

Company number: 1686164  
Charity Number: 286621

# Edge Foundation

Report and financial statements  
For the year ended 31 December 2015



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# Edge Foundation

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## Edge Foundation

### Reference and administrative information

For the year ended 31 December 2015

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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
Rt. Hon. Lord Adonis	
Neil Bates	
Pauline Daniyan	
Sir Garry Hawkes	
Toby Peyton-Jones	
Marion Plant OBE	(resigned 29 October 2015)
Professor Colin Riordan	
Sir Kevin Satchwell	
Andrew Stevens	(appointed 18 March 2015)

<b>Key management personnel</b>	Alice Barnard	Chief Executive (appointed 15 February 2016)
	Janet Hodges OBE	Chief Executive (resigned 3 April 2015)
	David Harbourne	Acting CEO (appointed 3 April 2015, resigned 15 February 2016)

**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 2015.

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, practical and vocational learning (TPVL), with a particular focus on the paths people take from secondary education to the world of work.

The following **aims** informed Edge's work in 2015:

- Practical and hands-on learning should be a part of every child's education from 5 to 14.
- From 14, young people should be able to combine core academic subjects with stretching and rigorous TPVL – in some cases, by transferring to specialist institutions set up for this purpose.
- Education should enable young people to combine academic, creative and technical qualifications and develop the personal skills which employers value most highly such as teamwork and problem solving.
- Young people should have access to impartial face-to-face information, advice and guidance about learning and careers.
- There should be profound partnerships between employers and their local schools, colleges, training providers and universities.
- Apprenticeships should be presented as an option for all school and college leavers.
- Further education colleges should strengthen technical and vocational pathways from level 2 to degrees.
- Universities should develop fast track degrees and specialist faculties linked to leading industries, with curriculum co-designed with employers.

With these aims in mind, Edge's four **strategic objectives** were:

- 1 To **strengthen the evidence base** for technical, practical and vocational learning (TPVL).
- 2 To **persuade others** of the merits of TPVL.
- 3 To **raise the status of TPVL** and give greater recognition to the success of those who follow these routes.
- 4 To **support innovation**, practical demonstration projects and institution creation.

These four objectives were carried out through the following activities:

- Conducting, commissioning and reporting on **research into TPVL** in the UK and elsewhere.

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- Encouraging support for TPVL among educators, young people and the general public through targeted **promotion and public relations**.
- Encouraging support for TPVL among policy makers and opinion formers through a **public affairs** programme.
- Promoting innovation, investment and good practice in TPVL by making grants and providing advice to people and institutions in the **education** sector.

Section 2 (below) reports on Edge's activities and achievements in the reporting period and the benefits the charity has brought to the groups of people that it is set up to help.

#### Strategic review

The trustees review the Foundation's aims, objectives and activities each year in order to ensure that they remain focused on the stated purposes. In 2015, a full strategic review was initiated in January and completed in October. The trustees referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees considered how planned activities will contribute to the aims and objectives that have been set for 2016 and beyond. Edge also hosted a series of seminars on key education issues, which informed the trustees' deliberations.

Following the strategic review, the trustees adopted the following statement as a summary of the Foundation's revised aims, objectives and principal ways of working:

- Edge wants high quality technical, practical and professional education to play a large, expanding and prestigious part in the success of people, employers and the economy.
- We campaign for change in education by researching technical, practical and professional paths to success and identifying examples of good practice.
- We use our evidence and practical experience to influence policy, practice and public debate locally and nationally.
- We are both a think tank and a do tank.

Section 3 provides further information on our plans for the future.

## 2. Strategic report

#### Achievements and performance

The Foundation's main activities are described below, grouped under the headings already listed in section 1 (above). The narrative includes a note of external expenditure under each of the four broad headings; internal expenditure (eg salaries, office accommodation etc) is accounted for separately. All activities are undertaken to further the Foundation's charitable purposes for the public benefit.

**Research: conducting, commissioning and reporting on research into TPVL in the UK and elsewhere**

Edge supports and shares research on the value and impact of TPVL in all its forms. In particular, we seek out best practice and evidence of the benefits to young people and the future economy. In 2015, total external expenditure under this heading was £94,000. One activity – the longitudinal study reported below – accounted for 64% of this total.

During 2015, Edge commissioned a major longitudinal study of young people engaged in technical and vocational learning programmes at level 3. Over a minimum of three years, the Institute for Employment Research at the University of Warwick will use mixed research methods to explore the reasons why young people choose their particular programme of study; their experience of technical and vocational learning; and the paths they take after completing their studies. Research findings will help inform the future development and marketing of post-16 technical and vocational pathways. The City and Guilds Institute of London is also contributing to the cost of this research.

Edge carried out an in-house analysis of the nature of the jobs obtained by recent graduates, drawing on occupational classifications devised by the Office for National Statistics and data published by the Higher Education Statistics Agency. The analysis suggests that only one in eight creative arts and design graduates (12%) work in graduate occupations six months after graduating. The equivalent figure for law graduates is 17% – around one in six. Graduates in many science, engineering and technology disciplines typically fare much better. The research report concluded that “going straight to university at 18 or 19 no longer offers a guaranteed fast track to a good job” and that “other paths [such as apprenticeships] might be better for many young people”. The analysis was reported in the national media and informed a debate hosted by the Higher Education Policy Institute.

Edge published a report on education reforms in Nashville, USA. Over the last decade, high schools in Nashville have forged close and productive links with local employers, leading to a significant improvement in student achievement not only in TPVL, but also in the core academic curriculum. Following the publication of the research report, two of the architects of Nashville's reform programme spoke at an Edge conference for educators and employers in Nottingham about the practical steps needed to learn from their example. Including travel and accommodation costs for the speakers from Nashville, the external cost of disseminating these research findings was just under £6,000.

Edge hosted two series of seminars on TVPL in order to gather and share evidence. The first series helped inform the trustees' strategic review, and covered six topics:

- 1 Practical science teaching in primary schools
- 2 The role of Design and Technology in the secondary school curriculum
- 3 Project-based learning
- 4 The role of education technology in TVPL
- 5 The future of further education in England
- 6 Pathways to high-level skills: learning from Switzerland.

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The second series of seminars took place at the Skills Show at the National Exhibition Centre in November. Educators, opinion formers, policy makers and other stakeholders debated four topics:

- 1 Connecting employers with the school curriculum
- 2 How to interest journalists in skills issues
- 3 Should we reinvent polytechnics?
- 4 Apprenticeship reforms.

Edge commissioned ComRes to survey a cross-section of Members of Parliament. The research showed that MPs are more familiar with academic qualifications than with TPVL, vocational qualifications and apprenticeships. Working with colleges, training providers and other partners, Edge will seek to improve MPs' knowledge and understanding of TPVL over the lifetime of the current Parliament.

Edge made a grant to the University of Essex to support a scholarship programme. Some beneficiaries will be invited to prepare dissertations on topics relating to high-level TPVL and/or the Edge Hotel School.

Edge's Acting Chief Executive, David Harbourne, attended the annual conference of the National Centre for Vocational Education Research in Australia, which included presentations on recent research into TPVL in Australia and elsewhere. He also visited the Vocational Training Centre in Hong Kong.

Edge also worked with the Schools, Students and Teachers Network (SSAT) on a pilot programme of learning visits to schools and UTCs which provide excellent TPVL. Teachers and leaders of other schools and academies had the opportunity to hear from their colleagues, discuss the challenges and opportunities and reflect on the benefits of providing good TPVL as part of a broad and balanced curriculum. The cost of this programme was £21,600.

**Promotion and PR: encouraging support for TPVL among educators, young people and the general public through targeted promotion and public relations**

Edge aims to raise the profile and status of technical, practical and vocational learning. The activities and projects we fund and support celebrate success, showcase excellence and support innovation. Our key projects vary in scale and approach; however, each must have the ambition to elevate practical teaching and learning at their heart. Total direct expenditure on promotion and PR amounted to £545,000. Two projects accounted for the majority of this cost: VQ Day (£173,000) and the Skills Show (£298,000).

#### VQ Day

The eighth annual VQ Day was held in June to celebrate success achieved through vocational qualifications (VQs) and, more broadly, TPVL. We received over 200 nominations for three VQ Awards for England: VQ Learner of the Year, VQ Employer of the Year and VQ Teacher of the Year, sponsored by OCR, City & Guilds and The Education and Training Foundation respectively. Awards ceremonies also took place in Scotland, Wales and Northern Ireland.

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To mark the beginning of the VQ Day campaign and the opening of awards nominations we released original omnibus research into the value of technical, practical and vocational skills to the individual. The results focused on teenagers' and parents' perceptions versus the reality of annual earnings in particular sectors.

Our second research story, released on VQ Day itself, looked into the value of skills to communities. It analysed the value, financial and otherwise, of having neighbours with practical skills and found that professions that require vocational qualifications such as plumbers and electricians were more highly valued as a neighbour than politicians and doctors.

In addition to widespread coverage in social media, VQ Day generated over 680 pieces of coverage in national, regional and trade media including broadcast and print media.

VQ Day enjoyed strong cross-party support. In the House of Commons, Neil Carmichael led a Westminster Hall debate on the value of VQs. Responding to an 'excellent' debate, the Skills Minister, Nick Boles, said it had kicked off deliberation of skills policy in this five-year Parliament. In addition, three award winners met their local Members of Parliament at the palace of Westminster.

#### The Skills Show

The Skills Show is the UK's largest event dedicated to technical and vocational skills. Over three days, talented young people take part in competitions ranging from landscape gardening to graphic design. A total of 75,000 people visited the Show, the vast majority of them young people still in full-time education. In addition to seeing competitors in action, they were able to "have a go" at a cross-section of skills and find out about further learning and careers from employers, colleges, training providers and careers advisors.

Edge was a Lead Sponsor of the Skills Show 2015 alongside Premier Colleges. The Edge stand at the show provided an opportunity to showcase several of our projects and partners:

- **The Eden Project** – recipient of a grant from the Edge Innovation and Development Fund initiated in 2014. The Eden Project ran a 'horticulture show and tell' on the stand, sharing the stories of some unusual plants.
- **The Studio** – Edge was one of the founders of the Studio Schools Trust and remains a leading supporter. The Studio, based in Liverpool, encouraged visitors to the stand to interact with a dancing robot and have a go at games created by students at the school.
- **Think Logistics** – Career Ready UK received a grant through the Edge Innovation and Development Fund to promote awareness of career and learning opportunities in the logistics industry. They ran an interactive quiz on the stand.
- **The Edge Hotel School** – Three students from the Edge Hotel School acted as hosts for the stand, ensuring everything ran smoothly and demonstrating their professionalism in the process.



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The Edge Challenge Final (reported below) was held during the Skills Show. Edge also enabled Myerscough College to host a "Mini Digger" challenge, and YH Training Services to run a military fitness 'have a go' activity. The winner of the Edge-sponsored Beacon Award, Bridgend College, ran a Forensic Science 'have a go'. Edge partner the Baker Dearing Educational Trust hosted a stand where University Technical Colleges promoted hands-on learning in science, engineering and technology through a "Green Power" car, VEX Robotics design system, NAO robots and mechatronics.

#### Media relations

All of Edge's projects are supported by a full time press office. Through proactive media work and reactive comment, the press office ensures that we are at the frontline of debate on issues around technical, practical and vocational learning.

We enjoyed high profile national attention throughout the year. Our VQ Day campaign in particular garnered national coverage across the UK and our research findings, the Edge Challenge, the Edge Hotel School, University Technical Colleges and Career Colleges have also featured strongly in the media alongside coverage of local projects and institutions. In total, over 2,200 pieces of coverage appeared across print, broadcast and online publications. We also make full use of social media: for example, we have 6,400 followers on Twitter.

The majority of our coverage is generated in the following ways:

- Targeted national, regional and trade features
- Publishing research
- Stakeholder engagement and briefings
- News announcements
- Comment and authored opinion pieces
- TV and radio interviews with spokespeople
- Case studies
- Blogs

#### **Public Affairs : encouraging support for TPVL among policy makers and opinion formers through a public affairs programme**

Edge is politically neutral. We provide information, advice and recommendations to politicians from across the political spectrum and to officials, advisers and others involved in developing and implementing education and training policy. Our aim is to ensure that policy makers develop effective programmes which support and enhance TPVL.

This area of external expenditure, accounting for £64,000 in 2015. The largest item of expenditure was support for the cross-party Skills Commission (£18,000) and the Edge Annual Lecture £16,000.

Edge encouraged all parties to place TPVL at the heart of their manifestos for the 2015 general election. Several months ahead of the election, we published our own manifesto which called on any future government to –

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- Reinvigorate practical learning in school classrooms, science laboratories, design and technology workshops and outdoor settings;
- Create more high-quality specialist 14–19 schools and colleges such as University Technical Colleges (UTCs), Studio Schools and Career Colleges;
- Introduce a baccalaureate which recognises the full breadth of young people's achievements up to the age of 18;
- Introduce an entitlement to impartial face-to-face information, advice and guidance for all young people, as soon as resources permit;
- Help education and employers to work together through national initiatives such as Inspiring the Future and local partnerships led jointly by employers and educators;
- Protect further education from further funding cuts; and
- Give top priority to apprenticeships for young people aged 16–24.

Edge gave evidence to Select Committees in both Houses of Parliament; submitted responses to consultations initiated by the Government and Opposition; briefed members of both Houses prior to debates; and took part in cross-party round-table discussions on a wide range of policy issues.

An Australian expert in vocational education, Nicholas Wyman, delivered the Edge Annual Lecture. He drew on evidence from the USA and around the world to show that the UK is not alone in facing shortages in some skilled occupations and a growing trend of under-employment of recent graduates (especially in arts, humanities and social science disciplines). He also presented examples of successful policy and practice in TPVL from around the world. His lecture was followed by a panel discussion of the key points and the implications for policy and practice in England.

#### **Education : promoting innovation, investment and good practice in TPVL by making grants and providing advice to people and institutions in the education sector**

In 2015, Edge incurred external expenditure totalling £1,218,000 in support of innovation, investment and good practice in TPVL.

#### **University Technical Colleges**

Edge supports the creation of University Technical Colleges (UTCs) as a prime example of specialist 14–19 institutions which offer a combined academic and technical curriculum. To this end, Edge made a grant of £1,000,000 in 2015 to the Baker Dearing Educational Trust (BDT), a charity dedicated to developing and supporting UTCs in all regions of England. The grant enables BDT to continue to provide support and advice to (a) groups of employers and educators planning to establish UTCs and (b) staff, governors and supporters of UTCs after they have opened. The grant is to be matched funded by BDT with Edge contributing £1 for every £2 raised by BDT.

Eleven UTCs opened in 2015, bringing the total to 39. Specialisms include engineering, health sciences, construction and the built environment, cyber security and digital technologies.

The number of students completing courses at UTCs is now rising rapidly, and their success may boost future learner numbers. In 2015, 1,181 students left UTCs at the age of 16 and 700 at the

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age of 18; 42% of the 18 year olds went to university (compared with 37% nationally) and 24% started apprenticeships (compared with 8.5% nationally). Qualitative evidence and Ofsted inspection reports suggest that the technical content of the UTC curriculum is making a significant difference to the lives and prospects of many young people, not just in terms of exam results but also in terms of wider skills including teamwork, problem solving and communications.

#### **Career Colleges**

Edge provided a grant of £25,000 to the Career Colleges Trust in 2015. The grant was given to enable the Trust to work with further education colleges to set up Career Colleges for 14–19 year olds, combining a core academic curriculum with TPVL in subjects such as hospitality and catering and digital industries. The first two Career Colleges opened in 2014 and five more followed in September 2015. A further five are approved to open in 2016. The aim is to ensure that every young person comes out of a Career College equipped with the skills and confidence needed to progress into higher education, an apprenticeship or indeed work and a fulfilling career.

#### **Studio Schools**

Edge was a founder member of the Studio Schools Trust and continues to be represented on its board of trustees. Studio Schools are small institutions for 14 to 19 year olds which focus on project based learning, involving local employers to give pupils a broad range of employability and life skills alongside their academic and vocational qualifications. In total there are 40 Studio Schools open around the country including six which opened their doors for the first time in September 2015. Another four are due to open in September 2016.

Edge made grants of £90,000 to enable the Trust to deliver a professional development programme for teachers in Studio Schools.

#### **Edge Hotel School**

The Edge Hotel School at Wivenhoe House is a partnership between the Edge Foundation, the University of Essex and its academic partner, Edge Hotel School Limited. Students study for a Foundation or Honours degree while gaining experience in a 4\* country house hotel, Wivenhoe House.

Since opening in 2012, the Edge Hotel School has enrolled over 200 students for Foundation and Honours degrees in Hotel Management. There are two student intakes each year. In 2015, 18 students joined in January and a further 50 in September. There were also two student graduation ceremonies, the latest being in July 2015 when 16 students collected Honours degrees and three collected Foundation degrees. Graduates have secured employment with a wide range of hospitality employers including BaxterStory and Whitbread, as well as renowned hotels such as The Dorchester and Cliveden House. The hospitality industry is also recognising the calibre of Edge Hotel School students with one graduate winning the Institute of Hospitality Aspiring Young Manager of the Year Award for 2015.

The Edge Hotel School continues to benefit from extensive industry support through the industry sponsored rooms and suites at Wivenhoe House; masterclasses from leading lights in the

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hospitality industry; access to industry contacts via careers fairs at Wivenhoe House and visits to hotels and other industry organisations.

During 2015, Edge spent just over £14,000 to support the Edge Hotel School, including £6,000 for student scholarships and £6,000 for an alumni event. A further £7,000 was spent in support of dissemination activities, including support for other groups considering opening hospitality schools.

#### Academies

Edge supports three academies: Milton Keynes Academy, Bulwell Academy in Nottingham and Madeley Academy in Telford. All three academies are active members of the Thomas Telford family of schools.

The academies reflect Edge's vision of many paths to success, offering curricula which provide a mix of academic subjects and TPVL. Both Milton Keynes and Bulwell Academies specialise in business and enterprise, providing students with valuable links to the real world of business. Madeley Academy has a vocational skills centre where students can use industry standard facilities in a range of sectors. In the summer term, Bulwell Academy was rated "good" by Ofsted.

#### Edge Innovation and Development Fund

The Innovation and Development Fund was launched in 2014 as part of Edge's 10<sup>th</sup> anniversary. In total, 12 grants were awarded during 2014 and in all but one case, projects moved forward during 2015.

All projects were required to address at least two of the following aims:

- To support the creation of new institutions
- To support the development of profound employer engagement
- To address areas of skills shortages for the UK economy
- 

Progress in 2015 includes:

- Activate Learning – A School of Construction is set to open at City of Oxford College. It will offer project based learning in conjunction with a number of high profile employers such as Land Securities and Skanska.
- Ayrshire College – A Skills Centre of Excellence situated at Irvine Royal Academy has opened offering secondary school pupils access to courses usually only available at FE Colleges. In 2014/15 nearly 300 students took courses in sports management, health and care, and hospitality.
- Siemens Mechatronics Academy at Barking & Dagenham College – The state of the art equipment within the academy continues to enrich the education of students and apprentices. The academy is also a popular venue for the college's school and employer engagement activities.
- Regional Automotive Technology Hub at Blackburn College – Students are benefitting from the college's Independent Garage Network as well as its partnership with three main dealers:

Simpsons Skoda, Chorley Nissan and Bowker BMW. This employer engagement is providing students with scholarships, learning sessions with Master Technicians and cutting edge facilities.

- Career Ready UK (formerly Career Academies UK) – Five centres focussing on the wide ranging career paths available in the logistics sector have been established. A programme of Think Logistics workshops is also underway. Career Ready has also gained a great deal of financial and in-kind support from the industry, including from the Freight Transport Association.
- Coleg y Cymoedd – The college officially opened its Centre for Excellence in Railway Training in September 2015. Four cohorts of apprentices have enrolled and are enjoying the outstanding facilities.
- The Eden Project – Eden welcomed its first undergraduates in September 2015. It is now officially a university campus with students studying horticulture and event management, including 35 apprentices on site. Eden has plans to further develop its degree offering and extend on site facilities.
- Hackney Community College – The college has built an impressive network of employer contacts and has placed its first six apprentices with BT Sport and seven more with digital businesses in the area.
- Sir Frank Whittle Studio School – The newly built logistics centre opened in 2015. An impressive number of employer partners, including ASDA and CEVA Logistics, are supporting this initiative resulting in almost 18,500 hours of work experience and work placements being offered to students. The school is also carrying out logistics based careers activities with local primary schools.
- Oldham College – The Digital and Creative Skills faculty at Oldham College opened in the newly built Digital Skills Centre. Students benefit from project based learning in conjunction with a number of employers. As well as guiding the curriculum, the strong employer partnership work provides students with meaningful work experience placements, industry visits and masterclasses.
- Prospects College of Advanced Technology's (PROCAT) Careers Academy for Railway Engineering and Aviation – The academy has worked with 21 schools allowing young people access to hands on experience of the rail and aviation industries. Strong employer led Sector Advisory Boards ensure the curriculum offer at PROCAT is relevant.
- South Devon College – The college is working up its plans to deliver a hotel training school situated within a commercial hotel. Curriculum development is underway, but the college has yet to identify an appropriate property.

### Awards

Edge took part in the Times Educational Supplement's Further Education Awards, a celebration of individuals, teams and organisations that make a difference to the lives of young people and adult learners in FE. Edge sponsored the Employer Engagement award and Edge Chief Executive Jan Hodges was delighted to present the award to Belfast Metropolitan College.

Edge sponsored two awards at the Creative and Cultural Skills Awards ceremony. The first, Training Provider of the Year, was won by Impact Arts for their dedication to inspiring young

people to use creativity to overcome personal challenges and to find employment. The second award, Apprentice of the Year, was shared between two apprentices at the London Transport Museum, Hannah Steele and Eli Bligh-Briggs.

Edge was proud to sponsor the Young Adult Learner of the Year Award, won by Mohamed Mahyoub. This formed part of Adult Learners' Week, organised by the National Institute for Adult Continuing Education.

Edge is delighted to have been a sponsor of the Association of Colleges Beacon Award for Practical Teaching and Practical Learning for over a decade. The winner in 2015 was Rotherham College for a ground-breaking partnership between its Media Hair and Make-up course and the Clinical Simulation Department at the local NHS hospital. As part of the course, students research and create moulage effects which simulate symptoms of illnesses and injuries for use in NHS training and medical diagnostic sessions.

#### **Enterprise education**

The Edge Challenge is an enterprise competition for 16–25 year olds who have studied, or are studying, a vocational course at a further education or sixth form college. Students have to develop a business start-up based on an innovative and viable idea. We were pleased to work with the Peter Jones Enterprise Academy and the Gazelle Colleges Group to run the 2015 competition. Prizes were awarded following presentations to judges at the Skills Show. The team prize was awarded to a duo from Cirencester Sixth Form College, Callum Coles and Samuel Roberts, who developed Sober Drive – a breathalyser device which prevents drivers from starting their vehicles when under the influence of alcohol. Individual awards went to Hassan Iqbal from Oldham College (first prize), Daniel Arundel (Oldham College, second prize) and Surya Srinivas (Barking and Dagenham College, third prize).

Edge was also pleased to sponsor a reception at a ceremony for graduates of the Peter Jones Enterprise Academy.

#### **Impact and beneficiaries**

The ultimate beneficiaries of Edge's work are those people who achieve success through technical, practical and vocational forms of learning.

In that context, Edge's work has both short-term and long-term impacts. Sponsorship of awards, press coverage and events such as VQ Day and the Skills Show help ensure that TPVL is visible to young people, policy-makers and opinion formers. In the year under report, we set targets for media coverage which were exceeded; and tens of thousands of young people saw and tried technical and practical skills at the Skills Show.

In practice, much of our investment is channelled via partners such as the Baker Dearing Educational Trust and recipients of grants from the Innovation and Development Fund (colleges, training providers and so on). Investment in projects and institutions typically takes a long time to bear fruit. The Edge Hotel School – to take one example – is gradually building student numbers

and should reach full capacity within the next two to three years. As noted above, students are starting to graduate from the Edge Hotel School and are well prepared for worthwhile careers in hospitality management.

New University Technical Colleges, Studio Schools and Career Colleges opened in 2015 and more are preparing to open in 2016. The principal challenge facing all of these new 14–19 institutions is the non-standard recruitment age of 14. This has led several to report lower student numbers than anticipated. On the other hand, there is evidence of excellent progression to further learning and work once students complete their courses.

Edge's internal systems include a standardised approach to setting and reporting on project milestones, including (for example) the number of new institutions to be opened in a given period. However, simple numerical targets are a weak proxy for impact. Edge therefore plans to evaluate major projects as they come to maturity and smaller projects on an annual or cyclical basis. Recipients of grants from the Innovation and Development Fund are all required to report on progress and submit a final evaluation once their projects are complete. More broadly, the longitudinal study commissioned from the Institute for Employment Research will shed light on level 3 learners in a variety of settings including UTCs: who they are, why they chose their courses and what happens to them after they leave.

In one important area of our work – public policy – impact is especially hard to measure. Our discussions with politicians of all parties have demonstrated a growing appreciation of the importance of TPVL both for individuals and for the economy. However, policy priorities vary even among members of a single political party, with some arguing (for example) for a return to a largely academic curriculum up to the age of 16, while others accept that TPVL has an important part to play in a broad and balanced curriculum. Nor can we claim sole credit for positive changes in policy: Edge is one of very many voices seeking to shape the plans of current and potential future governments.

What we can say for sure is that never in Edge's eleven-year history have apprenticeships – an excellent example of TPVL – enjoyed a higher public and political profile than they did either side of the 2015 general election. We are optimistic that leading figures in politics and the media will continue to reinforce positive messages about TPVL in 2016 and beyond.

If this trend continues, we will see change at a societal level. There will be a better appreciation of the benefits of TPVL. People will see it as an attractive alternative to "academic" forms of education – or better still, will combine both, in different proportions, to support their personal interests and ambitions. Finally, there will be a better balance between the "product" of education – the skills, knowledge and qualifications achieved by individuals – and the needs of the UK economy and society as a whole.

### 3. Plans for the future

As noted earlier, the trustees carried out a thorough review of Edge's mission and strategy in 2015, informed by a series of seminars and consultations. Although the mission is essentially the same as ever, future work will be grouped under four new headings:

- The Edge Think Tank
- Common Cause
- Test-Bed Towns
- Show and Share

The **Edge Think Tank** will carry forward our research programme in the UK and worldwide, identify examples of good practice, arrange overseas study visits and publish reports. This evidence will be at the heart of our work on education policy.

'**Common Cause**' means working with partners who share our aims and ideas. We already have close ties with schools, colleges, training providers, employers and their representative bodies. We need to learn from one another and speak with one voice wherever and whenever we can.

The flagship event for 2016, **Career Footsteps**, owes its origins to our long-running and successful **VQ Day**. Working with a wide range of partners, we will help hundreds of people who chose vocational pathways tell their stories to young people and teachers; they will tell them about their courses, qualifications and careers, providing inspiration to the next generation.

Lots of brilliant programmes and initiatives promote good practice in technical, practical and professional learning. We aim to link up with them in areas of the country where Edge also has a strong connection: places we are calling **Test-Bed Towns**. Separately, we can all make a small difference; together, we can make a big impact.

'**Show and Share**' is a very simple idea. It means taking people to visit examples of really good practice in technical, practical and professional education

### 4. Financial review

Total income for the year was £0.7m (2014 : £0.8m), the majority of which is investment income. Resources expended during the year were £3.0m (2014 : 3.2m), which resulted in net outgoing resources before investment disposals or revaluations of £2.3m (2014 : £2.4m). After net investment gains of £0.2m (2014 : gain of £1.5m) the result was a deficit of £2.1m (2014 : £0.9m)

Net assets at 31 December 2015 were £30.9m (2014 : £33m) which includes £32m (2014 : £33.5m) held as long term investments. During the year £0.5m was withdrawn from the long term investment fund as part of the 4% drawdown plus a further £1m to finance projects and other activities during 2015. Long term investments decreased by £1.5m during the year mainly due to the withdrawal of capital, the net loss during the period being £0.2m.



### 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 2015 the reserves of Edge are £31m (2014 : £33m)

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 has decided that in future it will approve expenditure of the reserves to increase the effectiveness of the charity over the medium term. For 2016 expenditure of £1.5m has been approved.

### Investment policy and performance

The charity's investment policy during 2015 included a target to obtain a return of 4%p.a. from the portfolio without diminishing the capital value of the fund (adjusted for inflation). Investments with both fund managers cover a wide range of assets including overseas and UK equities and bonds. During 2015 Sarasin achieved an annual return of 3.5% and Ruffer 0.3%, however the benchmark for the period was only 2.8%. The two fund managers were selected as they have very different investment policies and they were expected to perform very differently depending on the market conditions prevailing.

During 2015 the world stock markets were extremely volatile and unpredictable. However overall the Edge portfolio did produce a net gain of £0.2m. The Finance Committee regularly review the investment managers' performance and will continue to monitor performance closely during 2016.

## 1. Structure, governance and management

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

The Board has agreed to set-up a Nominations Committee during 2016. The Board aims to ensure that new members 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. During 2014 the Trustees set-up a £1m grant fund and invited applications for grants from innovative educational projects. The

£1m grant instalments continued to be made in 2015 and the progress and success of the projects is closely monitored prior to the next instalment being awarded.

The charity's grant-making policy states 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2015 was

## Edge Foundation

### Trustees' annual report

For the year ended 31 December 2015

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9 (2014:9). 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 15 June 2016 and signed on their behalf by



Rt. Hon. Lord Baker of Dorking C.H.  
Chairman

## Independent auditors' report

To the members of

### Edge Foundation

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We have audited the financial statements of Edge Foundation for the year ended 31 December 2015 which comprise the statement of financial activities, balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

### Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

## Independent auditors' report

To the members of

### Edge Foundation

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- 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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; 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 exemption in preparing the report of the trustees' and take advantage of the small companies exemption from the requirement to prepare a strategic report

Noelia Serrano (Senior statutory auditor)

22 June 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

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 2015

	Note	2015 Total £'000	2014 Total £'000
<b>Income from:</b>			
Charitable activities			
Promotion and PR	2	15	15
Investments	3	700	741
<b>Total income</b>		<b>715</b>	<b>756</b>
<b>Expenditure on:</b>			
Raising funds	4	225	226
Charitable activities			
Research	4	300	229
Promotion and PR	4	868	592
Public Affairs	4	228	241
Education	4	1,427	1,889
<b>Total expenditure</b>		<b>3,048</b>	<b>3,177</b>
<b>Net expenditure before net gains on investments</b>		<b>(2,333)</b>	<b>(2,421)</b>
Gains on investments		196	1,501
<b>Net expenditure for the year and movement in funds</b>		<b>(2,137)</b>	<b>(920)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		33,043	33,963
<b>Total funds carried forward</b>		<b>30,906</b>	<b>33,043</b>

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

Edge Foundation

Balance sheet

Company no. 1686164

As at 31 December 2015

	Note	£'000	2015 £'000	£'000	2014 £'000
<b>Fixed assets:</b>					
Tangible assets	10		18		28
Investments	11		31,961		33,506
			<u>31,979</u>		<u>33,534</u>
<b>Current assets:</b>					
Debtors	12	117		116	
Cash at bank and in hand		373		814	
		<u>490</u>		<u>930</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	949		1,165	
				<u></u>	
<b>Net current liabilities</b>			<u>(459)</u>		<u>(235)</u>
<b>Total assets less current liabilities</b>			<u>31,520</u>		<u>33,299</u>
Creditors: amounts falling due after one year	15		(614)		(256)
			<u></u>		<u></u>
<b>Total net assets</b>			<u><u>30,906</u></u>		<u><u>33,043</u></u>
<b>The funds of the charity:</b>	16				
Unrestricted income funds:					
Revaluation reserve			2,225		3,026
General funds			28,681		30,017
			<u></u>		<u></u>
<b>Total charity funds</b>			<u><u>30,906</u></u>		<u><u>33,043</u></u>

Approved by the trustees on 15 June 2016 and signed on their behalf by



Rt. Hon. Lord Baker of Dorking C.H.  
Chariman



Edge Foundation

Statement of cash flows

For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Cash flows from operating activities	17		
Net cash provided by / (used in) operating activities		(2,657)	(2,160)
Cash flows from investing activities:			
Dividends, interest and rents from investments		700	741
Purchase of fixed assets		-	(30)
Capital drawdown from investments		1,516	991
Net cash provided by / (used in) investing activities		2,216	1,702
Change in cash and cash equivalents in the year		(441)	(458)
Cash and cash equivalents at the beginning of the year		814	1,272
Cash and cash equivalents at the end of the year	18	373	814

**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) – Charities SORP FRS 102, 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.

**b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014. No restatement was required.

**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 fund 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 costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- 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
- Other expenditure represents those items not falling into any other heading

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	22%
● Public Affairs	15%
● Education	17%
● Research	14%
● Support costs	25%
● Governance costs	7%

**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. 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) 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**

The charitable income of £15,000 (2014 : £15,000) relates to monies received in relation to sponsorship of VQ Day.

**3 Income from investments**

	2015 Total Unrestricted £	2014 Total Unrestricted £
Income from long term investments	699	738
Interest on cash at bank	1	3
	<u>700</u>	<u>741</u>

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2015

4 Analysis of expenditure

	Cost of raising funds £'000	Charitable activities					Support costs £'000	2015 Total £'000	2014 Total £'000
		Research £'000	Promotion and PR £'000	Public Affairs £'000	Education £'000	Governance costs £'000			
Staff costs (Note 7)	-	77	124	81	96	36	138	552	549
Promotion and PR	-	-	74	-	-	-	-	74	148
VQ Day	-	-	173	-	-	-	-	173	149
Find A Future – The Skills Show	-	-	298	-	-	-	-	298	50
Research	-	94	-	-	-	-	-	94	49
Public Affairs	-	-	-	64	-	-	-	64	65
Edge Hotel School	-	-	-	-	11	-	-	11	22
Academies and Studio Schools	-	-	-	-	107	-	-	107	171
Career Colleges Trust	-	-	-	-	25	-	-	25	27
Baker Dearing Educational Trust	-	-	-	-	1,003	-	-	1,003	380
Innovation and Development	-	-	-	-	2	-	-	2	1,002
Other grants and sponsorship	-	-	-	-	58	-	-	58	39
Nottingham Partnership	-	-	-	-	25	-	-	25	-
Premises and office costs	-	20	61	20	20	20	60	201	172
Other employee costs	-	6	18	6	6	11	19	66	37
Administration and IT costs	-	4	11	3	4	18	30	70	91
Investment Management fees	225	-	-	-	-	-	-	225	226
	225	201	759	174	1,357	85	247	3,048	3,177
Support costs	-	74	81	40	52	-	(247)	-	-
Governance costs	-	25	28	14	18	(85)	-	-	-
<b>Total expenditure 2015</b>	<b>225</b>	<b>300</b>	<b>868</b>	<b>228</b>	<b>1,427</b>	<b>-</b>	<b>-</b>	<b>3,048</b>	<b>3,177</b>
<b>Total expenditure 2014</b>	<b>226</b>	<b>229</b>	<b>645</b>	<b>210</b>	<b>1,867</b>	<b>-</b>	<b>-</b>		<b>3,177</b>

All expenditure is unrestricted

# Edge Foundation

## Notes to the financial statements

For the year ended 31 December 2015

### 5 Grant making

	Grants to institutions £'000	Grants to individuals £'000	2015 £'000	2014 £'000
<b>Cost</b>				
Studio Schools Trust	90	-	90	4
Creative and Cultural Skills	14	-	14	-
Bulwell Academy	17	-	17	148
Baker Dearing Educational Trust	1,003	-	1,003	380
Whole Education	10	-	10	-
Edge Hotel School	11	-	11	7
Edge Challenge	4	5	9	11
Career Colleges Trust	25	-	25	-
Working Futures	9	-	9	-
Peter Jones Foundation	2	-	2	-
Hotel Future Foundation	2	-	2	-
Youth Employment (UK)	4	-	4	-
Institute of Public Policy & Research	-	-	-	20
Cntr for Economic & Social Inclusion	-	-	-	3
<b>£1m Innovation and Development Fund:</b>				
Activate Learning	-	-	-	90
Barking and Dagenham College	-	-	-	96
Career Academies UK	-	-	-	50
Edge Project	-	-	-	82
Hackney Community College	-	-	-	79
Lutterworth College	-	-	-	53
Oldham College	-	-	-	100
Ayrshire College	-	-	-	100
Blackburn College	-	-	-	95
Coleg y Cymoedd	-	-	-	100
Prospects College of Advanced Tech.	-	-	-	50
South Devon College	-	-	-	100
<b>At the end of the year</b>	<b>1,191</b>	<b>5</b>	<b>1,196</b>	<b>1,568</b>

Grants are made to further Edge's mission and to support the strategic objectives of the charity.

### 6 Net incoming resources for the year

This is stated after charging:

	2015 £'000	2014 £'000
Depreciation	10	8
Operating lease rentals:		
Property	120	76
Other	3	3
Auditors' remuneration (excluding VAT):		
Audit	8	8

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

Staff costs were as follows:

	2015 £'000	2014 £'000
Salaries and wages	476	474
Social security costs	52	55
Employer's contribution to defined contribution pension schemes	24	20
Other forms of employee benefits	5	5
	<u>557</u>	<u>554</u>

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

	2015 No.	2014 No.
£60,000 – £69,999	2	2
£80,000 – £89,999	1	–
£90,000 – £99,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits including pension contributions of the key management personnel were £111,652 (2014 : £98,999).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2014 : £nil). No charity trustee received payment for professional or other services supplied to the charity (2014 : £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,029 (2014 : £2,270) incurred by 3 (2014 : 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:

	2015 No.	2014 No.
Research	1	1
Promotion and PR	3	3
Public Affairs	1	1
Education	1	1
Support	3	3
Governance	1	1
	<u>10</u>	<u>10</u>

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	19	37	90
Additions in year	-	-	-	-
At the end of the year	34	19	37	90
<b>Depreciation</b>				
At the start of the year	21	19	22	62
Charge for the year	1	-	9	10
At the end of the year	22	19	31	72
<b>Net book value</b>				
At the end of the year	12	-	6	18
At the start of the year	13	-	15	28

All of the above assets are used for charitable purposes.

11 Listed investments

	2015 £'000	2014 £'000
Market value at the start of the year	33,506	33,222
Additions at cost	6,820	6,354
Disposals at carrying value	(8,205)	(7,118)
Net unrealised gain / (loss) on revaluation	(160)	1,048
Market value at the end of the year	31,961	33,506
Historic cost at the end of the year	29,735	30,480
Investments comprise:		
	2015 £'000	2014 £'000
Listed investments	31,111	33,036
Cash	849	470
	31,960	33,506



# Edge Foundation

## Notes to the financial statements

For the year ended 31 December 2015

### 12 Debtors

	2015 £'000	2014 £'000
Other debtors	43	42
Loan to Horse's Mouth Foundation	500	500
Provision against Horse's Mouth Foundation loan	(500)	(500)
Prepayments	74	74
	<u>117</u>	<u>116</u>

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

	2015 £'000	2014 £'000
Grant commitments	745	1,050
Trade creditors	23	37
Taxation and social security	22	24
Other creditors	-	6
Accruals	159	48
	<u>949</u>	<u>1,165</u>

### 14 Grant note

	2015 £'000	2014 £'000
Balance at the beginning of the year	1,262	254
Awarded in the year:		
Individuals	5	12
Institutions	1,191	1,558
Grants written back during the year		
Institutions	-	-
Charged to expenditure	1,196	1,570
Paid in the year		
Individuals	(20)	(12)
Institutions	(1,123)	(550)
Balance at the end of the year	<u>1,315</u>	<u>1,262</u>
Creditors : amounts due within one year	745	1,050
Creditors : amounts due after one year	570	212

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2015

15 Creditors: amounts falling due after one year

	2015 £'000	2014 £'000
Grant commitments	570	212
Dilapidations provision	44	44
	<u>614</u>	<u>256</u>

16 Movements in funds

	At the start of the year £'000	Incoming resources & gains £'000	Outgoing resources & losses £'000	Transfers and gains £'000	At the end of the year £'000
<b>Unrestricted funds:</b>					
Revaluation reserve	3,026	-	-	(801)	2,225
General funds	<u>30,017</u>	<u>715</u>	<u>(3,048)</u>	<u>997</u>	<u>28,681</u>
<b>Total funds</b>	<u>33,043</u>	<u>715</u>	<u>(3,048)</u>	<u>196</u>	<u>30,906</u>

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

	2015 £'000	2014 £'000
Net (expenditure) for the reporting period (as per the statement of financial activities)	(2,137)	(920)
Depreciation charges	10	8
Investment fees	225	226
(Gains) on investments	(196)	(1,501)
Dividends, interest and rent from investments	(700)	(741)
(Increase)/decrease in debtors	(1)	3
Increase in creditors	<u>142</u>	<u>765</u>
<b>Net cash (used in) operating activities</b>	<u>(2,657)</u>	<u>(2,160)</u>

## Edge Foundation

### Notes to the financial statements

#### For the year ended 31 December 2015

#### 18 Analysis of cash and cash equivalents

	At 1 January 2015 £'000	Cash flows £'000	Other changes £'000	At 31 December 2015 £'000
Cash in hand	814	(441)	-	373
Total cash and cash equivalents	814	(441)	-	373

#### 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		Equipment	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Less than one year	120	120	1	-
One to five years	480	480	-	4
Over five years	510	630	-	-
	1,110	1,230	1	4

#### 20 Related party transactions

On 29 March 2007 Milton Keynes Academy Trust, a registered charity and a company limited by guarantee was incorporated and on 30 March 2007 Bulwell Academy Trust, a registered charity and a company limited by guarantee was incorporated. Both academies opened to students during September 2009. The Edge employees and Trustees who served as Governors and members of the Academies throughout the year (unless otherwise stated) are stated below:

- Milton Keynes Academy:
  - Public Affairs Manager, Nicolas Heslop
  - Director of Finance and Administration, Rachel Kellett (resigned 3 March 2016)
  - Chief Executive, Alice Barnard (currently sitting in attendance, yet to be appointed)
- Bulwell Academy:
  - Project and Operations Manager, Jane Samuels
  - Director of Policy and Research, David Harbourne
  - Trustee, Sir Kevin Satchwell

In 2015 no financial support was provided to the Milton Keynes Academy, other than £150 for a student award at the annual prize giving ceremony. During 2014 Edge supported the Academy by paying £1,718 of consultancy fees for property advice and £4,608 to fund an event for all staff to celebrate the good OFSTED rating achieved in 2014.

**20 Related party transactions (continued)**

During 2015 no additional financial support was provided to the Bulwell Academy however £12,746 of the £23,000 grant to fund teacher visits was unpaid at year end as it is due to be spent in 2016. During 2014 Edge also supported the Academy by paying £3,840 of consultancy fees to explore options to expand technical and vocational provision at the school. In 2014 Edge also agreed to provide £2,000 to fund pupil attendance rewards, to provide a grant of £23,000 to fund experienced teacher visits from the Thomas Telford School and a grant of £125,000 to support the continued improvement of education at the school. Both grants were outstanding in full at the end of 2014. Sir Kevin Satchwell, and Edge Trustee, is the Headmaster of the Thomas Telford School.

During 2015 Edge agreed to provide £9,000 (2014 : £9,000) to sponsor 3 students at the Edge Hotel School. At 31 December 2015 £Nil (2014 : £7,000) was outstanding. Neil Bates, an Edge Trustee, and Jane Samuels, Head of Projects and Partnerships of Edge, are Directors of the Edge Hotel School Limited. Jane Samuels, Head of Projects and Partnerships of Edge, and Rachel Kellett, Director of Finance and Administration at Edge, are Directors of the Wivenhoe House Hotel, the home of the Edge Hotel School. Rachel Kellett resigned as a director on 24 February 2016. Alice Barnard, Chief Executive at Edge, was appointed to the Wivenhoe House Hotel Board on 13 April 2016.

In 2015 Edge supported the Baker Dearing Educational Trust (BDT) by making a grant of £1 million (2014 : £380,000), in addition Edge provided support in kind of £154,498 (2014 : £148,000) by way of rent, staff resources and office services. At 31 December 2015 grant payments totalling £935,000 (2014 : £350,000) were outstanding. The Rt. Hon. Lord Baker of Dorking C.H., an Edge Trustee, 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, were appointed a Trustee of BDT on 1 July 2010 and 25 February 2014 respectively. Prior to his appointment as Acting CEO of Edge, David Harbourne was contracted as a consultant by BDT for one day per week; this fell to one day a month during his tenure as Acting CEO of Edge.

In January 2013 Edge agreed to sponsor the Skills Show for £250,000 per annum for 2 years and then in 2015 for a further amount of £250,000 for one more year. Marion Plant OBE, an Edge Trustee (resigned 29 October 2015), is a Non-Executive Director of the Find a Future Board, the organisers of the Skills Show.

On 7 October 2013 the Career Colleges Trust (CCT) was incorporated, a company limited by guarantee. The Rt. Hon. Lord Baker of Dorking C.H., an Edge Trustee and Jan Hodges OBE, CEO of Edge (until 3 April 2015), were appointed Trustees of CCT on 2 December 2013. Jan Hodges resigned as a Trustee of CCT on 23 March 2015. 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, the loan is repayable in August 2017, to continue the development of Career Colleges. The loan is fully provided for in the Edge accounts. In December 2013 Edge supported CCT by making a grant of £50,000 towards the development of Career Colleges, a further grant of £25,000 was made in December 2015, followed by a further grants of £58,450 in January and £111,000 in April 2016. At 31 December 2014 and 2015 grant payments of £Nil were outstanding. In addition Edge provided support in kind of £55,492 (2014: nil).

In 2014 Edge paid £3,000 to the Education and Employers Taskforce (EETF) to sponsor their research conference. In 2015 Edge agreed to pay EETF £48,000 to assist in the running and promotion of Career Footsteps in 2016, at 31 December 2015 £30,000 remained outstanding. A further grant of £7,000 was awarded in April 2016. David Harbourne, the Director of Policy and Research of Edge, is a member of the organisation's Expert Group on Research, however this group did not meet in 2015.

In 2014 Edge made a grant of £19,500 to the Institute of Public Policy and Research (IPPR) to fund a review of Further Education for young people, the Rt. Hon. Lord Adonis is the Chair of Trustees of IPPR and chaired the review. At 31 December 2015 grants payments of £Nil (2014 : £13,000) remained outstanding.

**20 Related party transactions (continued)**

In 2014 Edge made an Innovation and Development Fund grant of £50,000 to Prospects College of Advanced Technology (PROCAT) to develop the provision of careers advice through the Careers Academy for Railway Engineering and Aviation. At 31 December 2015 grant payments of £10,000 (2014 : £40,000) remained outstanding. Neil Bates, an Edge Trustee, is a Director of and the Principal of PROCAT.

In 2015 Edge paid £57,007 (2014 : £61,540) to Neofilms Limited, a company owned by the brother of Andi Neophytou, the Head of Marketing and PR for Edge (resigned 30 January 2016). During 2014 an independent tender process was undertaken to ensure that all relevant transactions are undertaken at arms length. All purchase orders and invoices relating to Neofilms are also authorised by the Chief Executive of Edge.

**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.