

THE EDUCATION ENDOWMENT FOUNDATION

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2023

Registered Charity Number: 1142111
Registered Company Number: 07587909 (England and Wales)

THE EDUCATION ENDOWMENT FOUNDATION

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT)
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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Sir Peter Lampl, Chairman (*)	
David Hall CBE, Vice Chairman (*)	Resigned 31 December 2022
Sarah Breeden	Appointed 21 September 2022
Dame Christine Gilbert	Appointed 1 January 2023
Naomi Eisenstadt	
Sir Peter Gershon	
Lucy Heller	
Sir Kevan Collins	
Sir Martyn Oliver	Appointed 1 January 2023
Nat Sloane CBE (*)	Resigned 31 December 2022
Hanneke Smits	
Sonia Thompson	Appointed 1 January 2023

(*) Founder Trustees

Company Registration Number: 07587909

Charity Registration Number: 1142111

Registered Office

5th Floor
Millbank Tower
21-24 Millbank
London
SW1P 4QP

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC1A 2AP

Bankers

CAF Bank Limited
25 Kings Hill Ave
Kings Hill
West Malling
Kent
ME19 4TA

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Solicitors

Freshfields Bruckhaus Deringer
100 Bishopsgate
London
EC2P 2SR

Macfarlanes
20 Cursitor Street
London
EC4A 1LT

Key Management Personnel

Prof. Becky Francis (Chief Executive)
Emily Yeomans (Director of Research)
Julie Nelson (Director of Research — Maternity cover until May 2023)
Chris Paterson (Director of Impact)
Anne-Laure Bedouet (Director of Finance and Operations)

EEF Team

Please refer to the EEF website at <https://educationendowmentfoundation.org.uk/about-us/our-people>

Investment advisors
Goldman Sachs Asset Management International
Plumtree Court,
25 Shoe Lane,
London
EC4A 4AU

Bank of New York Mellon
160 Queen Victoria Street,
London,
EC4V 4LA

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Education Endowment Foundation (the charitable company) for the year ended 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Constitution

The Education Endowment Foundation ('EEF') is a registered charity (number 1142111) whose principal object is the advancement of education for the benefit of the public, in particular, but not exclusively, by a) making grants to schools, local authorities, charities, social enterprises and other voluntary and community sector organisations to fund projects which seek to address low educational attainment; and b) supporting and disseminating the results of research into ways to mitigate the factors that cause or contribute to, and successful strategies for dealing with, low educational attainment. Within its charitable objects, the EEF particularly focuses on improving outcomes for disadvantaged children and young people. The EEF was set up by The Sutton Trust as the lead charity in partnership with Impetus Trust (now Impetus) and was initially funded by a £125m grant from The Department for Education. In March 2022, the Schools White Paper confirmed that the EEF would be re-endowed with an award of at least £100m, allowing it to continue its work for at least another decade and the EEF received a re-endowment of £137 million in July 2022.

The organisation is a company limited by guarantee, incorporated on 1 April 2011 and registered as a charity on 25 May 2011. The charitable company is controlled by its Memorandum and Articles of Association, dated 31 May 2011, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

Appointment of Trustees

The appointment of Trustees is governed by the governing document of the charity. EEF Trustees are appointed for a term not exceeding four years and trustees may be reappointed for a maximum of one additional term.

The Founder Trustees shall complete their terms and step down on a staggered basis.

Organisational structure and how decisions are made

The EEF Board has the ultimate responsibility for directing the affairs of the EEF, ensuring that it is financially sound, well run, and delivering the charitable outcomes for which it has been set up. The Board comprises the directors of the company who are also the charity Trustees.

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The EEF Trustees meet at least four times a year to review overall strategy and to determine how best to direct the EEF's resources to meet its objectives. An observer from the Department for Education also attends EEF Board meetings but does not have voting rights. The EEF has a Chief Executive, who reports to the Chair and other Trustees, and is supported by an Executive team. The Chief Executive and Executive team oversee a team of full and part time posts as referred to on the Legal and Administrative pages.

The Trustees have also established four committees to support the effective governance of the EEF's operations:

The Grants Committee makes recommendations to the Board on projects to support (including the funding for the independent evaluations of each project), shapes the priorities for grant making, reviews the project portfolio and oversees the scale up efforts of the EEF.

The Finance and Fundraising Committee oversees the management of the EEF's resources. Its remit includes recommending the appropriate investment strategy for the charity and monitoring the performance of fund managers. It also reviews and recommends the annual budget and long term cash flow projections to the Board, reviews performance against the agreed budget and cash flow projections and monitors the integrity of EEF's financial statements, with particular emphasis on the effectiveness of the external audit process and internal control systems. The committee also reviews and recommends the risk register to the Board. Since 2017, the committee also monitors and supports the development and delivery of the EEF's fundraising strategy.

The Audit Committee oversees the audit of the annual accounts and the internal and external audit plans.

The Nominations Committee supports the Board in recruiting, inducting and developing trustees.

These committees comprise Trustees of the EEF, with relevant members of the executive team attending each committee. The committees may also co-opt expert members beyond the EEF Trustees from time to time to supplement the expertise of the committees. At present, Robert Coe Director of Research and Evaluation at Evidence Based Education sits on the EEF Grants Committee. The Department for Education also have a representative on this committee. Rory Gribbell, previously Schools Policy Adviser at the Department for Education is currently holding this position. Richard Lamplough, partner with Lancaster Investment sits on the Finance and Fundraising Committee and on the Audit Committee.

The EEF also has an Evaluation Advisory Group (EAG), which offers the executive team advice and guidance on research and evaluation methodologies.

Induction and training of Trustees

Trustees are made aware of their legal obligations under Charity Law and Company Law, the decision making processes at the EEF and its strategic aims. They are also provided with relevant documentation, including a budget, planned grants expenditure, a current list of research and practical projects and copies of recent publications and press releases. New trustees have an induction session with EEF team members and are invited to visit projects.

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Trustees and members of the executive team are encouraged to attend training events where these will assist with their role.

Relationships with wider interests and related parties

Transactions with related parties are disclosed in note 25 to the financial statements.

Trustees and the Executive declare their interests regularly which are reviewed by the Board annually.

Objectives and Activities

Objectives

The object of the EEF is the advancement of education for the benefit of the public, in particular, but not exclusively, by:

- a) making grants to schools, local authorities, charities, social enterprises and other voluntary and community sector organisations to fund projects which seek to address low educational attainment; and
- b) supporting and disseminating the results of research into ways to mitigate the factors that cause or contribute to, and to advance successful strategies for dealing with, low educational attainment.

The EEF fulfils its charitable objectives by undertaking work to break the link between family income and education achievement. We do this by supporting education settings to improve teaching and learning for 2- 19 year olds through better use of evidence.

Grant making policy

The EEF's grant-making principally focuses on supporting and evaluating projects that are likely to improve the educational outcomes of young people, particularly pupils eligible for free school meals in the most challenging schools. The EEF's aim is to fund, develop and evaluate cost effective and scalable projects that have a measurable positive impact on educational attainment or related outcomes, as well as promoting the use of evidence in the decision making of schools, early years settings, post-16 settings, and by other commissioners and policymakers. All EEF-funded projects are rigorously evaluated by independent experts in educational research. The charity has to date commissioned 284 projects, 192 of which use randomised controlled trials (RCTs), involving over 60% of English schools. The EEF also aims to influence the decision- making and spending of the wider education sector, for example, by scaling up and building the delivery capacity of projects which are determined to be effective and replicable, and by communicating and disseminating what works, through various channels such as the EEF's Research School Network, campaigns and policy work.

The EEF usually runs two grants rounds per school year. Applications are submitted online via the EEF's website and reviewed by the team of Programmes and/or Evaluation Managers, drawing on external advice as needed. The most promising applications are developed by a Programmes and/or Evaluation Manager in collaboration with the applicant, before being put forward to the Grants Committee in a two-stage process. The Trustees make the final decision on funding the applications recommended by the Grants Committee over £1m and on scale up grants. Following approval, all

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grant awards made are subject to: i) the recipient entering into a written, legally binding agreement, and ii) a project review at each milestone as set out in the grant agreement. Under the terms of its agreements with grant recipients, the EEF can withdraw its future funding commitment for a number of specified reasons, including failure to meet agreed milestones. More detail on grant making, evaluation and dissemination activities in the period under review can be found under the Strategic report section.

Main activities undertaken to further the charity's purposes for the public benefit

The EEF works for the public benefit by addressing educational disadvantage, by granting funds to projects aimed at alleviating such disadvantage, by finding out what works to increase attainment and other outcomes, and by disseminating this evidence. All EEF resources are provided to schools free of charge. The Trustees and staff are mindful of the Charity Commission's guidance on public benefit when planning future activities and are confident that the Charity's plans meet these requirements.

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STRATEGIC REPORT

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies section of the financial statements.

Activities, achievements and performance

The significant development in the year has been the agreement with the Department for Education to grant the EEF a further £137 million to continue its work until at least 2032. It is the department's expectation that this level of funding will allow EEF to continue its work at current levels of activity for at least the next decade and to increase investment in long-term evidence generation in the early years. The updated grant agreement sets out four core objectives for the EEF's work, which are consistent with the work conducted under our original endowment. These are evidence generation, evidence synthesis, evidence guardianship and evidence mobilisation.

The EEF delivered and completed the DfE's Accelerator Fund (AF1) programme in academic year 2021/22, in order to further develop our programme pipeline work so there is a quality supply of evidence-based programmes that schools can easily access. This work focused on areas identified by DfE as being particularly impacted by the pandemic. All reach targets set by DfE were achieved for this first year.

Based on the success of AF1, a 3 year extension of Accelerator Fund has been agreed (AF2) with a value of c32.5m and the EEF has started delivering this for the 2022/23 academic year.

The EEF also restarted its commissioning of grants through a more focused approach during the year, after two years impacted by COVID and school closures.

The results for the year are set out on page 28.

Grant making, evaluation and dissemination activities

Last year the EEF set itself a number of objectives aligned to the three main aspects of its work: evidence generation (grants and evaluation), synthesis (toolkit and guidance reports) and mobilisation / scale up (including research schools and campaigns).

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EVIDENCE GENERATION

Continuing to make grants to support the development and evaluation of a wide range of approaches to raising the attainment of 2-19 year-olds, particularly those facing disadvantage; developing their essential life skills; and preparing young people for the world of work and further study.

Research Agenda

The EEF's Research Agendas aim to focus on particular themes that are selected based on their potential to: impact on the outcomes of disadvantaged pupils; fill gaps in the evidence base; and, answer questions of interest to school leaders and teachers. Work under this includes: evaluations of existing programmes, as well as Teacher Choices projects – that generate evidence about smaller changes to classroom practices that teachers have control over, and School Choices projects – that generate evidence about changes to school-level practices and processes that school leaders have control over.

All programmes funded include associated evaluations at one of five levels: early stage development for programmes that need design and development work; pilots for programmes that are currently delivered at a small scale and where more work is needed on the programme Theory of Change; efficacy trials where the programme is fully established and some delivery has already occurred; effectiveness trials where delivery is already at a larger scale and some programme-level evidence is already available; and scale-up evaluations where substantial programme-level evidence exists and the programme is ready to be scaled through the system. Efficacy and effectiveness trials are typically structured as Randomised Controlled Trials. The different programme evaluations stages form EEF's Programme Pipeline, with programmes able to progress through the different levels as more evidence is generated about their efficacy and feasibility.

Between November 2022 and March 2023, trustees approved 12 programmes from our open funding round (launched in January 2022) related to our themes for Research Agenda 1:

- Early Language (8 programmes funded and 1 Teacher Choices project)
- Mathematics Teaching in the Early Years and Key Stage 1 (2 programmes funded and 1 Teacher Choices project),
- Cognitive Science (1 programme funded and 1 Teacher Choices project)

Trustees also approved 5 programmes and 3 School Choices projects for our funding round in collaboration with the Youth Endowment Fund (YEF) (launched in February 2022). This round focuses on attendance and exclusions, following on from the rapid evidence assessment of attendance interventions carried out by the EEF's synthesis team.

In October 2022, we launched our Research Agenda 2 funding round, which provided a consolidation of the priorities identified for Research Agenda 1, as well as two further themes:

- Personal, Social and Emotional Development (PSED) in the Early Years, including self-regulation
- Scaled or evidenced programmes in Maths and Literacy for Key Stages 2 to 4.

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Trustees provided initial approval of 4 programmes (2 Early Language, 1 PSED, 1 scaled literacy programme) in March 2023. Final approval will be sought in October 2023.

EEF has agreed three research priorities for Research Agenda 3 and 4:

- Education Technology (Ed-tech)
- Post-16 GCSE Maths and English resits
- Teacher Recruitment and Retention

In February 2023, we launched the Research Agenda 3 funding round for programmes at efficacy and effectiveness stages in Ed-tech and programmes at early stage development, pilot, efficacy and effectiveness stages in Post-16. We also launched evidence reviews and practice reviews in the teacher recruitment and retention theme. The evidence generated from these reviews will inform further commissioning on this theme as part of the Research Agenda 4 round.

The EEF's programme pipeline and regranting

At the end of a programme evaluation, we assess the findings from the evaluation to assess whether there is evidence that warrants providing a further grant (regrant) to the programme – either at the next stage of the pipeline (e.g. progressing from pilot to efficacy stage) or in rare circumstances at the same stage of the pipeline. We identified six literacy, maths, and science programmes for regranting that aligned with Accelerator Fund funding priorities. A further two programmes (1 literacy, 1 maths) progressed from the early-stage development stage to the pilot evaluation stage.

In the last year, we revised our regranting criteria, which were signed off by the trustees in March 2023. All programmes will be assessed against these criteria going forward.

Accelerator Fund

The Accelerator Fund (AF) aims to build the EEF's pipeline of evidence-based programmes, and increase the availability of evidence-based programmes in maths and literacy to schools. The first year of the AF was focused on regions particularly impacted by the COVID pandemic to support COVID recovery, with delivery focused in the Regional School Commissioner regions of the North, West Midlands and East Midlands&Humber. EEF completed its delivery of the first year of AF in August 2022. Overall 1500 unique schools took part in an AF project, which varied from initial testing of early stage development programmes, to scale ups of well evidenced EEF programmes. Programmes were also supported through capability building support to increase their capacity to reach more schools and pupils in the future.

A three year extension of the AF was agreed with DfE in August 2022. The focus remains on making evidence-based programmes more accessible to schools and building the EEF's programme pipeline, with national availability but schools in Education Investment Areas (EIAs) being prioritised for the work. In academic year 22/23, EEF is supporting the development of 18 early stage programmes, and has granted three pilot evaluations, four efficacy trials, three effectiveness trials and four scale up projects. Overall, we aim to reach approximately another 1300-1700 unique schools taking part in an AF project.

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By 31st March 2023, EEF had engaged 1448 unique schools, with 62% of schools involved from EIAs.

Details of grants expenditure are included in Note 9 of these financial statements.

We also have an annual report (different from the Trustees' annual report), which gives further detail on projects and activities - see: <https://educationendowmentfoundation.org.uk/about-us/annual-reports>

Publishing robust evaluation reports of funded projects

The EEF has continued its commitment to publishing evaluation reports on all completed projects and 33 evaluation reports were published in the period covered by this report.

The team at Durham University continues to analyse the data archive, to replicate results, inform methodological improvements and track the impact of EEF-funded projects longitudinally. The EEF is hosting the data archive in partnership with the Office for National Statistics, which will enable wider access to the archive for the purpose of research with public benefit. We have been granted £600k by the Cabinet Office as part of the Evaluation Accelerator Fund to develop processes for third party access, as well as conduct innovative longitudinal research and data linkages.

EVIDENCE SYNTHESIS

Developing EEF's core resources available on the website, including the Teaching and Learning Toolkit and Guidance Reports

In January 2023, the EEF published the update to the Early Years Toolkit. The update moved the resource from a review of reviews (umbrella review) to a review of single studies that is consistent with the Teaching and Learning Toolkit and allows for the communication of additional information around implementation and the variation that lies behind the average of each approach.

In this period the team have also managed systematic reviews on primary science and implementation in education, which will inform future guidance reports published later in 2023 and early 2024.

Additional evidence synthesis work was commissioned to scope areas within the research agenda, including tendering for reviews focusing on teacher recruitment and retention.

During the period, the internal evidence synthesis function has been increased through the recruitment and training of additional research officers. Internal review work has supported the development and launch of the Early Years Evidence store, and an ongoing rapid evidence assessment on school breakfast provision.

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EVIDENCE MOBILISATION AND SCALE-UP

Focusing more resources on scaling up and disseminating successful approaches through a variety of models

The EEF has a range of ways to mobilise evidence and supports its use by schools and settings in England. Over this year the EEF has continued to use a range seeking to both continue to widen impact and encourage deeper and more active engagement to promote behaviour change.

The regional strategy is a key part of this work. In this year we have moved into the final (fourth) year of the current strategy and trustees have committed to a future 3 year plan from September 2023. Delivery of the current strategy has focused on establishing partnerships and delivering activity. By the end of the year over 10,000 schools have engaged in some way in this work over the last three year, with well over 5,000 schools engaging in some form of sustained training- an increase of more than 1,500 schools in this year. The strategy is aiming to engage a group of ~2,200 schools with higher than average numbers of disadvantaged pupils and lower than average attainment outcomes for those pupils (based on 3 year averages to 2018-19). Of these, school engagement is on course to be over 75% by the end of the school year, with 4 in 10 of these schools having been involved in sustained and intensive training and support. Preparation has begun to support the transition to the new regional strategy, including further investment in EEF internal school engagement function to help more systematically understand current practice, current perceptions/issues and how practitioners are currently engaging with EEF resources to help us continue to evolve and develop our mobilisation approaches.

The Research School Network is integral to the EEF's mobilisation activity, supporting communication and resources to be relevant and actionable; advocating for and providing access to evidence in local and regional networks; and providing direct support through professional development and training to schools. A consolidation process involving re-application for current Research Schools was undertaken, followed by an open application process for new Research Schools. The expectation is that 33 Research Schools will be funded from September 2023.

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Developing the EEF's digital presence

The EEF's key audiences are the leaders and key decision-makers in schools, early years and post-16 settings, together with classroom teachers and practitioners, as well as other influencers, such as policy-makers, governors and parents. The EEF's digital strategy aims to improve the reach and engagement of its work — in particular, evidence-based resources with clear and actionable recommendations — to these groups.

In the past 12 months, the number of users on the EEF website has grown by 11% to 1.4 million users. Downloads of resources and tools has increased by 103% to 1.8 million.

The email newsletter has over 46,000 subscribers, an increase of 12% on last year.

On social media, the EEF Twitter following has increased to 120,000 (up 20%), Facebook followers are 35,000 (up 9%) and EEF LinkedIn followers increased to 63,000 (up 34%).

At the beginning of 2023, the EEF ran a procurement process for its digital services contract as part of its overall digital strategy. The focus of the bid was on improving the user experience of the EEF's websites and improve engagement with its resources. The successful bidder will be in place in Summer 2023.

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Continuing to engage constructively with the Department for Education to embed high quality teacher development and evidence-informed practice

Over the course of the year, the EEF has supported and encouraged the use of evidence in a number of aspects of the Department for Education's work. Notably, the EEF has continued to support DfE to improve the quality of training provided to teachers throughout their career. This has included quality assuring the content frameworks for new National Professional Qualifications and reviewing providers' training materials to ensure that they are grounded in the best available evidence.

More broadly during the year, EEF colleagues have contributed to a number of Department for Education-led discussions and reviews on policy areas such as the pupil premium, tutoring, and Initial Teacher Training.

The EEF have provided direct support to the pupil premium policy team of the DfE. This has included conducting research into how pupil premium is currently spent and working with the team on guidance for schools around high quality pupil premium spend.

The EEF has continued to be an active participant in the What Works Network.

Fundraising activity

The EEF actively seeks to partner with other funders — whether trusts and foundations, corporates, individuals, charities or public bodies — to help extend the reach of the charity's work. To date, the EEF has successfully developed partnerships with 44 organisations, which have contributed a total of c £42.8 million in funding towards EEF-approved programmes.

The EEF's funding partnerships totalled c.£2.1 million in this financial year and fell into one of four categories:

- Direct donations to the EEF — £600k from the Evaluation Task Force (Cabinet Office)
- Pro bono donations to the EEF — valued at c.£0.7 million including legal advice and consultancy from Freshfields and Bain & Co. See Note 3 for further detail.
- Shared funding of EEF supported programmes — £32k of contributions from grantees and their partners towards the costs of EEF-funded programmes.
- Shared funding of EEF Regional delivery — £0.5 million of contributions from a range of partners in support of the EEF's regional work, which aims to ensure all schools, especially those in deprived areas, have access to the resources, training and support they need.

Direct donations and pro bono donations are both recorded in the financial statements, whereas shared funding is not; this goes directly to the EEF-funded programme rather than to the EEF itself.

Grants from the Department for Education and contributions to projects from schools are all excluded from these figures.

The Trustees acknowledge their grateful thanks to all those organisations contributing to the

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EEF's programme of work.

The charity is registered with the Fundraising Regulator. The Fundraising Regulator is an independent regulator of charitable fundraising who, using the cross-party review of fundraising self-regulation (2015), strengthen the system of charity regulation and restore public trust in fundraising. No complaints have been received in the year in relation to the charities fundraising activities.

International activity

The EEF started to work with overseas partners who share the charity's commitment to generating and using robust research in improving educational outcomes particularly for the most disadvantaged. This work provides clear benefits to English practitioners by collecting evidence and developing research worldwide. In June 2018, the charity entered into a partnership with BHP Foundation for £9.9 million to support the expansion of the EEF international work over the next five years and to broaden its reach and income sources.

Thanks to the partnership with the BHP Foundation, EEF has supported a network of organisations across four continents in countries that are keen to further integrate evidence into their education systems. Alongside existing Toolkit licencing agreements with Social Ventures Australia (Evidence for Learning) and SUMMA in Latin America and the Caribbean, a partnerships with Effective Basic Services Africa (eBASE) based in Cameroon has been established, working across The Lake Chad Basin, Queen Rania Foundation (QRF) in Jordan and "la Caixa" in Spain, with further partnerships emerging across the globe.

This year the EEF supported a global partners conference in Barcelona, which brought together all formal partners alongside external stakeholders from UNESCO, 3ie, OECD and other global funders, NGOs and policymakers. The conference examined the power of evidence at moments of educational crisis and featured presentations around EEF's work on building evidence infrastructure, early pipeline development, and approaches to supporting early years education.

The EEF has also engaged in larger international initiatives. Leading a working group around evidence based policymaking for UNESCO and presenting on the English system to policymakers in France for an event organised by J-PAL.

The EEF also led the planning around a consortium bid for the What Works Global Hub initiative, funded through the FCDO. While a competitive consortium was assembled, the commercial conditions of the tender ultimately meant that EEF did not bid.

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Investment performance

The £137 million received from the DfE were invested into a Liquid reserve fund until the end of 2022 and until the outcome of a tender for the investment management of the increased portfolio was known. Following a competitive tender, GSAM were awarded the management of the new portfolio and the portfolio was fully invested as intended at the end of 2022. The portfolio's value at year end of £196.7 million compared to £65 million in the previous year. The movement since last year is due to the £137 million grant from DfE, interest on the liquid reserve fund of £1.2 million, withdrawals of £6 million during the year to fund grants and evaluations as well as operating expenses, offset by a revaluation loss of £0.1 million and investment costs of £0.3 million.

The investment portfolio experienced another volatile market in the year resulting in a small revaluation loss hiding large movements in valuation throughout the year. The volatility has principally reflected higher inflation following events in Ukraine and the significant tightening of financial conditions as central banks increased their rates in response.

The overall return on the portfolio since inception in June 2011 has been an annualised rate of 3.2% per annum net of fees. The portfolio risks were reviewed throughout the year with the portfolio manager including inflation risk, credit risk and currency risks. They were all assessed as appropriate for the EEF and its long-term objectives.

Financial review

In the financial year under review, income including donations and legacies, income from trading activities and from investments was £156.1 million (2022: £34.1 million). This included the re-endowment grant from the Department for Education of £137 million, and further grants from the Department for Education relating to our Accelerator Fund programmes for £12.9 million. Total expenditure for the year was £31.2 million (2022: £57.3 million). Total funds were £177.6 million as at 31 March 2023 (31 March 2022: £52.6 million), with £176.5m unrestricted and £1.1m restricted (31 March 2022: £49.9m and £2.7m respectively).

Pay policy for senior staff

The key management personnel of the EEF are considered to be the Chief Executive, Director of Impact, Director of Research and Director of Finance and Operations. In order to attract and retain staff with an attractive reward offer, pay is set by benchmarking with market data for equivalent posts in organisations of a similar size and complexity (often with the advice of a specialist executive recruitment firm). The pay of all staff, including key management personnel, is reviewed annually as part of the budgeting process of the charity. The Chairman is involved in reviewing the salary of the Chief Executive; the Chief Executive and Executive team lead the pay review for other staff with the input of the Human Resources Manager.

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Reserves policy

In accordance with the policy adopted since the establishment of the EEF, the initial endowment grant of £125 million from the Department for Education and the re-endowment of £137 million this year are treated as an unrestricted reserve. The unrestricted fund reserves as at the year end were £176.5 million. The Trustees treat the unrestricted funding as available for activities which forward the EEF's charitable objectives, including grant making, and for funding the requirements for support costs and governance costs. Additionally, the Trustees review on a regular basis the investment strategy and performance of the funding pool along with projections in terms of future grant and operating expense commitments. Accordingly, the Trustees consider that the current level of free reserves (general unrestricted funds less fixed assets) of £176 million forms a pool available for supporting EEF activities to 2032 — as stipulated in the terms of the re-endowment grant.

The restricted fund reserves as at the year-end were £1.1 million (see detail in Note 22).

Investment policy

Introduction

The Trustees have a wide power of investment conferred on them including the power to delegate the management of investments to any firm authorised by the Financial Conduct Authority to give investment advice. The Trustees have avoided direct investment in securities issued by organisations primarily engaged in the supply of: arms, gaming and gambling, pornography, and tobacco products and services. For those investments held within the collective or pooled investment funds, the Trustees have instructed fund managers to monitor the extent, if any, to which the funds selected are invested in securities issued by businesses primarily engaged in the activities listed above and to report the position to the Trustees on a semi- annual basis.

As noted above, the EEF's assets were intended to support work to April 2026 to schools, teachers, local authorities, charities and other approved parties, and the EEF's operating costs.

The Trustees have developed a cash flow profile and spending schedule which they will keep under review and revise from time to time as appropriate. This schedule forms the basis of the EEF's investment policy.

Investment objectives

The EEF's investment objectives aim to support its plans for making grants. The objectives will therefore evolve in congruence with the development of the EEF's grant strategy.

At the date of this document, the investment objectives are:

- To ensure a reasonable match between the cash flows from the assets in the portfolio and the EEF's planned spending schedule;
- To maximise potential spending power while remaining consistent with the low risk character of this investment policy.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

The matching of cash flows will be inexact because the profile of the spending schedule will evolve. The Trustees therefore oversee adjustment of the spending schedule and regularly review the schedule with the investment managers to ensure matching of assets to liabilities within reasonable margins of tolerance.

Contributions, distributions and income

It is possible that additional contributions may be added to the portfolio if assets raised through fundraising activities exceed the spending rate.

Distributions will be made regularly out of both income and capital. There is no specific "income" requirement for the portfolio.

Investment management

In March 2019, Goldman Sachs Asset Management was appointed as the single portfolio manager. The Trustees have appointed BNY Mellon as custodians of the Goldman Sachs portfolio.

The manager has entered into an agreement with the EEF. This agreement includes investment guidelines and parameters ("the mandate") within which the manager will operate with full discretion (ie without requiring prior approval from the Trustees).

Following the confirmation of the re-endowment grant from the Department for Education, the EEF re-tendered the investment management contract and Goldman Sachs Asset Management was re-appointed as the single portfolio manager of the new increased portfolio.

The Trustees review the manager and its mandate periodically in line with their responsibilities. The manager is expected to reconcile its records with those of the custodian.

Reporting

The Trustees have established regular and appropriate reporting arrangements with the manager and custodian. There are currently monthly reports from, and quarterly meetings with, the manager and custodian.

The Trustees can convene ad hoc meetings as and when required.

Review of investment policy statement

The Trustees intend formally to review this Investment Policy Statement annually or more frequently if the circumstances or objectives of the EEF or any other factors so warrant.

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FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The EEF will continue with its three main areas of activity: building and summarising the evidence base of what works and scaling that evidence so that it changes behaviour in schools and benefits more young people, particularly those from socially-disadvantaged backgrounds. Specifically:

The EEF will further develop its approach to answering research questions that best support the EEF mission, we plan to fund more 'choices' projects over the next year and to continue developing our approach to identifying 'choices' research questions and developing methodological guidance to support these projects. We anticipate funding Teacher Choices projects and School Choices projects (described in the Evidence Generation section above), which aim to generate causal evidence around decisions teachers and school leaders make or practices and policies they choose to implement outside of manualised programmes.

Delivery will continue on the Accelerator Fund to the end of this academic year (August 2023), with around 1,500 unique schools planned to take part. Accelerator Fund activity is then planned to continue into academic year 23/24, with a range of new projects selected for set up, from our open funding rounds and based on prospects we have from our pipeline that are ready to be scaled (that have shown an impact through previous EEF trials).

The EEF will continue to support the Early Years Stronger Practice Hubs programme - part of the Department for Education's wider Early Years Covid Recovery programme. This will involve providing support to the DfE, NCBi and the hubs themselves in two main ways: i) through the provision of tailored summaries of the evidence (Early Years Evidence Store) with expanded exemplification of evidence-informed approaches in practice, and ii) through the identification, support for developers and appropriate evaluation of a number of Early Years programmes that will form part of the "funded support" available to settings from Hubs. This project continues to expand our work to support the whole Early Years sector, including the private, voluntary and independent sector as well as childminders. On the run up to October 2024 when the Stronger Practice Hub programme is due to end, EEF will consider what work would be most useful to further develop our reach and support for the Early Years sector.

Following early indicative success of the early-stage programme development model we plan to use this to model to support the Accelerator Fund and Stronger Practice Hubs work. We hope this will help build the quality and quantity of new programmes joining the pipeline- in particular targeting areas of the evidence that are promising to support our mission, but where there are gaps in availability and practice.

The EEF will work on the automation of systematic review procedures across 2023 and 2024 to support the sustainability of the Teaching and Learning Toolkit. A new Guidance Report will be published on Primary Science in late 2023, and an update to the Implementation Guidance Report will be published in early 2024. New rapid evidence assessments will be published in Autumn to inform grant-making around teacher recruitment and retention. The reviews will summarise the evidence around the impact of flexible working practices and school leadership approaches to recruiting and retaining teachers.

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The EEF will continue to focus more resources on mobilising evidence to support teachers to improve practice in schools, colleges and early years settings, especially those serving high numbers of disadvantaged students. The EEF will reach the end of the current regional strategy and transition to the new strategy which aims to: continue to support EEF as a trusted and independent source of evidence for school and setting leaders through local advocacy and exemplification to ensure it is relevant and actionable for educators; provide focused support through deep and sustained partnerships aiming to change teaching practice and build local system capacity in a small number of areas; and, to continue to develop the ways the EEF supports other organisations that support educators to use evidence. The Research School Network will continue to be a key plank in the engagement and direct support for schools, supported by the Regional team. The EEF will continue to develop the engagement of an embedded work with educators (for example Content Specialists) and use this developing and more systematic understanding of practice and perceptions to enhance and drive resource development and wider communication activity.

The EEF will continue to develop funding partnerships with organisations and individuals to further leverage its work. These partnerships to date have supported grant funding rounds, further developed the evidence base, and helped to scale the most promising interventions in schools in England. The School Funders Network will continue to bring together like-minded funding organisations to share best practice, and to understand current challenges within the education sector. Moving forward, the EEF will seek to develop strategic partnerships with those in the sector whose investment and support can further its progress to close the attainment gap.

The EEF will continue to develop its international work in line with its partnership with BHP Foundation. We expect to agree new partnerships with Flanders, New Zealand and Wales in 2023.

The EEF will continue to build its work to support evidence-informed policymaking, engaging constructively with the Department for Education to support high quality teacher development and evidence-informed practice, looking to balance influence with the need to maintain independence and objectivity. This will include quality assuring training materials produced by the new National Institute of Teaching to ensure that they are grounded in the best available evidence. The EEF will also continue to work with other policy stakeholders and with the other members of the What Works Network to secure the use of rigorous evidence in Government and elsewhere, and to collaborate on joint initiatives.

Following the re-endowment, the EEF intends to keep reviewing its investment objectives, with a view to meet or exceed cashflow needs over the next 10 years of the EEF's planned lifespan, to create some capital growth to attempt to preserve the real spending power of the EEF.

After the financial year, in October 2023, the Government announced their commitment for £40M additional funding to our endowment to support the uplift to our Post-16 work. This forms an important opportunity for the EEF to boost our work in an important sector.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The Trustees have a risk management strategy which comprises:
compiling and reviewing a risk register twice a year through the Finance Committee and once a year through the Board of Trustees;
the establishment of systems and procedures to mitigate those risks identified in the plan; and
the implementation of procedures designed to minimise, where appropriate, any potential impact on the EEF should those risks materialise.

The top three risks during the financial year 2022-2023 were:

- ***Research does not meet expected standards to forward the objectives (eg trials fail or are late, results are insecure, schools lose confidence in the work).***

Mitigation: robust selection and monitoring processes, focus on lessons learned from previous trials, developing clear Quality Assurance standards and processes and involving external experts as needed.

Ensuring the EEF research agenda is mission aligned and focused on key leverage points for disadvantaged pupils.

- ***Scale-up: messages from research and promising programmes fail to influence the education system.***

Mitigation: a detailed regional delivery plan has been implemented since September 2019 targeting priority schools in all regions and aiming to change practices in schools that need it the most based on the best evidence available. Teacher and school choices work translate into more direct EEF involvement in the system.

- ***Overreliance on third parties to deliver.***

Mitigation: Application and monitoring processes in place, diversification of partner base, policy of not reappointing after poor performance.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Education Endowment Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102); make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and 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.

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.

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- 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 auditor is aware of that information.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Auditors

Moore Kingston Smith LLP were re-appointed as auditors for the period under review and have indicated their willingness to continue in office.

This report, including the strategic report was approved and signed on behalf of the board by:



20 November 2023

Chairman (Nov 20, 2023, 12:38pm)

Chairman

Sir Peter Lampl, Chairman Date:

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE EDUCATION ENDOWMENT FOUNDATION

Opinion

We have audited the financial statements of The Education Endowment Foundation ('the company' for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 March 2023 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; and
- 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 financial statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 where 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;

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. 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 purposes of expressing an opinion on the effectiveness of the charitable company'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 charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit

evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest; based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

To address the risk of fraud through management override of controls, we carried out the following work:

- procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;
- journal entries were reviewed to identify unusual transactions;
- judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 20 November 2023

The Education Endowment Foundation
Statement of Financial Activities
for the year ended 31 March 2023

	Note	Unrestricted fund £	Restricted fund £	2023 total £	2022 total £
Income from:					
Donations and legacies	3	137,728,472	17,064,442	154,792,914	33,902,406
Trading activities	4	95,820	-	95,820	135,064
Investments	5	1,193,405	-	1,193,405	59,521
Total Income		139,017,697	17,064,442	156,082,139	34,096,991
Expenditure on:					
Raising funds					
Fundraising expenditure	6	172,891	-	172,891	212,063
Trading costs	6	-	-	-	-
Investment management	6	283,274	-	283,274	253,179
		456,165	-	456,165	465,242
Charitable activities	7	11,914,083	18,576,650	30,490,733	56,801,228
Total Expenditure		12,370,248	18,576,650	30,946,898	57,266,470
Net gains/(losses) on investments		(157,874)	-	(157,874)	57,245
Transfers between funds		76,977	(76,977)	-	-
Net movement in funds		126,566,552	(1,589,185)	124,977,367	(23,112,234)
Reconciliation of funds	23				
Balances at 1 April 2022		49,961,789	2,676,293	52,638,082	75,750,316
Balances at 31 March 2023		176,528,341	1,087,108	177,615,449	52,638,082

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 45 form part of these financial statements.

The Education Endowment Foundation
Balance Sheet
as at 31 March 2023

		2023	2022
		£	£
Fixed assets			
Tangible Fixed Assets	14	390,388	373,586
Investments	15	196,735,250	64,986,448
		<u>197,125,638</u>	<u>65,360,034</u>
Current assets			
Debtors falling due after one year	17	207,617	40,185
Debtors falling due within one year	17	3,702,560	679,564
Cash at bank and in hand		<u>2,293,194</u>	<u>9,545,407</u>
		6,203,371	10,265,156
Creditors: amounts falling due within one year	18	<u>(20,820,633)</u>	<u>(20,438,275)</u>
Net current assets/(liabilities)		(14,617,262)	(10,173,119)
Creditors: amounts falling due over one year	18	(4,892,927)	(2,548,833)
Net assets		<u>177,615,449</u>	<u>52,638,082</u>
Funds			
Restricted funds	22	1,087,108	2,676,293
Unrestricted funds	22 + 23	176,528,341	49,961,789
		<u>177,615,449</u>	<u>52,638,082</u>

The financial statements were approved by the Board and authorised for issue, on 20 November 2023 and signed on their behalf



Chairman (Nov 20, 2023, 12:38pm)

Sir Peter Lampl, Chairman
Trustee

Date 20 November 2023

Company registration number: 07587909

The Education Endowment Foundation
Statement of Cash Flows
for the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash provided by operating activities		123,641,735	(36,254,948)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(180,777)	(196,709)
Purchase of investments		(270,612,237)	(28,781,748)
Proceeds on disposal of investments		138,705,660	66,410,229
Proceeds on disposal of tangible fixed assets		-	572
Interest received		1,193,406	59,521
Net cash (provided by)/used in investing activities		(130,893,948)	37,491,865
Net increase/(decrease) in cash and cash equivalents		(7,252,213)	1,236,917
Cash and cash equivalents at the beginning of the year		9,545,407	8,308,490
Cash and cash equivalents at end of year		2,293,194	9,545,407

	2023 £	2022 £
Cash generated from operations		
Surplus/(Deficit) for the year	124,977,367	(23,112,234)
Adjustment for:		
Investment income recognised in statement of financial activities	(1,193,405)	(59,521)
Loss on disposal of tangible fixed assets	-	-
Fair value gains and losses on investments	157,874	(57,245)
Depreciation and impairment of tangible fixed assets	163,875	178,988
Movement in working capital:		
(Increase)/decrease in debtors	(3,190,428)	41,127,786
(decrease)/increase in creditors	4,180,195	(2,798,164)
Increase in provision	-	-
Increase/(decrease) in deferred income	(1,453,743)	(51,534,558)
Net cash provided by operating activities	123,641,735	(36,254,948)

	2023 £	2022 £
Analysis of cash and cash equivalents		
Cash at bank and in hand	2,293,194	9,545,407
Total cash and cash equivalents	2,293,194	9,545,407

	As at 1 April 2022 £	Cash-flows £	As at 31 March 2023 £
Analysis of changes in net debt			
Cash at bank and in hand	9,545,407	(7,252,213)	2,293,194
Total	9,545,407	(7,252,213)	2,293,194

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

Accounting Policies

1 Charity Information

The Education Endowment Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 5th Floor, Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

In the event of the charitable company being wound up each of the members have agreed to contribute up to £1 each towards:

- payment of those debts and liabilities of the charity incurred;
- payment of the costs, charges and expenses of winding up; and
- the adjustment of rights of contributors among themselves.

2 Accounting convention

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the 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 (FRS102), (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Additional information has been provided where this increases understanding of the figures.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The company has taken advantage of the exemption under section 402 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the subsidiary's results are immaterial to the results of the group.

The following accounting policies have been applied consistently during the current and previous year except as defined below:

Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. Having reviewed forecasts prepared by management the Trustees are confident that the charity will continue to meet its obligations as they fall due and that therefore the going concern basis continues to be appropriate.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

Accounting policies (continued)

Income

All income is recognised in the Statement of Financial Activities once The Education Endowment Foundation has entitlement to the resources and is probable that the resources will be received within The Education Endowment Foundation or on its behalf and the monetary value of the incoming resources can be measured with sufficient reliability.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Grant income is deferred when the grants are received in advance and specified by the donor as relating to specific accounting periods; or alternatively which are subject to conditions which are still to be met and which are outside the control of the charity; or when it is uncertain whether the conditions can or will be met. These are deferred to the period to which they relate and released to incoming resources.

Investment income and associated tax recoverable is accounted for on a receivable basis.

Donated services and facilities are recognised as income and expenditure in the financial statements when companies and individuals offer their professional expertise pro bono. The value of these donated services and facilities to The Education Endowment Foundation is considered to be equal to market value which is based upon the valuation the professional or organisation places upon the time, services and facilities they have provided to The Education Endowment Foundation. All of these amounts are treated as unrestricted donations.

Interest Receivable

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

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred, which is when there is a legal or constructive obligation committing The Education Endowment Foundation to the expenditure. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds comprise the direct staff costs and other support costs associated with attracting voluntary income.

Investment management costs include the costs of:

- (a) Portfolio management
- (b) Obtaining Investment advice
- (c) Administration of the investments

Costs associated with acquiring and disposing of investments would normally form part of the acquisition cost of the investment or reduce the return on disposals. These costs are therefore not part of the investment management costs.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both the direct costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees, statutory reporting, legal costs and Trustee expenses linked to the strategic management of the charity.

Overhead and support costs have been allocated first between the cost of generating voluntary income, charitable activity and governance. Where overhead and support costs relating to costs of generating voluntary income and charitable activities cannot be directly allocated, these have been apportioned based on the head count for each activity.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

Accounting policies (continued)

Grants are recognised as expenditure in the year when the charity creates a legal or constructive obligation.

Following approval by the Board of Trustees, all grant awards made are subject to: (i) the recipient entering into a written, legally binding agreement, and (ii) a project review at each milestone as set out in the grant agreement. Under the terms of its agreements with grant recipients, which are considered to be performance related, The Education Endowment Foundation retains the discretion to withdraw its future funding commitment for a number of specified reasons, including failure to meet agreed performance milestones.

An obligation arises, and expenditure is recognised in the financial statements, when a funding agreement has been signed by both parties and evaluations by the charity confirm the milestones set out in the agreement and any other terms and conditions of funding have been satisfactorily met.

Grants payable but unpaid at the balance sheet date are recognised as grant commitments under creditors.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All assets costing more than £250 are capitalised.

Computer equipment	25-33% straight line
Fixtures and fittings	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Unlisted investments comprise investments in subsidiaries which are measured at cost less impairment.

Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

The Education Endowment Foundation 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 amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Taxation

The Education Endowment Foundation is a registered charity, number 07587909 and is exempt from corporation tax on its charitable activities under the provisions of Sections 466-493 of the Corporation Taxes Act 2010.

Leases

Operating lease costs are charged to the Statement of Financial Activities as incurred, on a straight line basis over the term of the lease.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

Accounting policies (continued)

Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense to the Statement of Financial Activities as they fall due.

Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Location of investment assets

The charity makes an estimate to calculate the level of investment assets held in the UK or overseas. Most asset held as investments are global assets and it requires an element of judgement to determine where the asset is held.

(ii) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic life and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future economic utilisation and the physical condition of the assets. See note 14 for the carrying value of tangible fixed assets and the accounting policies for the useful economic lives for each class of asset.

(iii) Gifts in kind

Gifts in kinds are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods. Where possible the value of services/goods are confirmed directly with the supplier however in some instances this information is not available and a best estimated is made of the expected cost of such goods based on what the charity would be willing to pay for similar services or goods at a market rate.

(iv) Capitalisation of website costs

Based on historic understanding and relationship with website developers, the development costs are split into two categories: maintenance costs for 30% and capitalised development costs adding significant capabilities and functionalities for 70%.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

3 Donations and legacies	Unrestricted funds	Restricted funds	2023 total	2022 total
	£	£	£	£
Donations and gifts	-	93,895	93,895	86,627
Grants	137,000,000	16,970,547	153,970,547	33,406,296
Donated services	728,472	-	728,472	409,483
	137,728,472	17,064,442	154,792,914	33,902,406
For the year ended 31 March 2022	409,483	33,492,923		33,902,406

	Unrestricted funds	Restricted funds	2023 total	2022 total
	£	£	£	£
Grants				
Department for Education	137,000,000	15,039,765	152,039,765	30,400,935
BHP Foundation	-	1,595,853	1,595,853	2,268,247
Cabinet Office	-	77,028	77,028	-
Kusuma Trust	-	97,000	97,000	-
Royal Society of Arts	-	(26,783)	(26,783)	-
ICG	-	-	-	500,000
Wellcome Trust	-	187,684	187,684	237,114
	137,000,000	16,970,547	153,970,547	33,406,296
For the year ended 31 March 2022	-	33,406,296		33,406,296

Donated services	Unrestricted funds	Restricted funds	2023 total	2022 total
	£	£	£	£
Freshfields	728,472	-	728,472	366,193
Bain & Co.	-	-	-	43,290
	728,472	-	728,472	409,483
For the year ended 31 March 2022	409,483	-		409,483

4 Income from other trading activities

	2023	2022
	£	£
Licensing of Teaching and Learning Toolkit	95,820	100,000
Commissioned research	-	35,064
	95,820	135,064

Licensing of Teaching and Learning Toolkit

Income from trading activities has arisen from the development and licencing of The Education Endowment Foundation resources to Social Ventures Australia, to La Caixa Foundation and to Queen Rania Foundation, all of which arose within the rest of the world.

Commissioned research

All of this income arose within the UK. All income from other trading activities are unrestricted funds for the current and prior year.

5 Investments

	2023	2022
	£	£
Income from listed investments	49,395	59,353
Interest receivable	1,144,010	168
	1,193,405	59,521

6 Raising funds

	Unrestricted fund	Restricted funds	2023 total	2022 total
	£	£	£	£
<u>Fundraising expenditure</u>				
Audit, accountancy and other finance costs	6	-	6	35
Office administration	7,164	-	7,164	6,545
Premises costs	5,215	-	5,215	9,722
Marketing and public relations	10,641	-	10,641	16,772
Staff costs	136,884	-	136,884	164,585
Other staff costs	7,359	-	7,359	6,102
Depreciation and impairment	5,622	-	5,622	8,302
	172,891	-	172,891	212,063

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

6 Raising funds (continued)

	Unrestricted fund £	Restricted funds £	2023 total £	2022 total £
<u>Investment management</u>	283,274	-	283,274	253,179
	<u>456,165</u>	<u>-</u>	<u>456,165</u>	<u>465,242</u>
For the year ended 31 March 2022				
Fundraising expenditure	212,063			212,063
Investment management	253,179	-		253,179
	<u>465,242</u>	<u>-</u>		<u>465,242</u>

7 Charitable activities

	2023 £	2022 £
Staff costs	3,947,462	3,304,203
Social security costs	407,397	122,495
Other pension costs	196,844	-
Other staff costs	100,478	-
Donated services	<u>728,472</u>	<u>409,483</u>
	5,380,653	3,836,181
Grant funding of activities (see note 8)	23,976,637	51,893,938
Share of support costs (see note 10)	1,017,522	944,181
Share of governance costs (see note 10)	<u>115,922</u>	<u>126,928</u>
	30,490,734	56,801,228
<u>Analysis by fund</u>		
Restricted funds	18,576,650	50,056,162
Unrestricted funds	<u>11,914,083</u>	<u>6,745,066</u>
	30,490,733	56,801,228

8 Grants payable

	2023 £	2022 £
Grants to institutions: See note 9	<u>23,976,637</u>	<u>51,893,938</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

9 Grants to institutions

		2023	2022
		£	£
SSAT	Embedding Formative Assessment scale up AF2	678,489	-
ARK	Mathematics Mastery Scale up AF2	1,268,158	-
Nottinghamshire County Council	Switch-on Reading Scale up AF2	258,200	-
Oxford University Innovation	Mathematical Reasoning	300,942	-
University of Roehampton	ASCENTS 121 Support for Science (re-grant)	904,187	-
University of Nottingham	Counting Collections	495,947	-
University of Nottingham	onebillion: app-based maths learning	(5,380)	-
Speech Link Multimedia Ltd	Infant Language Link	122,525	-
FFT Education	Reciprocal Reading (re-grant)	942,150	-
Queen's University Belfast and LexiaUK	Lexia Reading Core5® (re-grant)	1,036,515	-
Bath Spa University	Focus4TAPS	166,508	-
Carmel Education Trust	Leadership Lite	(1,000)	-
Childrens University	Regrant	2,730	-
University of Surrey	SPACE	252,243	-
National Children's Bureau	Making It REAL	523,076	-
Sheffield Hallam University	Frames for Learning	112,403	-
Edge Hill University	1stClass@Number 1	372,168	-
Elklan	Communication Friendly Settings	288,057	-
Sheringham Nursery & Children's Centre	Early Years Conversation Project	280,098	-
Speech and Language UK (I CAN)	Early Talk Boost	127,355	-
Goldsmiths University	Tales Toolkit	41,251	-
Elklan	Communication Friendly Home-based Settings	46,305	-
Sheffield Hallam University	Talk With Tales for Children (TWITCH)	352,184	-
National Children's Bureau	National Children's Bureau: United Against Bullying Plus	428,690	-
Communicate SLT	Hanen Learning Language & Loving it Capability Building	(24,180)	-
Coventry University	Peer Assisted Learning Strategies	(71,981)	-
Evidence for Learning (Australia)	Australian evidence into education in Australia	597,884	-
Birkbeck Counterintuitive		(4,038)	-
The Association of Colleges (AOC)	5Rs Approach to Maths Resits Efficacy	27,750	183,940
Association of Colleges	5 R's Revision Year	-	(67,000)
Ark Schools	English Mastery Efficacy AF	440,958	977,364
Ark UK Programmes	English Mastery	-	(79,043)
BIT	Embedding Formative Assessment Capability Building	-	126,604
BIT	1st Class @ number Capability Building	-	118,405
Bangor University	Headsprout Early Reading	-	(65,114)
CEI	Reciprocal Reading Capability building	(2,576)	40,710
CEI	Switch-on Reading Capability building	(21,053)	90,702
CEI	Thinking Doing Talking Science Capability building	9,947	121,530
Communicate SLT	Hanen Learning Language and Loving It	99,225	539,175
Childrens University	Regrant	-	62,426
eBase (Cameroon)	Global Trial Fund - Menstrual Hygiene Pilot	36,355	403,774
Edge Hill University	1stClass@Number Scale up	-	109,632
FFT Literacy	Reciprocal Reading Scale up	147,430	299,297
FFT Literacy	Reciprocal Reading Capability Building	(93,860)	93,860
Institute of Physics	Matched Timetabling	(22,398)	(88,606)
Notts County Council	Switch On Reading Scale up	(88,676)	257,749
Birkbeck University	Stop and Think Capability building	(1,953)	113,663
Leeds University	Glasses for Classes	-	206,537
Leeds University	REACH (Re-grant)	-	(67,709)
My Tutor	Schools Programme	-	(30,321)
Nottingham Trent University	Peer Assisted Learning Strategies (PALS) Efficacy	-	247,284
Outward Bound and Commando Joe	Adventure learning	-	(8,000)
Pedroza	Thinking, Doing, Talking Science Capability building	-	19,670
Pedroza	Mathematical Reasoning Capability building	-	12,110
Pedroza	1stClass@Number Capability building	-	12,110
Oxford University Innovation	Mathematical Reasoning Capability Building	-	212,495
Ruth Miskin Training TLIF	Read Write Inc Phonics	-	247,650
OxEd	Nuffield Early Language Project (NELI)	74,973	195,620
Queen Rania Foundation (Jordan)	Global Trial Fund - Let's Read Fluently	9,914	880,128
SSAT	Embedding Formative Assessment Scale Up	(383,791)	826,778
SUMMA (Chile)	Global Trial Fund - Conecta Ideas	5,138	(144,790)
SUMMA	Global Trial Fund - Learning Communities	75,443	-
SUMMA	Global Trial Fund - (EAC) Chile	65,834	-
SUMMA	Global Trial Fund - Kit Literacy	131,005	-
Tutor Trust	Tutor Trust Scale Up	-	250,000
University of Hertfordshire	Primary Science Quality Mark	(74)	(5,599)
University of York	TEEM UP	-	28,450

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

University of Exeter	Incredible Years Teacher Classroom Management	(89,760)	6,224
University of Leeds	Helping Handwriting Shine	-	(35,941)
Behavioural Insights Team	Behavioural Insights Team: BITUP	283,876	-
Behavioural Insights Team	Stop and Think	-	89,897
University of Oxford	The Orchestrating Numeracy and the Executive Project	995,127	-
University of Oxford	Nuffield Early Language Fourth Trial	112,590	(242,091)
Zenex Foundation (South Africa)	Global Trial Fund	(75,000)	90,000
3iE	Global Trial Fund related	4,000	-
Oxford University Press	Nuffield Early Language	-	7,587
Grants awarded to 33 Tuition Partners	National Tutoring Programme	-	35,622,014
Grants made to 5 regions and schools	Sunday Times appeal grant	12,100	357,800
Various international organisations	Global Fellowships	236,401	20,795
Various UK organisations	45 Early Stage Programme Development £27,000 - £45,00	1,652,000	-
		13,132,410	42,037,766
Scale up expenditure (research schools, advocacy and guidance reports)		4,596,345	2,732,670
Evaluation and research funding		6,247,882	7,123,502
Total grants, scale up activity and evaluation		23,976,637	51,893,938

The Education Endowment Foundation
Notes to the financial statements
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10 Support costs

	Support Costs	Governance costs	2023 total	2022 total
	£	£	£	£
Staff costs	-	53,565	53,565	62,670
Social security costs	-	5,947	5,947	6,489
Other pension costs	-	2,874	2,874	3,248
Other staff costs-Travel,recruitment etc	-	3,354	3,354	2,684
Office Administration	234,336	-	234,336	134,276
Premises costs	170,578	-	170,578	182,393
Legal and Professional	41,200	-	41,200	101,719
Marketing and public relations	348,043	-	348,043	344,092
Depreciation	183,880	-	183,880	170,327
Audit fees	-	16,608	16,608	17,340
Accountancy fees	39,485	33,574	73,059	45,871
	<u>1,017,522</u>	<u>115,922</u>	<u>1,133,444</u>	<u>1,071,109</u>

11 Auditor's remuneration

	2023 £	2022 £
Audit of the charity's annual accounts	<u>13,840</u>	<u>12,900</u>
Other audit- related assurance services		
Regularity report	<u>3,750</u>	<u>3,420</u>
Non- Audit services		
All other non-audit services	<u>3,900</u>	<u>3,540</u>
Total Non Audit fees	<u>3,900</u>	<u>3,540</u>

12 Trustees

None of the trustees or any persons connected with them received any remuneration from the charitable company during the year (2022: £nil).

There were no trustee expenses in the period under review (2022: £0 travel expenses).

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

13 Employees

Average monthly number of employees during the year:

	2023 number	2022 number
Chief Executive Officer	1	1
Grant making, evaluation and dissemination staff	68	54
Fundraising staff	1	1
Administration staff	13	8
	83	64

The key management personnel of the charity are considered to be the Chief Executive, Deputy Chief Executive, Director of Development and Communications, Director of Finance and Operations, NTP Secretariat Director, Director of Impact, Director of Research and the Board of Trustees.

The remuneration and employee benefits of key management personnel, amounted to £460,884 in the year under review (2022: £631,491).

Staff costs comprise:

	2023 £	2022 £
Salaries & wages	4,001,027	3,100,092
Social security costs	413,344	293,851
Other pension costs	199,718	147,251
	4,614,089	3,541,194

The number of employees whose annual remuneration was £60,000 or more were:

	2023 number	2022 number
£60,000 - £69,999	8	3
£70,000 - £79,999	1	-
£80,000 - £89,999	-	2
£100,000 - £109,999	1	-
£180,000 - £189,999	-	1
£190,000 to £199,999	1	-

14 Tangible fixed assets

	Fixtures and fittings £	Computers and IT Equipment £	Total £
Cost			
At 1 April 2022	88,403	2,038,530	2,126,933
Additions	(20,531)	201,308	180,777
Disposals			-
At 31 March 2023	67,872	2,239,838	2,307,710
Depreciation			
At 1 April 2022	87,480	1,665,867	1,753,347
Depreciation charged in the year	(19,679)	183,655	163,976
Eliminated on disposals			-
	67,801	1,849,522	1,917,323
Net Book Value			
At 31 March 2023	71	390,317	390,388
At 31 March 2022	923	372,663	373,586

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2023

15 Fixed Asset investments

	Listed investments £	Unlisted investments £	Cash in portfolio £	Total £
Cost or valuation at 1 April 2022	36,843,200	100	28,143,149	64,986,449
Additions	133,612,237	-	137,000,000	270,612,237
Revaluation changes	(157,876)	-	-	(157,876)
Disposals	(6,000,000)	-	(132,705,660)	(138,705,660)
At 31 March 2023	164,297,561	100	32,437,489	196,735,150
Carrying amount				
At 31 March 2023	164,297,561	100	32,437,489	196,735,150
At 31 March 2022	36,843,199	100	28,143,149	64,986,448
Historical cost	145,781,269	100	32,437,489	178,218,858

	2023 £	2022 £
Material Investments		
Fixed interest securities	111,890,464	24,647,426
Equities	45,867,236	9,057,418
Cash held within investment portfolio	33,333,733	28,143,149
Other	5,643,717	3,138,455
	196,735,150	64,986,448

The Trustees do not consider any individual investment within these amounts to be material

	2023 £	2022 £
Investments at fair value comprise:		
Investments held in the UK	108,463,046	26,072,151
Investments held overseas	88,272,104	38,914,297
	196,735,150	64,986,448

Fixed asset investments revalued

The above funds are invested in sterling denominated securities.

The Trustee appointed investment custodians are charged with safeguarding the investment assets of The Education Endowment Foundation. Their responsibilities include overseeing the reconciliation of the investment managers' records within their own.

16 Subsidiaries

These financial statements are separate charitable company financial statements for EEF Services Limited.

Details of the charitable company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
EEF Services Limited	5th Floor Millbank Tower, 21-24 Millbank, London SW1P 4QP	Dormant	Ordinary	100	

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	21,576	228,567
Grants receivable	3,640,835	427,732
Prepayments and accrued income	40,149	23,265
	3,702,560	679,564
Amounts falling due after more than one year:		
Grants receivable	207,617	40,185
Total debtors	3,910,177	719,749

The Education Endowment Foundation
Notes to the financial statements
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18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Trade creditors		150,302	302,329
Other taxation and social security		127,143	92,538
Deferred income	20	1,273,684	2,894,859
Grants accrued		10,590,266	7,272,509
Other creditors		65,534	34,534
Accruals		8,613,704	9,841,506
		<u>20,820,633</u>	<u>20,438,275</u>

19 Creditors greater than 1 year

	Notes	2023 £	2022 £
Deferred income	20	207,617	40,185
Grants accrued		4,685,310	2,508,648
		<u>4,892,927</u>	<u>2,548,833</u>

20 Deferred income

	2023 £	2022 £
Other deferred income	<u>1,481,301</u>	<u>2,935,044</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Current liabilities	1,273,684	2,894,859
Non current liabilities	<u>207,617</u>	<u>40,185</u>
	<u>1,481,301</u>	<u>2,935,044</u>

	2023 £	2022 £
Deferred income brought forward	2,935,044	54,469,602
Grants received in the year	152,516,804	11,064,934
Grants returned in the year	-	(29,184,555)
Grants recognised in the year	<u>(153,970,547)</u>	<u>(33,414,937)</u>
Deferred income carried forward	<u>1,481,301</u>	<u>2,935,044</u>

Deferred income represents grants received in advance. The income is deferred when the grant agreements are subject to conditions which are still to be met and which are outside the control of the charity or when grants or income are received in advance and specified by the donor or other party as relating to specific accounting periods.

The Education Endowment Foundation
Notes to the financial statements
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21 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £199,718 (2022: £147,251).

Contributions totalling £35,381 (2022: £25,233) were payable to the fund at the balance sheet date and are included in other creditors.

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2022	Movement in funds			Balance at 31 March 2023
		Income	Expenditure	Transfers	
National Tutoring Programme (DfE)	154,625	-	(154,625)	-	-
Nuffield Early Language Intervention (DfE)	-	112,590	(112,590)	-	-
Evidence Guardianship (DfE)	912,216	2,000,000	(1,969,174)	-	943,042
Accelerator Fund 1 (DfE)	1,166,569	1,640,875	(2,807,444)	-	-
Accelerator Fund 2 (DfE)	-	11,286,300	(11,286,300)	-	-
BHP Billiton Foundation	-	1,595,853	(1,595,853)	-	-
Cabinet Office	-	77,028	(55,173)	-	21,855
ICG	250,000	-	(250,000)	-	-
Kent Associate Research School	15,000	26,701	(31,701)	-	10,000
Kusuma Trust	-	97,000	(43,000)	-	54,000
Lincolnshire Associated Research School	-	22,000	(22,000)	-	-
Royal Society of Arts	-	(26,783)	26,783	-	-
Suffolk County Council	84,000	-	(25,789)	-	58,211
Sunday times Appeal	83,883	5,194	(12,100)	(76,977)	-
WELL Cumbria Associate Research School	10,000	40,000	(50,000)	-	-
Wellcome Trust	-	187,684	(187,684)	-	-
	<u>2,676,293</u>	<u>17,064,442</u>	<u>(18,576,650)</u>	<u>(76,977)</u>	<u>1,087,108</u>

Details of restricted funds

The DfE funding is restricted to four different streams of work: the National Tutoring Programme, the Nuffield Early Language Intervention, the Evidence Guardianship and Accelerator Fund 1 & 2.

The BHP Billiton Foundation fund is restricted funding to fund global trials with the EEF's international partners.

The Cabinet Office fund is restricted to the Evaluation Accelerator Fund programme aiming to accelerate the use of the EEF's archive.

ICG fund is restricted to funding two of the EEF's promising projects, Tutor Trust and Nuffield Early Language intervention.

Kent fund is restricted to funding a Kent Associate Research School.

Kusuma trust fund is restricted to funding early stage programmes on Cognitive Science.

A donation from an individual donor funded the Lincolnshire Associated Research School.

The Royal Society of Arts fund is restricted to a Cultural Learning fund.

Suffolk County Council fund is restricted to funding Regional delivery activity in Suffolk.

Sunday Times Appeal fund is restricted to supporting schools in disadvantaged communities.

WELL (Western Excellence in Learning and Leadership) fund is restricted to funding the Cumbria Associate Research School.

Wellcome Trust fund is restricted to funding collaborations between educators and neuroscientists to develop and evaluate the effectiveness of neuroscience-based educational interventions in the classroom designed to increase the attainment of pupils, particularly those from low-income families, to fund Science and Education trials and Science Teacher retention trials.

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22 Restricted funds (continued)

Restricted funds (prior year)

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021	Movement in funds			Balance at 31 March 2022
		Income	Expenditure	Transfers	
National Tutoring Programme (DfE)	16,022,546	23,316,251	(39,184,172)	-	154,625
Nuffield Early Language Intervention (DfE)	1,016,063	(285,136)	(739,568)	8,641	-
Evidence Guardianship (DfE)	1,638,716	1,000,000	(1,726,500)	-	912,216
Accelerator Fund 1 (DfE)	-	6,369,820	(5,203,251)	-	1,166,569
BHP Billiton Foundation	-	2,268,247	(2,268,247)	-	-
ICG	-	500,000	(250,000)	-	250,000
Kent Associate Research School	-	40,000	(25,000)	-	15,000
Lincolnshire Associated Research School	22,000	-	(22,000)	-	-
Suffolk County Council	100,000	-	(16,000)	-	84,000
Sunday Times Appeal	415,056	26,627	(357,800)	-	83,883
WELL Cumbria Associate Research School	-	20,000	(10,000)	-	10,000
Wellcome Trust	-	237,114	(253,624)	16,510	-
	<u>19,214,381</u>	<u>33,492,923</u>	<u>(50,056,162)</u>	<u>25,151</u>	<u>2,676,293</u>

Details of restricted funds

The DfE funding is restricted to four different streams of work: the National Tutoring Programme, the Nuffield Early Language Intervention, the Evidence Guardianship and Accelerator Fund 1.

The BHP Billiton Foundation fund is restricted funding to fund global trials with the EEF's international partners.

ICG fund is restricted to funding two of the EEF's promising projects, Tutor Trust and Nuffield Early Language intervention.

Kent fund is restricted to funding a Kent Associate Research School.

A donation from an individual donor to support funding the Lincolnshire Associated Research School.

Suffolk County Council fund is restricted to funding Regional delivery activity in Suffolk.

Sunday Times Appeal fund is restricted to supporting schools in disadvantaged communities.

WELL (Western Excellence in Learning and Leadership) fund is restricted to funding the Cumbria Associate Research School.

Wellcome Trust fund is restricted to funding collaborations between educators and neuroscientists to develop and evaluate the effectiveness of neuroscience-based educational interventions in the classroom designed to increase the attainment of pupils, particularly those from low-income families, to fund Science and Education trials and Science Teacher retention trials.

23 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	390,388	-	390,388
Investments	175,807,373	20,927,878	196,735,251
Current assets/(liabilities)	330,580	(14,947,843)	(14,617,263)
Long term liabilities	-	(4,892,927)	(4,892,927)
	<u>176,528,341</u>	<u>1,087,108</u>	<u>177,615,449</u>

Included within unrestricted funds is a reserve of £11,713,364 (2022: £8,742,646) relating to unrealised gains on investment assets.

The Education Endowment Foundation
Notes to the financial statements
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23 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	373,586	-	373,586
Investments	41,627,894	23,358,554	64,986,448
Current assets/(liabilities)	7,960,309	(18,133,428)	(10,173,119)
Long term liabilities	-	(2,548,833)	(2,548,833)
	<u>49,961,789</u>	<u>2,676,293</u>	<u>52,638,082</u>

24 Commitments under operating leases

The charity has the following future minimum lease payments under non-cancellable operating leases:

	2023 £	2022 £
<u>Land and buildings</u>		
Within 1 year	98,964	98,964
Between 2 - 5 years	<u>247,410</u>	<u>346,374</u>
	346,374	445,338

25 Related party transactions

Sir Peter Lampl, the Chairman of The Education Endowment Foundation is also the Chairman of the Sutton Trust. Sir Peter Gershon is a Trustee of the Sutton Trust. During the year the charity made payments of £25,652 (2022: £48,062 to the Sutton Trust for the use of office premises and related office administration expenses and reimbursed the Sutton Trust the sum of £2,190 (2022: £43,696) for payments made on behalf of The Education Endowment Foundation for staff costs, staff travel expenditure and sundry purchases.

At the year end the Sutton Trust was owed £5,236 (2022: owed £2) by The Education Endowment Foundation. This amount is included in other creditors.

Lucy Heller, a Trustee of the Education Endowment Foundation, is also the Chief Executive of Ark, an organisation the Education Endowment Foundation granted £1,709,116 in the year (2022: £898,321). The Education Endowment Foundation owed Ark £1,980,222 at the year end (2022: £825,329).

26 Post balance sheet events

The EEF gave notice to terminate the agreement with its digital services provider in April 2023 following an open and competitive procurement process, with effect from 30 June 2023. Following this notice, a dispute arose on two fronts: (i) the ownership of the intellectual property in certain works created by the service provider for EEF of for use by EEF and (ii) claimed entitlement to payment of an invoice for services allegedly provided but not invoiced since 2018. Both organisations agreed to go into mediation to avoid court proceedings and reached an agreement on terms of full and final settlement of any and all claims made. The amount settled by the EEF was £130,000 and full intellectual property transferred to the EEF. This amount will be recorded as expenditure in the accounts for the year ending 31 March 2024.



Issuer EEF

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Mon, 20th Nov 2023 12:38:24 UTC	Chairman - Signer (35b0dc98f803c3980d88a696d5b13e64)
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Date	Action
Mon, 20th Nov 2023 12:38:25 UTC	Chairman viewed the envelope (51.155.193.152)
Mon, 20th Nov 2023 12:38:24 UTC	Document emailed to anne-laure.bedouet@eefoundation.org.uk (18.132.17.42)
Mon, 20th Nov 2023 12:38:24 UTC	This envelope has been signed by all parties (51.155.193.152)
Mon, 20th Nov 2023 12:38:24 UTC	Sent the envelope to Anne-Laure Bedouet (anne-laure.bedouet@eefoundation.org.uk) for signing (51.155.193.152)
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