operations.

Baker Dearing Educational Trust – Sir Kevin Satchwell, was a Trustee of Edge Foundation until April 2019 and had been a trustee of Baker Dearing Educational Trust since February 2014 respectively. In 2019 Edge Foundation provided support in kind of £104,000 (2018: £107,067).

**22 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.