

Company number: 1686164

Charity Number: 286621

# Edge Foundation

Report and financial statements

For the year ended 31 December 2018



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For the year ended 31 December 2018

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## Edge Foundation

### Reference and administrative information

For the year ended 31 December 2018

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Company number 1686164

Charity number 286621

Registered office and operational address 4 Millbank, Westminster  
London, SW1P 3JA

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

Rt. Hon. Lord Baker of Dorking C.H. Chair (resigned as Chair November 2018)

Neil Bates Chair (appointed Chair March 2019)

Rt. Hon. Lord Adonis (resigned June 2018)

Pauline Daniyan

Sir Garry Hawkes

Toby Peyton-Jones

Professor Colin Riordan

Sir Kevin Satchwell (resigned April 2019)

Andrew Stevens

<b>Key management personnel</b>	Alice Barnard	Chief Executive
	Oliver Newton	Director of Policy & Research

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

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

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

The trustees present their report and the audited financial statements for the year ended 31 December 2018.

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

## 1. Purpose, aims, objectives and activities

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

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

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

Working towards these, Edge had the following objectives during 2018:

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

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

## 2. Strategic report

All activities are undertaken to further the Foundation's charitable purposes for the public benefit.

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

### Research Review Group (AIMS: 1–5)

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

This year, Edge has built on the success of the Research Review Group by leading a series of more specific research groups, including on skills shortages in the UK economy, comparing the skills and FE systems in the four countries of the UK and education in an island setting.

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

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

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

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

### Primary Research (AIMS: 1–5)

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

This year, we worked with World Skills UK to undertake primary research looking at the impact of skills competitions, particularly for those participants who did not progress or win a medal. This piece of work found that even for this group, taking part in the training and competition had a positive impact on their learning and experience.

We also led primary research in partnership with Education and Employers and the National Education Union to understand the skills that employers are looking for in their future workforce and the extent to which teachers believe that these skills are being provided in schools. This was published in our *Joint Dialogue* report, which can be downloaded at

[http://www.edge.co.uk/sites/default/files/documents/joint\\_dialogue\\_-\\_final\\_report\\_2.pdf](http://www.edge.co.uk/sites/default/files/documents/joint_dialogue_-_final_report_2.pdf).

#### **External Research (AIMS: 1–5)**

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

Key pieces of external research this year have included:

##### ***UK Skills Project (AIMS 1–5)***

The Edge Foundation commissioned jointly with the Department for Education and City and Guilds a project to understand and compare the skills systems in each of the four nations of the UK with a view to finding and sharing the most effective and transferable practice. This has been hugely valuable and has led to the foundation of an ongoing group looking at comparative assessment of the systems in each of the four nations.

You can download the full report at:

[http://www.edge.co.uk/sites/default/files/documents/fe\\_and\\_skills\\_across\\_the\\_four\\_countries\\_of\\_the\\_uk\\_final.pdf](http://www.edge.co.uk/sites/default/files/documents/fe_and_skills_across_the_four_countries_of_the_uk_final.pdf).

##### ***Evaluation of University Technical Colleges (AIMS: 2, 3)***

In partnership with the Royal Academy of Engineering, Edge commissioned a research project over two years looking at how University Technical Colleges work, their curriculum and delivery. The first phase was published in 2017, the second in 2018. The latest report featured the three best UTCs and focused on their ability to deliver 'gold standard' project based learning and employer engagement.

You can download the full report at:

[http://www.edge.co.uk/sites/default/files/documents/utc\\_report\\_-\\_phase\\_2\\_final.pdf](http://www.edge.co.uk/sites/default/files/documents/utc_report_-_phase_2_final.pdf).

##### ***Evaluation of the CREATE Framework in Studio Schools (AIMS: 2, 3)***

Edge commissioned Oxford University's SKOPE research centre to look at the way in which the CREATE curriculum and framework has been used within Studio Schools, with an eye to drawing out broader lessons for the Studio School Network and for the introduction of innovative approaches into the education system more generally.

You can download the full report at: <http://www.edge.co.uk/research-policy/external-research>.

### Study Visits (AIMS: 1–5)

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

- A visit to Finland to understand more about the school and further education system in early June.
- Joining a two day conference in Detroit, Michigan which brought together the 30 Superintendents of school districts currently running the Ford Next Generation Learning model of high school transformation, where we presented details of our pilot in the North East of England and secured further input and assistance with that work.
- Some of the team travelled to Northern Ireland and the Republic of Ireland on study visits to understand the exciting developments on apprenticeships in both countries 2019.

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

### Publications (AIMS 1 – 5)

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

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

Edge began publishing a termly bulletin bringing together the latest evidence on the size and shape of skills shortages in the UK economy. Each bulletin features articles on the latest reports or data in this area as well as a focus on a particular sector of the economy. The 2018 bulletins looked at engineering, the tech sector and the creative and cultural industries. These have built a strong following in the education sector and we will continue to produce these during 2019.

You can read the first three bulletins at:

- [http://www.edge.co.uk/sites/default/files/documents/final\\_skills\\_shortage\\_bulletin\\_web\\_2.pdf](http://www.edge.co.uk/sites/default/files/documents/final_skills_shortage_bulletin_web_2.pdf).
- [http://www.edge.co.uk/sites/default/files/documents/skills\\_shortage\\_bulletin\\_2\\_final\\_1.pdf](http://www.edge.co.uk/sites/default/files/documents/skills_shortage_bulletin_2_final_1.pdf)
- [http://www.edge.co.uk/sites/default/files/documents/skills\\_shortage\\_bulletin\\_3\\_final.pdf](http://www.edge.co.uk/sites/default/files/documents/skills_shortage_bulletin_3_final.pdf).

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

Edge is leading a series of debates in partnership with Kings College London and the UCL Institute of Education to discuss the fundamental principles of education philosophy in the context of the English vocational education system. Following our first public debate on this topic, we published an initial report in early 2018.

You can download this at <http://www.edge.co.uk/PhilosophyOfVocationalEducation>.

### Towards a Twenty First Century Education System (AIM: 3)

We published our latest major policy report, Towards a Twenty-First Century Education System: Edge Future Learning in early November. This report sets out our latest research and thinking about how schools and colleges can best help young people to develop the skills and attributes they will need for their future life and work. It features case studies of leading practice from home and abroad and lays out our plans for future work over the coming year. The pamphlet received very widespread and positive responses and Robert Halfon MP, chair of the Education Select Committee has agreed to keynote a seminar on the report in early February 2019.

To read the report go to:

[www.edge.co.uk/sites/default/files/documents/edge\\_future\\_learning\\_rep](http://www.edge.co.uk/sites/default/files/documents/edge_future_learning_rep)

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

### Edge Future Learning (AIMS 1-3)

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

In the North East, we have been working with leaders and teachers in three schools to integrate some of the successful approaches, supported by our partner schools and projects. Pupils are engaging in interactive projects, working directly with local businesses and community organisations to bring the curriculum to life.

Find out more at:

[http://www.edge.co.uk/sites/default/files/documents/edge\\_future\\_learning\\_report\\_final.pdf](http://www.edge.co.uk/sites/default/files/documents/edge_future_learning_report_final.pdf)

Or watch our first films about the work at:

<https://www.youtube.com/watch?v=rsgVw5oxk9k> and

<https://www.youtube.com/watch?v=sBTuogOkkw0>. We will be expanding this approach during 2019 and beyond.

### **Career Footsteps (AIMS: 1-2)**

It was another year of successful events in schools and colleges with the Inspiring the Future team from our partners, Education and Employers. At over 330 events in schools and colleges across the UK, we connected with over 48,000 young people. Over 600 volunteers talked about their careers and the vocational education pathways they'd taken to get there.

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

The Edge Hotel School, now part of the humanities faculty at the University of Essex, continues to offer a different approach to higher education, offering accelerated degrees in Hotel Management and Events Management with Hospitality, together with working alongside professionals in the 4\* Wivenhoe House hotel. July saw a further 51 young professionals graduate to take their places in the global hospitality and events industry.

The Hotel School's students were media stars in 2018 as their campaign to get the nation cooking mathematically better roast potatoes become the hot item in the press – culminating with an appearance by two students on ITV's flagship programme This Morning, demonstrating the EHS 'cut' to presenters Eamonn and Ruth.

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

### **Edge Grant Fund (AIMS 1-5)**

In 2018 we opened up the Edge Grant Fund for the second of the three funding rounds. Applications were invited for projects addressing one or more of the following funding themes:

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

From over 300 initial applications, 39 projects made it through to the final stages and the successful grant recipients will be announced in early 2019.

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

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

Edge continues to support the AoC Beacon Awards, sponsoring the award for Excellence in the Practical Delivery of Technical and Professional Learning for the 2018/19 Academic Year. Three finalist colleges were selected for visits and the eventual winner will be chosen from: Grimsby Institute for Further & Higher Education; Wiltshire College and East Kent College Group. The successful college will be announced at the prestigious TES FE Awards event in March 2019.

Find out more at: <http://www.edge.co.uk/news/edge-news/wiltshire-college-wins-edge-sponsored-beacon-award>

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

Edge supported a number of partner organisations during 2018 to develop and test different approaches to successful technical and professional education. These included:

- Ongoing work with Bulwell Academy in Nottingham, Milton Keynes Academy and Madeley Academy in Telford to integrate excellent technical and professional education and employer engagement into these schools. All three became part of Multi Academy Trusts. Madeley transferred to the Thomas Telford MAT, Bulwell Academy and Milton Keynes Academy both completed the move to The Creative Education Trust during the year.
- Supporting the Baker Dearing Trust, Studio Schools Trust (now Studio Schools Network) and Career College Trust in their work to develop a range of institutions providing high quality technical and professional education to 14-19 year olds.

D. Support a strong network of policy makers and opinion formers to champion our aims and ensure our work receives full consideration as part of the policy process.

### **Responses to Consultations and Select Committees (AIMS: 1-5)**

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

In early February, Edge's Chief Executive was invited to give evidence to the Education Select Committee for an inquiry on 'value for money in higher education'. She told the committee that universities are not necessarily the only institutions capable of delivering the knowledge and skills students need, and that we should look afresh at the breadth of possibilities to deliver higher education.

She added that there is 'a very traditional set-up of three-year undergraduate degrees,' and that 'compressed degrees can be more cost effective, both in terms of tuition fees and living costs'. She highlighted sandwich courses as often being a good option as they are more readily linked to employers.

### **All-Party Parliamentary Group (AIM: 3)**

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

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### Trustees' annual report

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we jointly hosted a panel discussion chaired by Bim Afoloami MP, debating technical and vocational provision in higher education.

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

Edge led a full programme of parliamentary affairs during 2018 to raise the profile of technical and professional education in both Houses. This included:

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

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

Find out more at: <http://www.edge.co.uk/news/edge-news/apprentices-have-the-metaskills-which-give-them-the-edge-over-graduates>.

#### Edge Website (AIMS: 1-5)

Edge continues to update and add content to its recently re-designed website. The aim is to ensure that it is engaging and interactive and to update it with all of the latest information about the Foundation's work.

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

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

##### Project Showcase

Edge hosted an event to showcase six previous recipients of Edge funding. Over 50 guests, including Edge's Royal Patron, HRH The Duke of Kent, attended and were able to meet teaching staff and students from the exhibiting projects. There was also a roundtable event where potential applicants for the 2018 Edge Grant Fund were able to meet and question representatives from projects previously funded by Edge.

##### Annual Lecture

This year the theme for the annual lecture was The Importance of Creativity in the Curriculum and there was no better venue than our hosts at the V&A Museum of Childhood. Director of the V&A, Tristram Hunt, gave a keynote address in which he highlighted the value and importance of studying creative subjects in schools to a whole breadth of careers, not just for artists or

Professor Kneebone

Professor Kneebone spoke on BBC Radio 4 about the importance of science and surgical students' lack of tactile skills with subjects being driven off the curriculum. We attracted wide national media attention and brought an important issue into the spotlight.

Reflecting the Museum's current exhibition, A Pirate's Life for Me, we encouraged educators to be 'more pirate'.

### **TES Awards**

In addition to the TES FE Awards, in 2018 Edge was also a headline sponsor of the TES Schools Awards, reflecting our growing relationship with the schools community.

In February we were delighted to present the Award for Employer Engagement to Stephenson College in Leicester. The college has developed a strong partnership with the Volvo Group enabling lecturers to spend time in industry, keep their knowledge up-to-date and ensure students are trained in the latest technology.

Brookside Academy in Street is Somerset's largest primary school with 600 children. Its ethos of community and collaboration not only supports its students and their families, but new training and employment opportunities in the local area including employing 17 apprentices. Alice Barnard presented them with the award for Community and Collaboration at the TES Schools Awards ceremony in June.

### **Events**

Edge was very excited to work with outdoors arts company Emergency Exit Arts on a community enrichment event in December. For the Innovators Imaginarium, artists and industry professionals worked in schools in Southwark drawing on the work of inventors and originators connected with the borough.

Inspired by historic characters such as Charles Babbage and Octavia Hill, 120 students from two local primary schools worked with experts in the fields of technology, engineering and innovation, and artists, to design and create large scale moving inventions. The finale was an illuminated procession with the children, their parents and carers and the local community culminating in an event in the park. It affirmed the need to continue to embrace a more STEAM-based approach to learning, supporting one of Edge's key policies on the curriculum.

Edge supported the conference, Developing Careers Guidance through the Gatsby Benchmarks, held at London South Bank University in June 2018. This event enabled careers practitioners to share best practice and meet interested and engaged employers.

Edge also supported the Whole Education Annual Conference in February 2018, which brought together many of the schools, colleges and educators that form the Whole Education network.

## **Edge Foundation**

### **Trustees' annual report**

**For the year ended 31 December 2018**

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#### **Edge Future Learning North East pilot**

Evening Chronicle (Newcastle)  
Newcastle Journal  
NE Connected

#### **Annual Lecture Event at the Museum of Childhood**

Extensive national coverage through the day which began with an interview with one of the panel, Professor Roger Kneebone, on BBC Radio 4's Today programme. It was also covered by:

BBC online  
Daily Mail  
Metro.co.uk  
PA News Wire  
Thetimes.co.uk  
Independent.co.uk  
Theguardian.com  
iNews.co.uk  
Evening Standard  
The Daily Telegraph  
The Guardian  
The Times  
Independent  
Times Scotland  
The Stage  
Onmedica.com

This gave an audience reach of 60,129,974 and an advertising value equivalent of 145,051.27.

All included mentions of Edge and carried Alice's quote.

We tweeted from our account (@ukEdge) 22 times over the course of the day, and these tweets received a combined total of 11,435 impressions (over five times our daily average of around 2,000), 79 likes and 53 retweets. This increased activity resulted in 87 new followers taking our current total to 8,543.

#### **Social media**

Our social media strategy has focused on generating online conversations and quality engagement. We were roughly in line with our target to grow our Twitter followers by 10% year on year.

Twitter Followers on 31<sup>st</sup> December 2017 = 7,883

Twitter Followers on 31<sup>st</sup> December 2018 = 8,633

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### Trustees' annual report

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Twitter Impression 2017 = 772,000

Twitter Impressions 2018 = 805,500

#### Website

We have put effort and resource into increasing the quality and the turnover of content on the Edge website with the result of a 62% increase in views.

Website Views 2017 = 73,638

Website Views 2018 = 118,315

The website has also been updated to highlight Edge publications on the home page and the creation of a new tab for Edge Future Learning.

### 3. Plans for the future

The Edge Foundation will continue to position itself as the leading charity promoting innovative models of education to prepare people for their future careers, from primary school right through to lifelong learning.

Over the next year, Edge wants to focus on providing constructive solutions that redefine the debate. This will include:

- Developing and expanding Edge Future Learning to offer schools the support they need to transform and enrich the learning experience in their school or college by engaging with employers, offering externships for teachers with local businesses, developing and delivering real, rich and relevant curriculum projects. Securing funding from partners to allow Edge to increase its reach and utilise its funds as effectively as possible.
- Securing commissioned research work from likeminded stakeholders and expanding the research and policy team to develop further capacity.
- Announcing the successful recipients of the 2018 Edge Grant Fund, which will focus tightly on exemplifying our principles in practice and beginning to work with them on projects to deliver innovative technical and professional education.
- Working closely with partners to develop new destinations measures with emphasis on gaining access to the LEO data.

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

- Chairing the Research Review Group and other specific research groups to provide a forum to share plans and results of research on technical and professional education.
- Continuing to coordinate a programme of support for early career researchers to train the next generation of academics in this field.
- Establishing an international Edge Future Learning network to share practice and champion this approach.
- Continuing to develop the UK Skills Group to develop links between skills policy in all four nations of the UK.
- Continuing to support the All Party Parliamentary Group on 14–19 Education to provide a regular opportunity for parliamentarians to debate the key issues affecting this stage of education.

## 4. Financial review

Total income for the year was £0.7m (2017: £0.6m), the majority of which is investment income. Resources expended during the year were £2.4m (2017 : 2.6m), which resulted in net outgoing resources before investment disposals or revaluations of £1.7m (2017: £1.9m). After a reduction in the value of investments of £1.7m (2017 : gain of £1.2.m) the result was a deficit of £3.5m (2017 surplus: £0.7m). Net assets at 31 December 2018 were £28.5m (2017 : £31.9m) which including £26.1 m (2017 : £30.9m) held as long term investments. During the year £3m was withdrawn from the long term investment fund to finance current and future projects.

### Principal risks and uncertainties

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

The principal risks are:

- Edge may have an insufficiently clear purpose, mission and direction. This risk is mitigated by the Trustees developing a clear strategy in conjunction with the Senior Management. The Senior Management is then responsible for implementing. If deemed necessary additional Trustee meetings are held specifically to review and/or revise strategy. Strategy is reviewed on an annual basis as part of the annual budgeting process.
- A conflict of interest may arise among Trustees, particularly in terms of loyalties to the Edge 'family' of charities – notably the Baker Dearing Educational Trust and the Career Colleges Trust. To mitigate this risk, Edge has a clear conflicts of interest policy, including conflicted Trustees absenting themselves from meetings when conflicted and abstaining from taking any part in conflicted decisions. When necessary Edge specifically recruits non-conflicted Trustees to ensure independence is maintained.
- Association with a failed project may cause damage to Edge's reputation. To mitigate this risk, an assessment process is carried out by senior staff prior to any new project being funded. Major risks are highlighted to the board of trustees prior to approval of the project. Projects are closely monitored by senior staff and any emerging issues are reported to the board of trustees.

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

### Reserves policy and going concern

At 31 December 2018 the reserves of Edge are £28.5m (2017 : £31.9m). The charity's reserves are required to provide sufficient income to cover the budgeted annual expenditure. Edge does not have any other significant sources of income and its therefore reliant on the reserves to generate sufficient return for its on-going operations. The Board approves expenditure of the reserves to increase the effectiveness of the charity over the medium term. For 2019 it has approved £3.5Million of expenditure.

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

The charity's investment policy during 2018 included a target to obtain a return of between 3 and 4%p.a. from the portfolio without diminishing the capital value of the fund (adjusted for inflation). The net return achieved in 2018 was disappointing and there was a reduction of £1.7M or 5% in the value of the investments. There was a marked reduction in the value of the investments in late 2018 that has led to a re-structuring of the investments in 2019. Investments cover a wide range of assets including overseas and UK equities and bonds. The Finance Committee continues to commission independent reports on the performance and strategy of the investment funds, ensuring the policy remains appropriate to changing circumstances

#### **Fund Raising policy**

The trustees are aware of their obligations under the Charities Act to report the charity's fundraising policy. We occasionally engage with statutory funders, trust and foundations in order to raise our income but do not engage in public fundraising.

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

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

#### **Appointment of trustees**

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

#### **Trustee induction and training**

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

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

See note 20 for details of related parties and connected organisations.

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

The trustees consider the board of trustees and the Chief Executive as comprising the key management team of the charity. No Trustees receive any remuneration. The remuneration of the Chief Executive is reviewed annually by the Chairman and generally increased in accordance with current annual inflation rates. Board approval is also required for any increase in remuneration for the Chief Executive, the Board also approves the annual pay rises for all staff. Remuneration is

also bench-marked initially with similar organisations to ensure fair and in line with general remuneration levels for similar roles.

**Grant making policy**

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

**Statement of responsibilities of the trustees**

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Trustees' annual report

For the year ended 31 December 2018

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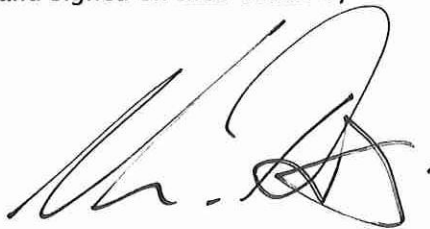
Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 8 (2017:9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

**Auditors**

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

The trustees' annual report which includes the strategic report has been approved by the trustees on 3 July 2019 and signed on their behalf by

Neil Bates  
Chairman

A handwritten signature in black ink, appearing to be 'N. Bates', written over a horizontal line.

## Independent auditors' report

To the members of

Edge Foundation

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### Opinion

We have audited the financial statements of Edge Foundation (the 'charitable company') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

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

## Independent auditors' report

To the members of

### Edge Foundation

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditors' report

### To the members of

#### Edge Foundation

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In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

## Independent auditors' report

To the members of

Edge Foundation

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### Use of our report

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

Noelia Serrano (Senior statutory auditor)

Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Edge Foundation

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

For the year ended 31 December 2018

	Note	Unrestricted £'000	Restricted £'000	2018 Total £'000	2017 Total £'000
<b>Income from:</b>					
Charitable activities	2	-	76	76	-
Investments	3	626	-	626	639
<b>Total income</b>		<b>626</b>	<b>76</b>	<b>702</b>	<b>639</b>
<b>Expenditure on:</b>					
Raising funds	4	195	-	195	233
Charitable activities					
Research	4	674	-	674	326
Promotion and PR	4	255	-	255	252
Public Affairs	4	154	-	154	176
Education	4	1,062	70	1,132	1,575
<b>Total expenditure</b>		<b>2,340</b>	<b>70</b>	<b>2,410</b>	<b>2,562</b>
<b>Net expenditure before net gains on investments</b>		<b>(1,714)</b>	<b>6</b>	<b>(1,708)</b>	<b>(1,923)</b>
<b>Gains / (Loss) on investments</b>		<b>(1,748)</b>	<b>-</b>	<b>(1,748)</b>	<b>1,225</b>
<b>Net (expenditure)/income for the year and movement in funds</b>		<b>(3,462)</b>	<b>6</b>	<b>(3,456)</b>	<b>(698)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		31,968	-	31,968	32,666
<b>Total funds carried forward</b>		<b>28,506</b>	<b>6</b>	<b>28,512</b>	<b>31,968</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 1 to the financial statements.

Edge Foundation

Balance sheet

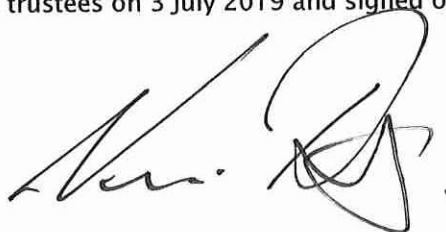
Company no. 1686164

As at 31 December 2018

	Note	£'000	2018 £'000	£'000	2017 £'000
<b>Fixed assets:</b>					
Tangible assets	10		16		19
Investments	11		26,147		30,975
			<u>26,163</u>		<u>30,994</u>
<b>Current assets:</b>					
Debtors	12	129		131	
Cash at bank and in hand		3,018		1,824	
		<u>3,147</u>		<u>1,955</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	754		912	
				<u>912</u>	
<b>Net current assets</b>			<u>2,393</u>		<u>1,043</u>
<b>Total assets less current liabilities</b>			<u>28,556</u>		<u>32,037</u>
Creditors: amounts falling due after one year	15		(44)		(69)
			<u>(44)</u>		<u>(69)</u>
<b>Total net assets</b>			<u><u>28,512</u></u>		<u><u>31,968</u></u>
<b>The funds of the charity:</b>	16				
Restricted income funds			6		-
Unrestricted income funds:					
Revaluation reserve			2,767		4,966
General funds			<u>25,739</u>		<u>27,002</u>
<b>Total charity funds</b>			<u><u>28,512</u></u>		<u><u>31,968</u></u>

Approved by the trustees on 3 July 2019 and signed on their behalf by

Neil Bates  
Chairman



Edge Foundation

Statement of cash flows

For the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities	16		
Net cash (used in) operating activities		(2,310)	(2,079)
Cash flows from investing activities:			
Dividends, interest and rents from investments		626	639
Purchase of fixed assets		(7)	(5)
Capital drawdown from investments		2,885	890
Net cash provided by investing activities		<u>3,504</u>	<u>1,524</u>
Change in cash and cash equivalents in the year		1,194	(555)
Cash and cash equivalents at the beginning of the year		<u>1,824</u>	<u>2,379</u>
Cash and cash equivalents at the end of the year	17	<u><u>3,018</u></u>	<u><u>1,824</u></u>

**1 Accounting policies**

**a) Statutory information**

Edge Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 4 Millbank, Westminster, London, SW1P 3JA.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

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

**c) Public benefit entity**

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

**d) Going concern**

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

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

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

**e) Income**

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

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

**f) Interest receivable**

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

**g) Fund accounting**

All the charities funds are unrestricted funds and accounted for as such. Funds are mainly generated from the long term investment fund.

**h) Expenditure and irrecoverable VAT**

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

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

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

**1 Accounting policies (continued)**

**i) Allocation of support costs**

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

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

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

● Promotion and PR	14%
● Public Affairs	9%
● Education	26%
● Research	37%
● Support costs	11%
● Governance costs	3%

**j) Operating leases**

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

**k) Tangible fixed assets**

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

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

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

**l) Listed investments**

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

**m) Debtors**

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

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

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

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

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

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

**p) Grants Payable**

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

**q) Pensions**

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

**2 Income from charitable activities**

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Global Giving Foundation	-	76	76	-
	-	76	76	-

**3 Income from investments**

	2018 Total Unrestricted £	2017 Total Unrestricted £
Income from long term investments	617	636
Interest on cash at bank	9	3
	626	639

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2018

4a Analysis of expenditure

	Cost of raising funds £'000	Charitable activities					Support costs £'000	2018 Total £'000	2017 Total £'000
		Research £'000	Promotion and PR £'000	Public Affairs £'000	Education £'000	Governance costs £'000			
Staff costs	-	256	99	63	180	19	75	692	582
Research	-	209	-	-	-	-	-	209	86
Public Affairs	-	-	-	41	-	-	-	41	39
Academies	-	-	-	-	26	-	-	26	2
Career Footsteps	-	-	-	-	30	-	-	30	70
Edge Hotel School – Hotel Future	-	-	-	-	44	-	-	44	25
Give Yourself the Edge	-	-	-	-	27	-	-	27	128
Grant Fund Monitoring	-	-	-	-	1	-	-	1	1
Edge Grant Fund	-	-	-	-	-	-	-	-	940
AOC Beacon Awards	-	-	-	-	15	-	-	15	17
Career Colleges Trust	-	-	-	-	-	-	-	-	1
The Mental Health Project	-	-	-	-	15	-	-	15	-
Next Generation Learning	-	-	-	-	241	-	-	241	49
Grants to Partners	-	-	-	-	379	-	-	379	20
Other grants and sponsorship	-	-	-	-	28	-	-	28	-
Communications	-	-	42	-	-	-	-	42	49
Edge Events	-	-	33	-	-	-	-	33	-
Other employee costs	-	15	6	4	11	1	4	41	27
Premises and office costs	-	70	27	17	49	5	21	189	195
Administration and IT costs	-	60	23	14	42	5	18	162	98
Investment Management fees	195	-	-	-	-	-	-	195	233
	195	610	230	139	1,087	30	118	2,410	2,562
overheads / salary allocation	0%	37%	14%	9%	26%	3%	11%		
Support costs		50	20	12	35		(118)	-	-
Governance costs	-	13	5	3	9	(30)	-	-	-
Total expenditure 2018	195	674	255	154	1,132		-	2,410	
Total expenditure 2017	216	327	333	187	460	-	-		2,562

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2018

4b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Charitable activities					Support costs £'000	2017 Total £'000	2016 Total £'000
		Research £'000	Promotion and PR £'000	Public Affairs £'000	Education £'000	Governance costs £'000			
Staff costs	-	126	107	72	170	25	82	582	573
Research	-	86	-	-	-	-	-	86	57
Public Affairs	-	-	-	39	-	-	-	39	18
Academies	-	-	-	-	2	-	-	2	52
Career Footsteps	-	-	-	-	70	-	-	70	59
Edge Hotel School – Hotel Future	-	-	-	-	25	-	-	25	13
Give Yourself the Edge	-	-	-	-	128	-	-	128	-
Grant Fund Monitoring	-	-	-	-	1	-	-	1	-
Edge Grant Fund	-	-	-	-	940	-	-	940	-
AOC Beacon Awards	-	-	-	-	17	-	-	17	-
Career Colleges Trust	-	-	-	-	1	-	-	1	170
Test Bed Towns	-	-	-	-	-	-	-	-	47
Next Generation Learning	-	-	-	-	49	-	-	49	-
Grants to Partners	-	-	-	-	20	-	-	20	-
Other grants and sponsorship	-	-	-	-	-	-	-	-	53
Release of unused prior year grants	-	-	-	-	-	-	-	-	(110)
Communications	-	-	49	-	-	-	-	49	-
Other employee costs	-	6	5	3	8	1	4	27	79
Premises and office costs	-	42	36	24	57	8	28	195	200
Administration and IT costs	-	21	18	12	29	4	14	98	96
Investment Management fees	233	-	-	-	-	-	-	233	216
	233	282	215	150	1,516	39	127	2,562	1,523
Support costs		34	29	19	46		(127)	-	-
Governance costs	-	10	9	6	14	(39)	-	-	-
Total expenditure 2017	233	326	252	176	1,575	-	-	2,562	1,523
Total expenditure 2016	216	327	333	187	460	-	-		

# Edge Foundation

## Notes to the financial statements

For the year ended 31 December 2018

### 5 Grant making

	2018 £'000	2017 £'000
<b>Cost</b>		
Baker Dearing Trust	375	-
Ford Next Generation Learning	178	49
UCL	42	12
Edge Hotel School	30	100
Milton Keynes Academy	27	-
Give yourself the Edge	24	-
NFER – Other	20	48
AoC Beacon Awards	20	-
NFER – Evaluations	14	9
Bulwell Academy	12	15
Liverpool Studio School	-	100
Bridgwater & Taunton College	-	100
Doncaster Chamber of Commerce	-	100
Blackburn College	-	100
Career Ready	-	88
Grimsby Institute of F & HE	-	79
Studio Schools Research Project	-	75
St Joseph's RC Academy	-	61
Education & Employers Task Force	-	50
Teach First	-	50
St Helen's Chamber of Commerce	-	45
Studio Schools 2016	-	20
Edge Challenge	-	-
International Centre for Guidance Studies	-	-
At the end of the year	<b>742</b>	<b>1,101</b>

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

### 6 Net outgoing resources for the year

This is stated after charging:

	2018 £'000	2017 £'000
Depreciation	10	8
Operating lease rentals:		
Property	120	120
Other	6	6
Auditors' remuneration (excluding VAT):		
Audit	10	8
Under-accrual in prior year	1	3

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

Staff costs were as follows:

	2018 £'000	2017 £'000
Salaries and wages	559	434
Social security costs	60	49
Employer's contribution to defined contribution pension schemes	29	17
Other forms of employee benefits	5	3
Other 3rd parties and secondments	39	79
	<u>692</u>	<u>582</u>

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

	2018 No.	2017 No.
£60,000 – £69,999	1	1
£110,000 – £119,999	1	1
£140,000 – £149,999	1	–
	<u>1</u>	<u>–</u>

The total employee benefits including pension contributions and employer's NI contributions of the key management personnel were £247,677 (2017: £179,879).

The charity Trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,253 (2017: £1,248) incurred by 2 (2017: 3) members relating to attendance at meetings of the Trustees.

**8 Staff numbers**

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

	2018 No.	2017 No.
Research	5	2
Promotion and PR	2	1
Public Affairs	1	1
Education	3	2
Support	1	2
Governance	–	–
	<u>12</u>	<u>8</u>

## Notes to the financial statements

For the year ended 31 December 2018

## 9 Taxation

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

## 10 Tangible fixed assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At the start of the year	34	25	49	108
Additions in year	–	–	7	7
At the end of the year	34	25	56	115
<b>Depreciation</b>				
At the start of the year	25	20	44	89
Charge for the year	1	1	8	10
At the end of the year	26	21	52	99
<b>Net book value</b>				
At the end of the year	8	4	4	16
At the start of the year	9	5	5	19

All of the above assets are used for charitable purposes.

## 11 Listed investments

	2018 £'000	2017 £'000
Fair value at the start of the year	30,266	30,332
Additions at cost	6,855	5,212
Disposal proceeds	(9,653)	(6,503)
Net gains on change in fair value	(1,748)	1,225
	25,720	30,266
Cash held by investment broker pending reinvestment	427	709
Fair value at the end of the year	26,147	30,975
Historic cost at the end of the year	23,920	26,009
Investments comprise:		
	2018 £'000	2017 £'000
Listed investments	25,720	30,266
Cash	427	709
	26,147	30,975

## Notes to the financial statements

For the year ended 31 December 2018

## 12 Debtors

	2018 £'000	2017 £'000
Other debtors	40	40
Accrued income	27	30
Prepayments	62	61
	<u>129</u>	<u>131</u>

## 13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Grant commitments	478	742
Trade creditors	140	21
Taxation and social security	26	16
Other creditors	4	6
Deferred income	-	25
Accruals	106	102
	<u>754</u>	<u>912</u>

## 14 Grant note

	2018 £'000	2017 £'000
Balance at the beginning of the year	767	492
Awarded in the year:		
Individuals	-	-
Institutions	742	1,101
Grants written back during the year		
Institutions	-	(7)
Charged to expenditure	742	1,094
Paid in the year		
Individuals	-	-
Institutions	(1,030)	(819)
Balance at the end of the year	<u>478</u>	<u>767</u>
Creditors : amounts due within one year	478	742
Creditors : amounts due after one year	-	25

# Edge Foundation

## Notes to the financial statements

For the year ended 31 December 2018

### 15 Creditors: amounts falling due after one year

	2018 £'000	2017 £'000
Grant commitments > 1 year	–	25
Dilapidations provision	44	44
	<u>44</u>	<u>69</u>

### 16a Movements in funds – current year

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

#### Purposes of restricted funds

Restricted funds relate to a project to develop the first Career Academies Hub outside the USA.

### 16b Movements in funds – prior year

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	At the end of the year £'000
<b>Unrestricted funds:</b>				
Revaluation reserve	4,425	541	–	4,966
General funds	28,241	1,323	(2,562)	27,002
	<u>32,666</u>	<u>1,864</u>	<u>(2,562)</u>	<u>31,968</u>

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

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(3,456)	(698)
Depreciation charges	10	8
Investment fees	195	233
Loss/(Gains) on investments	1,748	(1,225)
Dividends, interest and rent from investments	(626)	(639)
Decrease/(Increase) in debtors	2	(8)
(Decrease)/Increase in creditors	(183)	250
Net cash (used in) operating activities	<u>(2,310)</u>	<u>(2,079)</u>

## 18 Analysis of cash and cash equivalents

	At 1 January 2018 £'000	Cash flows £'000	Other changes £'000	At 31 December 2018 £'000
Cash at bank and in hand	1,824	1,194	–	3,018
Total cash and cash equivalents	<u>1,824</u>	<u>1,194</u>	<u>–</u>	<u>3,018</u>

## 19 Operating lease commitments

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

	Property 2018 £'000	2017 £'000	Equipment 2018 £'000	2017 £'000
Less than one year	110	120	6	6
One to five years	–	482	–	–
Over five years	–	270	–	–
	<u>110</u>	<u>872</u>	<u>6</u>	<u>6</u>

## 20 Related party transactions

Milton Keynes Academy Trust, Bulwell Academy Trust and Association of Colleges Charitable Trust are registered charities. The Edge Foundation employees and trustees who served as governors and members of the charities throughout the year are stated below.

### Milton Keynes Academy

- Public Affairs Manager, Nicholas Heslop
- Chief Executive Alice Barnard, sitting as an observer

### Bulwell Academy

- Head of Projects and Partnerships Jane Samuels
- Chief Executive Alice Barnard, sitting as an observer became a Trustee and Chairman of Bulwell Academy Trust on 1st May 2018. Bulwell Academy Trust transferred its assets and activities into a Multi Academy Trust on 2nd May 2018 and thereafter became a dormant company with no assets.
- Edge Trustee Sir Kevin Satchwell

In 2018 £200 was paid to Bulwell Academy as a contribution to the cost of student awards at prize giving ceremonies. During 2017 a grant of £15,000 was awarded to Bulwell Academy the value of outstanding commitment at 31st December 2017 to Bulwell Academy was £Nil (2016: £15,000). Other contributions – £12,150 to Bulwell Academy for new pupil uniforms and £12,150 to Milton Keynes Academy for new pupil uniforms.

### Association of Colleges Charitable Trust

- Head of Projects and Partnerships Jane Samuels.

In 2018 a grant of £15,000 was paid to Association of Colleges Charitable Trust supporting the annual Beacon awards recognising outstanding college provision and institutional excellence (2017: £15,000).

### Studio Schools Trust

In 2017 Edge made a grant of £75,000 to the Studio Schools Trust, a registered charity and a company limited by guarantee, to support the training, development and delivery of the Studio Schools project. Jane Samuels, Head of Projects and Partnerships of Edge Foundation, is a trustee of the Studio Schools Trust. At 31 December 2018 £763 was outstanding to Studio Schools Trust (2017: £75,000).

### Edge Hotel School

In 2018 Edge paid £43,683 for the support of student scholarships and operations (2016: £12,645). A grant was made to Edge Hotel School in 2017 for £100,000 of which £5,000 was outstanding at 31 December 2018 (2017: £50,000). Neil Bates, an Edge Trustee, and Jane Samuels, Head of Projects and Partnerships of Edge, are Directors of the Edge Hotel School Limited. Neil Bates resigned as a director on 23rd March 2017. Alice Barnard, Chief Executive Edge Foundation and Jane Samuels, Head of Projects and Partnerships of Edge Foundation are Directors of the Wivenhoe House Hotel, the home of the Edge Hotel School. Alice Barnard, Chief Executive at Edge, was appointed to the Wivenhoe House Hotel Board on 13 April 2016.

### Baker Dearing Educational Trust

In 2018 Edge paid the Baker Dearing Educational Trust (BDT) £136,250 out of a grant made in 2015 staff resources and office services. In December 2018 an additional grant of £375,000 was made to BDT. At 31 December 2018 grant payments totalling £378,750 (2017: £140,000) were outstanding. The Rt. Hon. Lord Baker of Dorking C.H., Chairman of the Board and an Edge Trustee (until December 2018 and June 2019 respectively), was appointed a Trustee and Chair of BDT 27 January 2009 when the Charity was established. The Rt. Hon. Lord Adonis and Sir Kevin Satchwell, Edge Trustees until June 2018 and April 2019 respectively, were appointed a Trustee of BDT on 1 July 2010 and 25 February 2014 respectively. In 2018 Edge provided support in kind of £107,067 (2017: £110,188).

## Edge Foundation

### Notes to the financial statements

#### For the year ended 31 December 2018

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##### Career Colleges Trust

Career Colleges Trust (CCT) was incorporated in 2013 as a company limited by guarantee. The Rt. Hon. Lord Baker of Dorking C.H., an Edge Trustee was appointed a Trustee of CCT on 2 December 2013. On 18 May 2015 Pauline Daniyan, an Edge Trustee, was appointed a Trustee of CCT. In November 2014 Edge agreed to provide CCT with an interest free loan of £25,000 to continue the development of Career Colleges. The loan is fully provided for in the Edge accounts. In 2017 Edge provided support in kind of £14,475 but none in 2018.

#### **21 Legal status of the charity**

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