

Company number: 1686164
Charity Number: 286621

Edge Foundation

Report and financial statements
For the year ended 31 December 2021



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Reference and administrative information

For the year ended 31 December 2021

Company number 1686164

Charity number 286621

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

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

Neil Bates – Chair
Professor Ann-Marie Bathmaker
Michael Butler
Pauline Daniyan
Toby Peyton-Jones (resigned 18th May 2022)
Professor Colin Riordan (resigned 9th March 2022)
Andrew Stevens
Elaine Lilley
Stephen Gray (resigned 8th December 2021)
Rebecca Garrod Waters (appointed 9th March 2022)
Amma Anderson (appointed 9th March 2022)

Key management personnel

Alice Barnard	Chief Executive
Oliver Newton	Executive Director
Ben Dowdeswell	Company Secretary

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

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Trustees' annual report

For the year ended 31 December 2021

The Trustees present their report and the audited financial statements for the year ended 31 December 2021.

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 paths people take from secondary education and Further Education through Higher Education to the world of work, focusing on how to make all aspects of education more relevant.

The Edge Foundation believes all young people should have the opportunity to achieve their potential by 'Making Education Relevant'.

We believe in high quality professional education and training, a broad and balanced curriculum, interactive and engaging real-world learning and rich relationships between education and employers. In 2020, the Board approved a five-year strategic plan and updated the strapline of the organisation to 'Making Education Relevant'. In doing so, they set out the following vision for the organisation:

Making education relevant for:

- all – promoting greater equity in our society
- the real world – making sure that learning is engaging and exciting
- employability – ensuring that all young people are ready for work
- communities – tailoring solutions to the different nations, regions and places around the UK
- the future – preparing young people for our changing world and economy

2 Strategic report

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's Aims and Objectives, and when planning its future activities all activities are undertaken for the purpose of furthering the Foundation's charitable purposes for the public benefit.

Research Review Group

Edge chairs a Research Review Group which 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

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For the year ended 31 December 2021

spots, whilst minimising overlap and promoting collaboration. The group has been recognised as an example of good practice by the research community.

This year, Edge has further increased the strength of the group and continued to build on its success by leading a series of more specific research groups, including those on skills shortages in the UK economy, European vocational education research, innovation in Higher Education, and education in an island context.

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

Supporting Early Career Researchers

Edge brings together a network of more than 20 Early Career Researchers (who are undertaking or have recently finished their PhD) working in the areas covered by the charity's interests. It provides networking and peer support opportunities including a termly Network meeting as well as a small bursary fund and mentoring provision to help these researchers present their work at conferences.

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

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

Primary Research

Edge has developed its own expertise and in-house capacity for independent primary research on projects that further the charity's Aims, working with partners that share similar objectives. This year, we completed several pieces of primary research, including:

- Case studies of innovative higher education practice that is focused on preparations for employment (<https://www.edge.co.uk/research/projects/research-reports/Rethinking-higher-education-Case-studies-for-the-21st-Century/>)
- Perspectives on National Occupational Standards, which was funded by Skills Development Scotland (<https://www.edge.co.uk/research/projects/research-reports/Perspectives-on-National-Occupational-Standards-What-do-users-think/>)
- The Impact of 'Winning College Awards', looking back at the impact of the Edge-sponsored Association of Colleges (AoC) Beacon Award over the last 12 years (<https://www.edge.co.uk/research/projects/research-reports/the-impact-of-winning-college-awards/>). This was partly funded by the AoC Charitable Trust.

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– 'Drivers of Technical Excellence in the Skills Economy', an analysis of seven different skills systems used internationally for 'World Skills UK', undertaken with the University of Oxford (<https://www.edge.co.uk/research/projects/research-reports/drivers-of-technical-excellence-in-the-skills-economy/>).

– A report looking at Graduate Apprenticeships in Scotland (<https://www.edge.co.uk/research/projects/research-reports/edge-graduate-apprenticeships-report/>) which was commissioned by the Scottish Apprenticeship Advisory Board

We have also continued the successful partnership with KCL funded by the Economic & Social Research Council (ESRC) for the four-year longitudinal study 'Young Futures, Young Lives' that will look at how young people make post-16 transitions.

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

External Research

Edge works with associate researchers in a number of respected University Departments and research organisations to support them in undertaking 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:

- Inspection across the UK: how the four nations intend to contribute to school improvement (UCL) – <https://www.edge.co.uk/research/projects/research-reports/Inspection-across-the-UK-how-the-four-nations-intend-to-contribute-to-school-improvement/>
- The Benefits of Hindsight – Assessing the impact of apprenticeship reforms on employer behaviour – <https://www.edge.co.uk/research/projects/research-reports/the-benefits-of-hindsight-assessing-the-impact-of-apprenticeship-reforms-on-employer-behaviour/>

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

- Improving destination measures from schools and colleges using the Longitudinal Educational Outcomes dataset
- The evaluation of the Edge grant fund

Study Visits

Edge led a series of virtual study visits to gather and disseminate the most effective practice in technical and professional education from other countries. These allowed us to continue to understand international practice even during the pandemic.

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In Spring 2021 we 'visited' South Africa – you can read more about our findings from the visit at <https://www.edge.co.uk/news-and-events/news/adapting-to-a-green-economy-insights-from-south-africa/> and <https://www.fenews.co.uk/exclusive/preparing-young-people-for-work-innovations-from-south-africa/>.

In Autumn 2021 we 'visited' Singapore – you can read more about our findings from the visit at <https://www.edge.co.uk/news-and-events/blogs/singapore-exploring-novel-approaches-to-higher-education/> and <https://www.fenews.co.uk/exclusive/what-can-we-learn-from-the-singaporean-education-system/>.

Policy Network

Building on the success of our various research networks, in 2021 we founded our Edge policy network, which now has more than 40 members who lead policy development in charities, think tanks, awarding organisations and others with an interest in vocational education policy making.

The group meets 5–6 times a year to discuss and debate policy ideas or to hear from senior government officials.

Policy Campaigns

Edge is leading or co-leading a range of policy campaigns to push for change, building on our research evidence and that of our partners.

The charity helped to found the 'Rethinking Assessment' movement. to develop and push for new means of multimodal assessment that go beyond written exams to value the wider skills and attributes that young people develop – <https://www.rethinkingassessment.com/>.

Edge also helped to found the #ProtectStudentChoice movement which has been pressing for the government to rethink its plans to scrap the BTECs and associated qualifications. Having led a petition of over 100,000 signatures the campaign secured a debate on the issue in Parliament – <https://www.protectstudentchoice.org/>.

Edge has begun a major program of work focused on recent policy history in the vocational education space as a way of helping policy makers to understand and refer back to previous policy approaches, learning from the past rather than repeating previous mistakes – <https://www.edge.co.uk/research/Learning-from-the-past/>.

Skills Shortages in the UK Economy

Edge continued to publish biannual bulletins on the current state of the UK economy and the future of the labour market which are widely read and used in the sector.

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- Bulletin 8 – <https://www.edge.co.uk/research/projects/skills-shortages-uk-economy/skills-shortage-bulletin-8/>
- Bulletin 9 – <https://www.edge.co.uk/research/projects/skills-shortages-uk-economy/skills-shortage-bulletin-9/>

Debating the First Principles of English Vocational Education

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

We published our fourth report (<https://www.edge.co.uk/research/projects/principles-english-vocational-education/Principles-of-English-Vocational-Education-Volume-4/>) and then built on this with a series of oversubscribed Continuing Professional Development (CPD) sessions in the Autumn (<https://www.edge.co.uk/news-and-events/news/further-education-cpd/>).

Responses to Consultations and Select Committees

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

Edge's Executive Director was also appointed as Specialist Adviser to the House of Lords Committee on Youth Unemployment, which reported in December (<https://committees.parliament.uk/committee/506/youth-unemployment-committee/>)

Edge Future Learning (EFL)

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

In 2021, we published a full evidence review commissioned from the UCL Institute of Education to ensure a clear evidence base for this work – <https://www.edge.co.uk/research/Learning-from-the-past/>.

We have also published a series of reflections from our pilot work in the North East of England since 2019 (<https://www.edge.co.uk/research/Learning-from-the-past/>) which will be followed by an evaluation conducted in 2022 by the UCL Institute of Education to ensure we reflect and learn lessons from this work.

This year we have developed and refined our model (<https://www.edge.co.uk/edge-future-learning/>), continued to build our strong network of leaders and partners (<https://www.edge.co.uk/edge-future-learning/efl-leaders-and-partners/>) and begun to offer

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high quality training ourselves and in partnership with other leading organisations

(<https://www.edge.co.uk/edge-future-learning/efl-training/>).

Edge Hotel School

The Edge Hotel School, now part of the humanities faculty at the University of Essex, continues to offer a different approach to higher education, offering accelerated and standard degrees in Hotel Management and Events Management with Hospitality, together with working alongside professionals in the 4* Wivenhoe House hotel.

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

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

Edge Grant Fund

In light of the progressive nature of the rest of the organisation's work, the Trustees felt that it was necessary to review the future purpose and reach of the fund in 2022.

AoC Beacon Award (AIM: 3)

The AoC Beacon Awards, now in their 25th year, highlight the breadth and quality of education in colleges throughout the UK, helping to increase the understanding of colleges' contribution to their communities' economic and social development.

Edge has for a number of years supported an award which recognises, celebrates and promotes examples of excellent practical teaching and learning which meet the following criteria:

By demonstrating the development of a curriculum which has led to improvements in practical teaching and learning that have enabled learners to have experiences that:

- Are embedded in the real world, working with experts
- they find meaningful and challenging
- are life changing

And also demonstrate:

- The development of a responsive curriculum for professional and vocational education which has a direct and sustainable impact on employment and enterprise
- Excellent engagement with employers and local communities, leading to sustained and successful involvement of learners in the workplace

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- Innovative best practice that delivers identifiable results and benefits for both learners and teaching professionals
- The development and implementation of flexible teaching, learning and assessment methods

Sponsorship

Edge supported the promotion of a series of podcasts as part of a collaboration between Edge and the **Design and Technology Association**. The series called, **Design for Life** includes interviews with high profile names from across the design and technology landscape. The aim of this project is to inspire and encourage young people considering training and careers in this sector.

External Communications

Edge Communications Network (ECN)

In 2020 Edge founded a network for Senior Marketing and Communications Professionals working across the education sector. In 2021 ECN grew from 15 members to over 70. Meetings are hosted by Edge online, once a term, and provide a useful forum for the dissemination of Edge research and events.

Brand

To mark the start of 2021 and the launch of the new Edge website, the Edge brand enjoyed a 'refresh', and all collateral and materials turned from orange to fushia. We also introduced the tagline- *Making education relevant*.

Edge Website

At the start of 2021 Edge launched a new website and Customer Relationship Management (CRM). This included recovering old research reports for the website, designing graphics and core messaging for policy, and creating template materials for meetings, webinars and presentations. The aim is to ensure that the website is engaging and interactive. and to keep it updated with all the latest information about the Foundation's work. <http://www.edge.co.uk/>.

Conferences and Events

January 21 Assessment- time for a rethink? Chaired by Sian Griffiths Education Editor, Sunday Times Keynote Robert Halfon MP, panel including Christine Gilbert CBE, Bill Lucas Professor of Learning and Director of the Centre for Real – World Learning, University of Winchester, Peter Hyman Co-Director Big Education, Rachel Macfarlane Director of Education Services, Herts for Learning and Alice Barnard, CEO, Edge Foundation.

April 21 Young Lives, Young Futures, shaping the future of education- Chaired by Aliyah Irabor-York

This event marked the official launch of Young Lives, Young Futures, a five-year national study being conducted by KCL and The Edge Foundation. Placing youth voice front and centre, its aim is to determine how the UK's vocational and educational training system can better support those young people who do not go to university.

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May 21 Rethinking Employability– Chaired by Steph McGovern

Jo Clarke from Envision offered insights from inside the education system. Also bringing their expertise were Neil Weller MBE (Chair of the London Apprenticeship Ambassador Network); Kirsty Green-Mann (Head of Corporate Responsibility, Burges Salmon LLP); and Mark Smith (CEO and Founder of Ada, the National College for Digital Skills).

July 21 Assessment– Time for a rethink? In discussion with Kate Green MP Online webinar chaired by Olly Newton Executive Director, Edge. Panellists included Meeta Vouk, Director Product Management, AI for IBM Z, Alice Barnard, CEO, Edge Foundation, Sarah Fletcher, High Mistress, St Paul's Girls' School and Sarah-Jayne Blakemore, Professor of Psychology & Cognitive Neuroscience at Cambridge.

October 21 The Edge Foundation at the Conservative Party Conference 2021

The future of assessment – time for a rethink? In-person event chaired by Flick Drummond, MP for Meon Valley, panellists included Rt Hon Robert Halfon, MP for Harlow and Chair of the Education Select Committee, Sarah-Jayne Blakemore, Professor of Psychology – University of Cambridge, Jonnie Noakes, Head of Teaching and Learning – Eton College, Phil Avery, Director of Education – Bohunt Education Trust, Alice Barnard, Chief Executive – Edge Foundation.

Edge Christmas Lecture

December 2021 How to create a career with purpose

Due to the pandemic our lecture in 2021 was delivered online by Canadian author and speaker Tim Tamashiro. He introduced the Japanese philosophy of Ikigai, describing how it can act as a guide to finding fulfilling work, whatever stage of life we are in.

The main activities for communications in 2021 was to support the delivery of events, launch the new website, manage the brand refresh, and support research and policy work. A series of Edge podcasts were created, and 2 news videos were commissioned to introduce and explain the Edge mission and an explainer for EFL.

Media work in 2021 primarily focused on supporting the Research and Policy Team, as well as the 'Rethinking Assessment' campaign and providing general comment on education issues.

The focus for 2022 will be to strengthen and develop the communications team to allow for a stronger focus on media relations, profiling Edge spokespeople and offering strategic support on EFL.

3 Plans for the future

The Edge Foundation will continue to position itself as the leading organisation promoting innovative models of education to prepare people for their future careers, from primary school right through to lifelong learning. The direction of Edge over the next five years is contained within the strategy document which expires in 2025.

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Trustees' annual report

For the year ended 31 December 2021

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

- Developing and expanding EFL to provide a rich and varied CPD offering for teachers and lecturers across the country support to develop their pedagogy around the themes of Project-Based Learning, Real-World Learning and Community Connected Learning.
- Leading high-quality primary, joint and commissioned research work, continuing to build a strong reputation for research and evidence in the vocational education space.
- Continue to lead effective policy development and campaigning including on broadening the school curriculum, multimodal assessment, and maintaining BTECs and associated vocational qualifications.

Edge also aims 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 program of support for early career researchers to train the next generation of academics in this field.
- Continuing to develop our international EFL network to share practice and champion this approach.
- Building and continuing to strengthen our successful policy and communications networks.

4 Financial review

Total income for the year was £0.65m (2020: £1.07m), the majority of which is investment income. Resources expended during the year were £2.04m (2020: £2.27m), which resulted in net outgoing resources before investment disposals or revaluations of £1.39m (2020: £1.2m). After an increase in the value of investments of £0.46m (2020: £0.88m) the result was a deficit of £0.93m (2020 deficit: £0.32m). Net assets at 31 December 2021 were £25.46m (2020: £26.39m) including £21.68m (2020: £21.31m) held as long-term investments.

Principal risks and uncertainties

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

The principal risks are:

- Edge may have an insufficiently clear purpose, mission and direction. This risk is mitigated by the Trustees developing a clear strategy in conjunction with the Senior Management. The Senior Management is then responsible for implementing. If deemed necessary, additional

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Trustees' annual report

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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. To mitigate this risk, Edge has a clear conflicts of interest policy, including conflicted Trustees absenting themselves from meetings when conflicted, and abstaining from taking any part in conflicted decisions. When necessary, Edge specifically recruits non-conflicted Trustees to ensure independence is maintained.
- Association with a failed project may cause damage to Edge's reputation. To mitigate this risk, an assessment process is carried out by senior staff prior to any new project being funded. Major risks are highlighted to the Board of Trustees prior to approval of the project. Projects are closely monitored by senior staff and any emerging issues are reported to the Board of Trustees.
- The Coronavirus pandemic led the Trustees to consider the company's status as a going concern, including its financial security, the adequacy of its reserves and the robustness of future financial forecasts up to 30th June 2023. Edge Foundation has undertaken a re-appraisal of expenditure across a number of areas and made conservative future budget projections. There is a reasonable level of confidence attached to the current projections, which do not threaten the solvency of Edge Foundation or its status as a going concern. Current resources provide the company with sufficient financial strength to withstand a significant downturn within the coming twelve months, while income and expenditure remain carefully controlled.

Prior to a new project being undertaken, an assessment process is carried out by 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 2021 the reserves of Edge are £25.45m (2020 £26.39m). The charity's reserves are required to provide sufficient income to cover the budgeted annual expenditure. Edge does not have any other significant sources of income and is therefore reliant on the reserves to generate sufficient return for its ongoing operations. The Board approves expenditure of the reserves to increase the effectiveness of the charity over the medium term. For 2022 it has approved £2m of expenditure.

Investment policy and performance

The charity's investment policy during 2021 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). With an increase in value of £0.45m, combined with income from investments of £0.57m, the charity generated a return of £1.02m representing a return of 4.7% in the value of the investments. The Finance Committee continues to monitor the performance and strategy of the investment funds, ensuring the policy remains appropriate to changing circumstances

Fund Raising policy

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

5 Structure, management and governance

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

Appointment of Trustees

A nominations committee set up by the Board helps to ensure that new Trustees are selected by establishing that their skills complement those of the existing members, thereby guaranteeing 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 22 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. Any increase in remuneration for the Chief Executive requires Board approval. The Board also approves the annual pay rises for all staff. Remuneration is also benchmarked 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 applicants.

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 and 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.

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 2020 was 8 (2019: 10). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Edge Foundation

Trustees' annual report

For the year ended 31 December 2021

Auditor

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

The Trustees' annual report, which includes the strategic report, has been approved by the Trustees on 21st July 2022 and signed on their behalf by



Neil Bates
Chairman

Independent auditor's report

To the members of

Edge Foundation

Opinion

We have audited the financial statements of Edge Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and 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 2021 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

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

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

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

Independent auditor's report

To the members of

Edge Foundation

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report 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. 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 directors 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

Independent auditor's report

To the members of

Edge Foundation

company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

Independent auditor's report

To the members of

Edge Foundation

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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)

5 August 2022

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 2021

	Note	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
Income from:							
Charitable activities	2	53	25	78	44	382	426
Investments	3	577	-	577	649	-	649
Total income		630	25	655	693	382	1,075
Expenditure on:							
Raising funds	4	98	-	98	100	-	100
Charitable activities:							
Research	4	1,012	22	1,034	661	216	877
Promotion and PR	4	156	-	156	166	-	166
Public Affairs	4	89	-	89	96	-	96
Education	4	665	3	668	870	166	1,036
Total expenditure		2,020	25	2,045	1,893	382	2,275
Net expenditure before net gains on investments		(1,390)	-	(1,390)	(1,200)	-	(1,200)
Gains on investments	12	458	-	458	880	-	880
Net expenditure for the year and movement in funds		(932)	-	(932)	(320)	-	(320)
Reconciliation of funds:							
Total funds brought forward		26,390	-	26,390	26,710	-	26,710
Total funds carried forward		25,458	-	25,458	26,390	-	26,390

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 17 to the financial statements.

Edge Foundation

Balance sheet

Company no. 1686164

As at 31 December 2021

	Note	£'000	2021 £'000	£'000	2020 £'000
Fixed assets:					
Tangible assets	10		120		128
Intangible assets	11		73		85
Investments	12		21,676		21,316
			<u>21,869</u>		<u>21,529</u>
Current assets:					
Debtors	13	141		261	
Cash at bank and in hand		3,846		5,349	
		<u>3,987</u>		<u>5,610</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	383		724	
Net current assets			<u>3,604</u>		<u>4,886</u>
Total assets less current liabilities			<u>25,473</u>		<u>26,415</u>
Creditors: amounts falling due after one year	16		<u>15</u>		<u>25</u>
Total net assets			<u><u>25,458</u></u>		<u><u>26,390</u></u>
The funds of the charity:	17				
Restricted income funds			-		-
Unrestricted income funds:					
Revaluation reserve			1,407		1,494
General funds			<u>24,051</u>		<u>24,896</u>
Total charity funds			<u><u>25,458</u></u>		<u><u>26,390</u></u>

Approved by the trustees on 21st July 2022 and signed on their behalf by



Neil Bates
Chairman

Edge Foundation

Statement of cash flows

For the year ended 31 December 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash (used in) operating activities	19		(2,055)		(1,949)
Cash flows from investing activities:					
Dividends, interest and rents from investments		577		649	
Purchase of fixed assets		(14)		(4)	
Purchase of intangible fixed assets		(12)		(85)	
Capital drawdown from investments		1		3,308	
Net cash provided by investing activities			<u>552</u>		<u>3,868</u>
Change in cash and cash equivalents in the year			(1,503)		1,919
Cash and cash equivalents at the beginning of the year			<u>5,349</u>		<u>3,430</u>
Cash and cash equivalents at the end of the year			<u><u>3,846</u></u>		<u><u>5,349</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 44 Whitfield Street, London, W1T 2RH.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

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

c) Public benefit entity

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

d) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. In particular the trustees have considered the impact of the coronavirus pandemic on the charity's operations. The Trustees have concluded that there are no material uncertainties about the charitable company's ability to continue as a going concern.

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

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

e) Income

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

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

f) Interest receivable

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

g) Fund accounting

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

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

h) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the fees we are charged for the management on our investment portfolios.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT (continued)

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

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	6%
● Public Affairs	5%
● Education	24%
● Research	55%
● Support costs	8%
● Governance costs	2%

j) Operating leases

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

k) Depreciation and amortisation

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

Intangible assets:

Intangible assets are capitalised at cost and amortised to write off the cost over the estimated useful life.

● Website costs	between 3 to 5 years
● CRM costs	between 3 to 5 years

Website and CRM costs have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use they will be amortised on the straight line basis over the anticipated life of the benefits arising from the completed project.

1 Accounting policies (continued)

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.

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.

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2021

2 Income from charitable activities

	Unrestricted £000's	Restricted £000's	2021 Total £000's	2020 Total £000's
Global Giving Foundation	-	-	-	57
Four Acre Trust	-	-	-	98
AoC Charitable Trust	-	-	-	10
North East LEP	-	-	-	189
The Wood Foundation	-	-	-	19
King's College London	-	17	17	9
Creative Education Trust	-	1	1	-
Doncaster Opportunity Area	-	1	1	-
Highlands College	30	-	30	-
Oxford University Innovation Limited	-	5	5	-
Southern Regional College	-	1	1	-
Skills Development Scotland	18	-	18	37
Other Income	-	-	-	7
Other Consultancy	5	-	5	-
	53	25	78	426

3 Income from investments

	2021 Total Unrestricted £000's	2020 Total Unrestricted £000's
Income from long term investments	577	641
Interest on cash at bank	-	8
	577	649

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2021

4a Analysis of expenditure

	Cost of raising funds £'000	Charitable activities					Support costs £'000	2021 Total £'000	2020 Total £'000
		Research £'000	Promotion and PR £'000	Public Affairs £'000	Education £'000	Governance costs £'000			
Staff costs	-	534	55	51	229	17	81	968	802
Research	-	213	-	-	-	-	-	213	212
Public Affairs	-	-	-	10	-	-	-	10	23
Edge Hotel School – Hotel Future	-	-	-	-	4	-	-	4	16
Grant Fund Monitoring	-	-	-	-	6	-	-	6	15
Edge Grant Fund	-	-	-	-	-	-	-	-	155
AOC Beacon Awards	-	-	-	-	15	-	-	15	15
Next Generation Learning	-	-	-	-	282	-	-	282	486
Other grants and sponsorship	-	-	-	-	9	-	-	9	20
Communications	-	-	69	-	-	-	-	69	74
Edge Events	-	-	2	-	-	-	-	2	1
Other employee costs	-	17	2	2	7	-	3	30	16
Premises and office costs	-	101	11	10	43	3	15	183	209
Administration and IT costs	-	86	9	8	37	3	13	156	131
Investment Management fees	98	-	-	-	-	-	-	98	100
	98	951	148	81	632	23	112	2,045	2,275
Support costs	-	69	7	7	29	-	(112)	-	-
Governance costs	-	14	1	1	6	(23)	-	-	-
Total expenditure 2021	98	1,034	156	89	668	-	-	2,045	
Total expenditure 2020	100	878	166	96	1,036	-	-		2,275

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2021

4b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Charitable activities					Support costs £'000	2020 £'000
		Research £'000	Promotion and PR £'000	Public Affairs £'000	Education £'000	Governance costs £'000		
Staff costs	-	405	55	44	200	16	82	802
Research	-	212	-	-	-	-	-	212
Public Affairs	-	-	-	23	-	-	-	23
Edge Hotel School – Hotel Future	-	-	-	-	16	-	-	16
Give Yourself the Edge	-	-	-	-	-	-	-	-
Grant Fund Monitoring	-	-	-	-	15	-	-	15
Edge Grant Fund	-	-	-	-	155	-	-	155
AOC Beacon Awards	-	-	-	-	15	-	-	15
Career Colleges Trust	-	-	-	-	-	-	-	-
Next Generation Learning	-	-	-	-	486	-	-	486
Other grants and sponsorship	-	-	-	-	20	-	-	20
Communications	-	-	74	-	-	-	-	74
Edge Events	-	-	1	-	-	-	-	1
Other employee costs	-	8	1	1	4	-	2	16
Premises and office costs	-	105	15	12	52	4	21	209
Administration and IT costs	-	66	9	7	32	3	14	131
Investment Management fees	100	-	-	-	-	-	-	100
	100	796	155	87	995	23	119	2,275
Support costs	-	68	9	8	34	-	(119)	-
Governance costs	-	13	2	1	7	(23)	-	-
Total expenditure 2020	100	878	166	96	1,035	-	-	2,275
Total expenditure 2019	80	930	297	190	1,847	-	-	-

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2021

5 Grant making

	2021 £'000	2020 £'000
Baysgarth School	-	35
Skills Builder Partnership	-	50
Tower Hamlets EBP	-	24
Warwickshire College Group	-	46
At the end of the year	-	155

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:

	2021 £'000	2020 £'000
Depreciation	21	20
Amortisation	24	-
Operating lease rentals:		
Property	136	136
Other	1	1
Auditors' remuneration (excluding VAT):		
Audit	9	9

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

Staff costs were as follows:

	2021 £'000	2020 £'000
Salaries and wages	805	661
Social security costs	84	70
Employer's contribution to defined contribution pension schemes	49	37
Other forms of employee benefits	5	3
Other third parties and secondments	25	31
	<u>968</u>	<u>802</u>

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

	2021 No.	2020 No.
£60,000 – £69,999	–	1
£80,000 – £89,999	1	1
£90,000 – £99,999	1	–
£120,000 – £129,999	1	–
£130,000 – £139,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits including pension contributions and employer's NI contributions of the key management personnel were £254,333 (2020: £258,218).

The charity Trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £175 (2020: £1,101) incurred by 2 (2020: 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:

	2021 No.	2020 No.
Research	9	7
Promotion and PR	1	1
Public Affairs	1	1
Education	4	4
Support	1	1
	<u>16</u>	<u>14</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 improvement £'000	Fixtures and fittings £'000	IT equipment £'000	Total £'000
Cost				
At the start of the year	142	21	45	208
Additions in year	-	-	14	14
Disposals	-	-	-	-
At the end of the year	142	21	59	222
Depreciation				
At the start of the year	22	20	39	81
Charge for the year	13	-	8	21
Disposals	-	-	-	-
At the end of the year	35	20	47	102
Net book value				
At the end of the year	107	1	12	120
At the start of the year	120	1	6	127

All of the above assets are used for charitable purposes.

11 Intangible fixed assets

	Website costs £'000	CRM costs £'000	Total £'000
Cost			
At the start of the year	51	34	85
Additions in year	2	10	12
Disposals	-	-	-
At the end of the year	53	44	97
Amortisation			
At the start of the year	-	-	-
Charge for the year	13	11	24
Disposals	-	-	-
At the end of the year	13	11	24
Net book value			
At the end of the year	40	33	73
At the start of the year	51	34	85

Website and CRM development costs were completed in March 2021 at which point the costs have been amortised over a period of 5 years.

All of the above assets are used for charitable purposes.

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2021

12 Listed investments

	2021 £'000	2020 £'000
Fair value at the start of the year	21,316	21,308
Additions at cost	9,875	2,430
Disposal proceeds	(9,973)	(3,302)
Net gains on change in fair value	458	880
	<u>21,676</u>	<u>21,316</u>
Cash held by investment broker pending reinvestment ^o	-	-
Fair value at the end of the year	<u>21,676</u>	<u>21,316</u>
Historic cost at the end of the year	<u>20,269</u>	<u>19,822</u>
Investments comprise:		
	2021 £'000	2020 £'000
Listed investments	21,676	21,316
Cash	-	-
	<u>21,676</u>	<u>21,316</u>

13 Debtors

	2021 £'000	2020 £'000
Trade debtors	27	83
Accrued income	40	118
Prepayments	74	60
	<u>141</u>	<u>261</u>

14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Grant commitments	143	341
Trade creditors	79	136
Taxation and social security	31	31
Other creditors	77	111
Accruals	53	75
	<u>383</u>	<u>724</u>

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2021

15 Grant note	2021	2020
	£'000	£'000
Balance at the beginning of the year	351	460
Awarded in the year	-	155
Grants written back during the year	-	-
Charged to expenditure	-	155
Paid in the year	(208)	(264)
Balance at the end of the year	143	351
Creditors : amounts due within one year	143	341
Creditors : amounts due after one year	-	10
16 Creditors: amounts falling due after one year	2021	2020
	£'000	£'000
Grant commitments > 1 year	-	10
Dilapidations provision	15	15
	15	25

Edge Foundation

Notes to the financial statements

For the year ended 31 December 2021

17a Movements in funds – current year

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
King's College London	-	17	(17)	-	-
Creative Education Trust	-	1	(1)	-	-
Doncaster Opportunity Area	-	1	(1)	-	-
Oxford University Innovation Limited	-	5	(5)	-	-
Southern Regional College	-	1	(1)	-	-
Total restricted funds	-	25	(25)	-	-
Unrestricted funds:					
Revaluation reserve	1,494	458	-	(545)	1,407
General funds	24,896	630	(2,020)	545	24,051
	26,390	1,088	(2,020)	-	25,458
Total funds	26,390	1,113	(2,045)	-	25,458

Purposes of restricted funds

Kings College London provide funding for a longitudinal research project examining how the lives of young people develop educationally and their perceptions in choosing different educational pathways.

Oxford University Innovation Ltd funded educational research and Creative Education Trust, Doncaster Opportunity Area and Southern Regional College's funds contributed to the Edge Future Learning project.

17b Movements in funds – prior year

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Global Giving Foundation	-	57	(57)	-	-
Four Acre Trust	-	98	(98)	-	-
AoC Charitable Trust	-	10	(10)	-	-
North East LEP	-	189	(189)	-	-
The Wood Foundation	-	19	(19)	-	-
King's College London	-	9	(9)	-	-
Total Restricted funds	-	382	(382)	-	-
Unrestricted funds:					
Revaluation reserve	3,479	880	-	(2,865)	1,494
General funds	23,231	693	(1,893)	2,865	24,896
	26,710	1,573	(1,893)	-	26,390
	26,710	1,955	(2,275)	-	26,390

18a Analysis of net assets between funds

	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Investments	-	21,676	21,676
Tangible fixed assets	-	120	120
Intangible fixed assets	-	73	73
Net current assets	-	3,604	3,604
Long term liabilities	-	(15)	(15)
	-	25,458	25,458

18b Analysis of net assets between funds – prior year

	Restricted £'000	Unrestricted £'000	Total funds £'000
Investments	-	21,316	21,316
Tangible fixed assets	-	128	128
Intangible fixed assets	-	85	85
Net current assets	-	4,886	4,886
Long term liabilities	-	(25)	(25)
	-	26,390	26,390

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

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(932)	(320)
Depreciation charges	21	20
Amortisation charges	24	-
Investment fees	98	100
Gains on investments	(458)	(880)
Dividends, interest and rent from investments	(577)	(649)
Decrease / (Increase) in debtors	120	(171)
Decrease in creditors	(351)	(49)
Net cash (used in) operating activities	(2,055)	(1,949)

20 Analysis of cash and cash equivalents

	At 1 January 2021 £'000	Cash flows £'000	Other changes £'000	At 31 December 2021 £'000
Cash at bank and in hand	5,349	(1,503)	-	3,846
Total cash and cash equivalents	5,349	(1,503)	-	3,846

21 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 2021 £'000	2020 £'000	Equipment 2021 £'000	2020 £'000
Less than one year	163	163	1	1
One to five years	285	448	-	-
	448	611	1	1

22 Related party transactions

The Association of Colleges Charitable Trust:

In 2021 Edge Foundation made Grant Payments of £19,200 were made to The Association of Colleges Charitable Trust (2020: £15,000) supporting the annual Beacon awards recognising outstanding college provision and institutional excellence. Jane Samuels formerly the Director of Projects and Partnership of Edge Foundation is a trustee of the Association of Colleges Charitable Trust, a registered charity.

Edge Hotel School:

In 2021 Edge Foundation made grant payments of £6,250 to the Edge Hotel School which is part of the University of Essex (2020: £28,500). These payments were for continuing support of student scholarships and operations. Alice Barnard the Chief Executive of Edge Foundation and Jane Samuels formerly the Director of Projects and Partnerships of Edge Foundation are directors of the Wivenhoe House Hotel the home of the Edge Hotel School.

23 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.

24 Post Balance Sheet Events

Since the year end there has been a material reduction in the valuation of the Edge Foundation investments held with Sarasin & Partners. As at 5th July 2022 the value of the investment portfolio stood at £17,109,959. £2m was withdrawn into the bank account in April 2022. This does not require an adjustment to the valuation of the investments at the balance sheet date, however this has been disclosed as information for the reader of the accounts.