

THE EDUCATION ENDOWMENT FOUNDATION

England & Wales · Charity number 1142111

Details

Other names EEF

Status Registered

Legal form Charitable company

Company number [07587909](#)

Registered 2011-05-25

Register [View on the Charity Commission register](#)

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Activities

Objects: 3.1 THE OBJECT OF THE CHARITY IS THE ADVANCEMENT OF EDUCATION FOR THE BENEFIT OF THE PUBLIC, IN PARTICULAR, BUT NOT EXCLUSIVELY, BY:(A) MAKING GRANTS TO SCHOOLS, LOCAL AUTHORITIES, CHARITIES, SOCIAL ENTERPRISES AND OTHER VOLUNTARY AND COMMUNITY SECTOR ORGANISATIONS TO FUND PROJECTS WHICH SEEK TO ADDRESS LOW EDUCATIONAL ATTAINMENT; AND(B) SUPPORTING AND DISSEMINATING THE RESULTS OF RESEARCH INTO WAYS TO MITIGATE THE FACTORS THAT CAUSE OR CONTRIBUTE TO, AND SUCCESSFUL STRATEGIES FOR DEALING WITH, LOW EDUCATIONAL ATTAINMENT.

Activities: The advancement of education for the benefit of the public by a) making grants to schools other not for profit organisations to fund projects which seek to address low educational attainment; and b) supporting and disseminating the results of research in to ways to mitigate the factors that cause or contribute to, and successful strategies for dealing with, low educational attainment.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£52,381,253	£32,169,439	£203,663,201	107
2024-03-31	£17,639,836	£30,229,566	£178,005,419	94
2023-03-31	£156,082,139	£30,946,898	£177,615,449	83
2022-03-31	£34,096,991	£57,266,470	£52,638,082	64
2021-03-31	£42,672,520	£35,354,334	£75,750,316	48

Trustees

Name	Role	Appointed
Dame Christine Bridget Gilbert	Chair	2023-01-01
Graham Clive Elton		2024-01-01
Hanneke Smits		2018-12-11
Lucy Lauris Heller		2018-06-21
Naomi Eisenstadt		2018-06-21
Richard Donner		2025-10-21
Sara Jane Breeden		2022-09-21
Sir Kevan Collins		2021-10-11
Sonia Elaine Thompson		2023-01-01
Zoe Ann Lewis		2024-06-18

THE EDUCATION ENDOWMENT FOUNDATION

England & Wales - Charity number 1142111

Accounts



Education
Endowment
Foundation

The Education Endowment Foundation

**Annual Report and Financial Statements for the year ended
31 March 2025**

Company Registration Number: 07587909

Charity Registration Number: 1142111

Registered Office:

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

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Legal and Administrative Information

The trustees who served during the year and up to the date of the approval of the financial statements were:

Trustees

Dame Christine Gilbert (Chair)
Sarah Breeden
Sir Kevan Collins
Richard Donner (appointed 21 October 2025)
Naomi Eisenstadt
Graham Elton
Sir Peter Gershon (until 4 October 2025)
Lucy Heller
Zoe Lewis (appointed 18 June 2024)
Hanneke Smits
Sonia Thompson

Auditor

Moore Kingston Smith LLP
9 Appold Street
London EC2A 2AP

Banker

CAF Bank Limited
25 King's Hill Ave, King's Hill
West Malling, Kent
ME19 4TA

Solicitors

Freshfields Bruckhaus Deringer
100 Bishopsgate
London EC2P 2SR

Investment advisors

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

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

Trustees' Annual Report

1. Our purpose

The EEF is an independent charity dedicated to breaking the link between family income and educational achievement. We do this by supporting early years settings, schools and colleges to make a difference with evidence.

At the Education Endowment Foundation (EEF), we believe that how well you do at school should not be determined by your family's income. That's why we work to transform education outcomes for the children and young people who need it most.

By the time a child born into a low-income family starts school, they are already less likely to meet expected levels of language, communication, and physical development. These attainment gaps widen throughout primary and secondary school, influencing vital education and employment outcomes later in life.

This does not need to be the case. Giving every child – whatever their economic background or where they go to school – access to great teaching is one of the most powerful levers to change this. We believe the best way to improve teaching and learning is to make sure that the education sector has trustworthy and actionable information about how to boost outcomes.

How we work

To make a difference to the education of 2-19-year-olds, our work is focused in three functions:

- **Summarising evidence.** Looking at the global evidence base and presenting it in an actionable way.
- **Building evidence.** Funding the development, rigorous evaluation, and scale-up of programmes and approaches that aim to raise the attainment of children and young people from disadvantaged backgrounds.
- **Putting evidence to use.** Helping the education sector to use evidence in ways that really make a difference.

Public benefit

We work for the public benefit by addressing educational disadvantage. We do this by granting funds to projects that aim to alleviate such disadvantage, by finding out what works to increase attainment and other outcomes, and by disseminating this evidence.

The Trustees and staff are mindful of the Charity Commission's guidance on public benefit when planning future activities and are confident that the Charity's plans meet these requirements.

Our approach to grant-making

Our grant-making focuses on supporting and evaluating projects that are likely to improve the educational outcomes of young people, particularly those from economically disadvantaged background.

We aim to fund, develop and evaluate cost effective and scalable projects that have a measurable positive impact on educational attainment or related outcomes. We promote the use of evidence in the decision-making of schools, early years settings, 16-19 settings, and by other commissioners and policymakers.

All EEF-funded projects are rigorously evaluated by independent experts in educational research. The charity has to date commissioned 436 projects, 226 of which use randomised controlled trials (RCTs) or other methods (such as Quasi-experimental designs), involving over 60% of English schools. When including the larger scale-up programmes (Nuffield Early Language Intervention and the National Tutoring Programme) implemented during COVID, EEF projects have reached 85% of English schools.

We also aim to influence decision-making and spending across the education sector. This includes scaling up effective, replicable projects and building their delivery capacity. We also share insights about what works through the EEF's Research Schools Network, public campaigns, and policy engagement.

To fund new research, the EEF has developed a Research Agenda which identifies particular themes that are selected based on their potential to:

- improve outcomes for disadvantaged pupils;
- address gaps in the evidence base; and
- answer questions of interest to school leaders and teachers.

Research under this agenda includes:

- evaluations of existing programmes;
- Teacher Choices projects – which generate evidence about smaller changes to classroom practices that teachers have control over; and
- School Choices projects – which generate evidence about changes to school-level practices and processes that school leaders have control over.

All programmes funded by the EEF include an associated evaluations at one of five stages:

- Early-stage development - for programmes that need design and development work and will support getting evidence into practice where a programme does not currently exist.
- Pilot – for small-scale programmes that need further refinement and Theory of Change testing.
- Efficacy trials – for well-established programmes that have already been delivered to some extent and are ready for rigorous testing.
- Effectiveness trials – for programmes already delivered at a larger scale and where some programme-level evidence is already available.
- Scale-up – for programmes with strong evidence that are ready to be scaled across the education system.

Efficacy and effectiveness trials are typically conducted as Randomised Controlled Trials (RCTs), but we use other designs to ensure we can answer the most important research questions in most appropriate way. These five stages make up our Programme pipeline, allowing programmes to move through levels as stronger evidence is generated on their efficacy and feasibility.

The EEF usually runs two grant rounds per academic year, aligned with the priority themes in its Research Agenda. Applications are submitted online via the EEF website and are reviewed by our Programmes and/or Evaluation Managers, with external input as needed.

The most promising applications are developed by a Programme and/or Evaluation Manager in collaboration with the applicant, before being put forward to the Trustee Grants Committee in a two-stage process. Final funding decisions for applications over £1 million are made by the EEF Board, based on the Grants Committee’s recommendations.

All grant awards are subject to:

- i) A legally binding written agreement with the recipient.
- ii) Regular project reviews at each milestone as set out in the grant agreement.

Under the terms of its agreements with grant recipients, the EEF can withdraw its future funding commitment for a number of specified reasons, including failure to meet agreed milestones.

2. Our achievements

Building evidence

In 2024-25, our new research projects focused on writing, maths, and teacher recruitment and retention.

- We launched 49 new projects, including 15 early-stage development projects, four pilots, 15 trials, and three scale-up projects.
- We had 126 active projects, from those being developed, to those being scaled-up across the country.
- We added nine independent evaluations of randomised trials to the global evidence base.

For more information on our grant expenditure spend and details of our grants, see Note 9. In 2024-25, we reached over 1,000 settings through our Accelerator Fund activity. The Accelerator Fund aims to build the EEF's pipeline of evidence-based programmes, and increase the availability of evidence-based programmes in maths and literacy to schools and settings, with schools and settings in Education Investment Areas being prioritised for the work.

We supported the scaling of three programmes showing promise for the educational attainment of children:

- Maths Champions, which builds the knowledge of nursery practitioners to support children's early mathematical development.
- Embedding Formative Assessment, which aims to improve pupil outcomes by embedding the use of formative assessment strategies across a school,
- Maths Mastery, a whole-school approach that aims to deepen pupils' conceptual understanding of key mathematical concepts.

We also expanded our work in testing approaches rather than just programmes – utilising more innovative design methods. This included tests of school-level approaches to improving Teacher Recruitment and Retention and testing an AI-supported approach to lesson planning.

Summarising evidence

This year, we published updated guidance in two of our most important areas, with revised guidance reports on implementation and on Teaching Assistants. In April 2024, we launched an updated version of our flagship guidance report 'A School's Guide to Implementation'. Since

launch the page has had over 184,000 visitors and the guide and its resources have been downloaded over 200,000 times. In March 2025, we launched an updated version of our popular guidance ‘Deployment of Teaching Assistants’ with a key focus on improving the user experience. Since launch, the page has had over 46,000 visitors and the guide and its resources have been downloaded 14,000 times.

We have continued to update our core resources – the Teaching and Learning Toolkit and our Early Years Evidence Store:

- The Teaching and Learning Toolkit received 875,000 views in 2024-25.
- We reviewed 17,000 studies and added 1,000 into the database underpinning the Toolkit.
- The Early Years Evidence Store received 222,000 views.

During the year, we identified several Toolkit strands for additional analysis and exemplification. We are working to develop our Toolkit to include additional analysis on the factors around implementation, as well as greater exemplification and scope for frequently asked questions about the underpinning evidence.

Putting evidence to use

During 2024-25, we used many different methods to support the education sector to use evidence in ways that improve outcomes. These included providing training for other organisations, building local partnerships, and utilising different external communications channels:

- We set-up 25 local evidence partnerships in the year.
- We published over 100 pieces of content that explore how to put evidence into practice.
- Our resources were downloaded 1.4m times.
- 2,000 teachers, in addition to the 60,000 in 2023/24, –from those just starting out to experienced leaders – received professional development that was built on EEF-backed evidence.
- We have supported significant scale-up of well evidenced programmes in areas of the country with greatest need through the Accelerator Fund (see above).

Our work to put evidence to use in schools focused on:

- **The Research Schools Network.** Our 33 Research Schools promote the use of evidence through communications, active training and advocacy. This provides a diverse range of exemplification that schools across the country can relate to and apply based on their own contexts.

- **Building strong regional partnerships.** We work closely with schools, local authorities, and trusts through long-term partnerships to improve teaching practice. These partnerships involve identifying shared challenges and co-developing evidence-based solutions. In 2024-25, we ran 25 such projects.
- **Working with and through others.** We help those who support schools - such as teacher trainers and education leaders - use evidence more effectively. In 2024-25, this included our 'evidence guardianship' role to support large scale policy initiatives, overseeing the content and quality of national offers for teacher training and development (such as ITT, ECF, and NPQs¹) to align them with research. We have also offered targeted support to help build organisational capacity and expertise for using evidence to tackle education inequality. Tailored resources are published on our website, particularly around our updated implementation guidance.

In early years, we enhanced the sector's use of evidence by:

- **Supporting policy development.** We worked with the Department for Education's early years team to help shape their bid to expand the Early Years Pupil Premium, which was announced in March 2025.
- **Providing practical guidance.** In March 2025, we published a 'Guide to the Early Years Pupil Premium' to support early years settings to use their increased funding in ways that have the biggest possible impact on learning and development.

Our mobilisation activity in 16-19 is at an earlier stage of development, but this year we have begun scoping an approach to evidence partnership to support colleges across the countries to put evidence into practice. We expect to launch the partnership in autumn 2025.

Working in partnership

Building global evidence partnerships

We support a global network of organisations dedicated to improving education equity through better use of evidence. Our international work supports our work in England through increasing available evidence for the Teaching and Learning Toolkit and guidance reports; reducing capacity costs in synthesis work; providing peer learning opportunities on evidence generation and use and increasing EEF's brand as the leading example of evidence brokerage

¹ ITT: Initial Teacher Training

ECF: Early Careers Framework

NPQs: National Professional Qualifications

internationally.

This year was the seventh and final year of our partnership with BHP Foundation. All key targets for the projects have been achieved, with activities linked to summarising, building, and putting to use evidence in Latin America, in the Chad basin, in Australia and in Jordan, amongst others over seven years.

This year we developed and signed a partnership with the Robertson Trust. As part of this work, the EEF will support with the translation and contextualisation of key resources on a Scotland specific evidence website, alongside working with regional advocates and a Scotland lead to demonstrate the value of evidence-informed practice within the Scottish education system. We also signed a new agreement to license and contextualise the Teaching and Learning toolkit to Institute Badań Edukacyjnych (IBE)² in Poland. The work will mostly take place in 2025-26.

² Institute Badań Edukacyjnych (IBE) or Education Research Institute

3. Our people

Developing our culture and investing in our people

Developing our culture and investing in our people remain central to achieving our strategic priorities. We are committed to being a great place to work by building an agile, flexible, and positive organisation where staff enjoy learning, working, and growing, helping us attract and retain talent. In 2024–25, we made continued progress towards this goal.

At the start of the year, the EEF had 101 staff, due to the extension of our work in the early years and 16-19 sectors, this increased to 115 by year-end - an 11.7% growth. This expansion created opportunities for career development for EEF staff, coupled with external recruitment. A new Programme Development and Scale-up team was established, bringing together early-stage programme development, pilot studies, and scale-up evaluations under a single leadership structure.

Internal career progression is supported through a strong focus on learning and development. Officers and administrators benefit from the Officer and Administrator Network, which offers structured training, mentoring, and networking opportunities. All staff have benefited from a renewed performance review process that aligns individual and team performance with the EEF's mission and sets clear learning and development objectives.

To attract external talent, we launched a new careers site, highlighting our positive culture and focus on people, while continuing efforts to enhance inclusive recruitment practices (see Equity, Diversity, and Inclusion section).

In October 2024, we revised our Bullying and Harassment Policy to comply with the Worker Protection Act and incorporated the Equality and Human Rights Commission's eight steps for preventing sexual harassment at work. This included awareness training for all staff, now part of onboarding for new hires. We also implemented revised guidance on holiday pay calculations for atypical workers, ensuring compliance for Research Assistants working variable hours.

Our annual staff survey is a key measure of success. The 2024 survey, launched in October, received a 96% response rate, with improvements since the previous survey in 2023 in all areas (professional development +6 points, working practices +2.4 points, diversity and inclusion +1.9 points). Overall engagement of EEF staff was at 79.5% compared to external benchmark of 73.4%. The Diversity and Inclusion index was at 78.2% compared to a benchmark of 72.3%.

Equity, Diversity and Inclusion

We continue to focus on our Equity, Diversity and Inclusion (EDI) commitments that were

agreed in February 2023.

We further developed transparency around our pay structure by calculating and publishing to staff our gender and ethnicity pay gaps. We reported a median gender pay gap of 5.4%, below the UK average of 14.3%. Our median Ethnicity Pay Gap was 11.2% reducing by 3 percentage points since 2023.

Key management personnel

The key management personnel of the EEF are the Trustees and the Chief Executive, Director of Impact, Director of Research and Director of Finance and Operations.

In July 2024, Prof. Becky Francis, CEO of the EEF, was asked by the Department for Education to lead the Curriculum and Assessment Review for the UK Government in her personal capacity and stepped back from her role as CEO of the EEF as of 6th August 2024. The EEF signed a secondment agreement with the Department for Education and recovers the CEO's salary costs. Since 6th August 2024, the Director of Impact and Director of Research, have taken on the role of co-CEOs with the Director of Finance and Operations providing additional support. The Executive team was supported by the Chair of Trustees who has taken on additional responsibilities as the Executive Chair.

These additional responsibilities as Executive Chair pertain solely to covering part of the Chief Executive role and supporting the co-CEOs. The Executive Chair was remunerated for the additional activities only (see Note 12). The Chair of Trustees responsibilities are not remunerated.

Executive Team

Anne-Laure Bedouet (Director of Finance and Operations),
Prof. Becky Francis CBE (Chief Executive, on secondment to the Department for Education from 6 August 2024),
Chris Paterson (Director of Impact, acting as co-CEO since 6 August 2024),
Emily Yeomans (Director of Research, acting as co-CEO since 6 August 2024), supported by
Dame Christine Gilbert as Executive Chair since 6 August 2024.

EEF Staff Team

The EEF is organised by teams that fall into three directorates: Research, Impact and Finance and Operations:

Research:

- Programmes team: Develops the EEF research agenda and manages funding rounds; assesses applications for grants by delivery organisations for programme evaluations, manages programme delivery over the lifetime of grants; leads guidance report production.
- Programme Development and Scale up team: Focuses on Early-stage pipeline development activities; pilots, regranting and scale up activities – assessing applications for this work and managing delivery over the lifetime of grants.
- Evaluation: Commissions and oversees evaluations of programmes, approaches, and policies – leading to the generation of new evidence. Oversees the EEF’s methodological work, producing best practice guidance for the delivery of our evaluation and research portfolio.

Impact:

- Evidence Synthesis and International team: Systematically synthesises the evidence base to inform guidance reports and the Teaching and Learning Toolkit. Works with partners to support the replication of the EEF model in different countries and build a global evidence ecosystem.
- Evidence Mobilisation team: Delivers the EEF’s regional work, including managing our Research School Network, Stronger Practice Hub work, and the 16-19 College Network. Leads on the cross-organisational implementation of our Early Years work.
- Content and Engagement team: Ensures meaningful input from schools, early years settings and colleges to the work of the EEF. Develops content to provide support to schools to enact evidence-based recommendations.
- Policy team: Engages with policymakers to ensure the evidence underpinning national education policy is high-quality and robust. Leads EEF's relationship with DfE and other national stakeholders.
- Communications team: Communicates the work of the EEF through external channels, including the website(s), social platforms, digital channels and media.

Finance and Operations:

- Finance and Operations: Finance, HR, IT, Legal, Procurement, Data protection, governance, investment management, Office management
- Philanthropy and Partnerships: Developing and maintaining partnerships with like-minded organisations to further support the EEF’s work and priorities, and to generate a further c. £4m in fundraising income per annum.

4. Governance

Appointment of Trustees

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

Organisational structure and how decisions are made

The EEF Board has the ultimate responsibility for directing the affairs of the EEF, ensuring that it is financially sound, well run, and delivering the charitable outcomes for which it has been set up. The Board comprises the directors of the company who are also the charity Trustees. The EEF Trustees met four times during the year to review overall strategy and to determine how best to direct the EEF's resources to meet its objectives. An observer from the Department for Education also attends EEF Board meetings but does not have voting rights.

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

Grants committee

The Grants Committee makes recommendations to the Board on projects to support, including funding for independent evaluations. It shapes grant-making priorities, reviews the project portfolio, and oversees the EEF's scale-up efforts.

Members are: Lucy Heller (Chair), Naomi Eisenstadt and Sonia Thompson. Professor Robert Coe, Director of Research and Evaluation at Evidence Based Education acts as advisor to the Committee.

Finance and fundraising committee

This Committee oversees the management of the EEF's resources. Its responsibilities include:

- Recommending the charity's investment strategy and monitoring fund manager performance.
- Reviewing and recommending the annual budget and long-term cash flow projections.
- Monitoring performance against agreed budgets and cash flow.
- Supporting the development and delivery of the EEF's fundraising strategy.

- Members are: Hanneke Smits (Chair since 5 October 2025), Sir Peter Gershon (Chair until 4 October 2025), Sarah Breeden and Graham Elton. Richard Lamplough, partner at Lancaster Investment acts as advisor to the Committee.

Audit Committee

The Audit Committee oversees the audit of the annual accounts and internal and external audit plans. It monitors the integrity of financial statements, focusing on the effectiveness of the external audit process and internal control systems, and reviews and recommends the risk register to the Board.

Members are: Hanneke Smits (Chair since 5 October 2025), Sir Peter Gershon (Chair until 4 October 2025), Sarah Breeden and Graham Elton. Richard Lamplough, partner at Lancaster Investment acts as advisor to the Committee.

In 2024-25, the EEF conducted a review of its internal auditors. After a competitive tender, BDO LLP was reappointed as internal auditors.

Nominations Committee

This committee supports the Board with the recruitment, induction, and development of trustees.

Members are: Christine Gilbert (Chair), Kevan Collins, Lucy Heller and Hanneke Smits.

Remuneration Committee

The Remuneration Committee provides oversight and scrutiny of remuneration and people policies to ensure alignment with the EEF's strategy and sustainable success. It has delegated responsibility for determining the remuneration and benefits of the CEO and executive team.

Members are: Hanneke Smits (Chair), Kevan Collins, Christine Gilbert and Lucy Heller.

The EEF also has an Evaluation Advisory Group (EAG), which offers the Executive Team advice and guidance on research and evaluation methodologies. It meets as required.

Induction and training of Trustees

As part of their induction, trustees are advised of their legal responsibilities under Charity Law and Company Law, as well as the EEF's decision-making processes and strategic objectives. They receive relevant documentation, including the budget, planned grant expenditures, a current list of research and practical projects, and copies of recent publications and press releases.

New trustees attend induction sessions with members of the Executive Team and are invited to visit work underway around the country. Trustees and Executive Team members are also encouraged to participate in development and training events that support their roles and their interests. All trustees undertake online safeguarding training.

A range of briefings and training on key issues was organised throughout the year. This year, Board members participated in several development sessions to support the review of the current EEF strategy.

Relationships with wider interests and related parties

Transactions with related parties are disclosed in Note 12 and Note 25 to the financial statements.

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

5. Safeguarding

In 2024-25, we have undertaken a comprehensive review of our safeguarding policy and procedures, including consideration of roles and responsibilities, the safeguarding team structure and overall accordance with updated safeguarding legislation and guidance.³ The EEF's approach to safeguarding is that everyone has a responsibility to promote the welfare of all children and adults, to recognise potential harm, and to keep them safe (see Safeguarding definition from [Keeping Children Safe in Education \(2025\)](#)).

The EEF's approach also considers 'adults at risk', the charity's work includes providers of activities which include young adults, such as schools and colleges serving 18- and 19-year-olds. Safeguarding adults means protecting an adult's right to live in safety, free from abuse and neglect. This includes, where appropriate, considering their views, wishes, feelings, and beliefs when deciding on any action, and recognising that adults sometimes have complex interpersonal relationships and may be ambivalent, unclear, or unrealistic about their personal circumstances.

Generally, EEF staff do not work directly with children. However, we fund, influence, and evaluate work with children in early years settings, schools, and colleges across England. EEF staff and others may also visit projects as part of our monitoring and dissemination activities. As an organisation with influence over activities involving children, we have a responsibility to promote their safety and wellbeing.

Therefore, all EEF staff are provided with annual safeguarding training to recognise indicators of abuse, neglect, and exploitation, understanding that children can be at risk of harm inside and outside of education settings, inside and outside of home, and online. In addition, all EEF staff undergo a basic DBS check as part of their appointment, and safeguarding due diligence is conducted with all external partners, sub-contractors, grantees, evaluators, and consultants. The EEF's safeguarding principles are underpinned by the belief that:

- Everyone, regardless of age, disability, gender, racial heritage, religious belief, sexual orientation or identity, have an equal right to be safe and should be protected from all types of harm or abuse.
- Our work should enhance and never detract from the safety and wellbeing of children and vulnerable adults, including by promoting equity and reducing discrimination.
- All staff who come into contact with children and vulnerable adults have a duty to remain alert to their needs and any risks of harm.
- It is better to help children as early as possible, before issues escalate and become more damaging.

³ The EEF safeguarding policy was agreed at the Board meeting on 1 July 2025.

- Children and families are best supported and protected when there is a coordinated response from all relevant organisations and agencies.
- All EEF staff have a responsibility to report concerns about any child or vulnerable adult to the relevant authorities.
- All EEF staff should be informed of the appropriate processes for reporting any concerns they may have about the wellbeing and safety of a child or adult.

Trustees hold the ultimate legal responsibility for all EEF activities, including the protection of the charity's reputation and values. In 2024-25, they revised the policy emphasising they ensure that robust safeguarding management and reporting processes are in place by:

- ensuring safeguarding policies, procedures and measures are fit for purpose and up to date, including noting updates and approving on an annual basis;
- supporting the development of an organisational culture that promotes effective safeguarding practices;
- agreeing the contents of a risk register relevant for the activities of EEF;
- ensure effective reporting and auditing processes are in place and that these are regularly reviewed;
- receiving an annual safeguarding report from the Designated Safeguarding Leads;
- ensuring adequate resources are available for effective safeguarding training across the organisation;
- organising and implementing safeguarding plans; and,
- designating a lead trustee for safeguarding and child protection.

The CEOs have ultimate responsibility for ensuring safeguarding at the EEF is well-managed. Part of the changes agreed mean that two Designated Safeguarding Leads (DSLs) have been appointed who hold lead responsibility for safeguarding: one on the Executive team ensuring that senior management understand the importance of safeguarding and are aware of any incidents or urgent issues; and one responsible for ensuring that the EEF's safeguarding policy and procedures are translated into the day-to-day operations of the EEF. They are supported by Deputy DSLs. The two DSLs have responsibility for safeguarding and child protection across the EEF. As the two primary points of contact, they work closely with the Designated Safeguarding Team to:

- keep EEF's policy and procedures under review;
- support staff, especially through ensuring the provision of effective training;
- assess concerns;
- make referrals; and,
- maintain records.

6. Financial Overview

Financial review

In the financial year under review, total income from donations, legacies, trading activities, and investments was £52.4 million (2024: £17.6 million).

This included a £40 million grant from the Department for Education to expand our 16–19 activity, and an £8 million grant for our Accelerator Fund programmes. By comparison, last year's income included an £8.4 million grant from the Department for Education for the Accelerator Fund and a £3.9 million grant from XTX Markets.

Total expenditure for the year was £32.2 million (2024: £30.2 million).

At 31 March 2025, total funds stood at £203.7 million (2024: £178 million), comprising:

- £197.9 million unrestricted (2024: £171.8 million)
- £5.8 million restricted (2024: £6.2 million)

Investment performance

In 2024-25, our invested portfolio continued to be invested as follows:

- 10% in cash
- 45% in UK gilts
- 45% in an ESG-enhanced multi-asset balanced portfolio (c. 50% equities and 50% fixed income).

At year-end, the portfolio was valued at £220.4 million, compared to £196.3 million in the previous year. In 2024-5, we received £40 million from the Department for Education to expand support for 16–19 learners. These funds were invested in line with our investment strategy.

The movement in value for the 2024-25 year reflects:

- The £40 million received from the Department for Education.
- Withdrawals of £21 million to fund grants, evaluations, and operating expenses.
- Investment income of £0.1 million.
- Investment costs of £0.4 million.
- A revaluation gain of £5.4 million.

The portfolio gained £6.1 million in the first half of the financial year, driven by steady revaluation gains from May 2024 onwards. Part of this growth was reversed in late 2024 and the first quarter of 2025. Overall gains in 2024 were supported by strong economic conditions in the US, continued low inflation in Europe, and monetary easing in major developed markets,

including a rate cut by the US Federal Reserve in September 2024. However, volatility caused by new US tariffs in early 2025 contributed to an investment loss during that quarter.

The overall return on the portfolio since inception in June 2011 has been an annualised rate of 3.83% per annum net of fees. The portfolio risks were reviewed throughout the year with the portfolio manager including inflation risk, credit risk, and currency risks. They were all assessed as appropriate for the EEF and its long-term objectives.

Fundraising activity

The EEF partners with other funders – including trusts and foundations, corporates, individuals, charities, and public bodies – to help extend the reach of the charity’s work. In 2024-25, the Department for Education and the EEF agreed that 40% of income secured from international partners would be included in fundraising figures.

As of 31 March 2025, the EEF has successfully developed partnerships with 72 organisations, which have contributed a total of £54.4m million in funding towards EEF-approved programmes.

The EEF’s funding partnerships totalled c. £3.5 million during the financial year. These contributions fell into four categories:

- Direct income to the EEF: £0.8 million
- Legacy gift: £0.1 million
- Pro bono donations: approximately £1.6 million, including legal advice and consultancy from Freshfields and consultancy support from Bain & Co. (see Note 3 for further details)
- Shared funding of EEF-supported programmes and activities: £1 million contributed by other funders, grantees, and partners

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

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

The Trustees acknowledge their grateful thanks to all those organisations contributing to the EEF’s work.

The charity is registered with the Fundraising Regulator. No complaints have been received in the year in relation to the charity’s fundraising activities. The EEF does not fundraise from the general public.

Reserves policy

In accordance with the policy adopted since the establishment of the EEF, the initial endowment grant of £125 million from the Department for Education, the re-endowment of £137 million, and the grant of £40 million received this financial year are treated as an unrestricted reserve. The unrestricted fund reserves as at the year-end were £197.9 million. The Trustees regard unrestricted funding as available to support activities that advance the EEF's charitable objectives including grant-making spend, necessary support and governance costs.

On a regular basis, the Trustees review the investment strategy and performance of the funding pool along with projections of future grant and operating expense commitments. Accordingly, the Trustees consider that the current level of free reserves (general unrestricted funds less fixed assets) of £197.3 million forms a pool available for supporting EEF activities to 2032 - as stipulated in the terms of the re-endowment grant.

The restricted fund reserves as at the year-end were £5.8 million (see detail in Note 22).

Investment policy

Introduction

The Trustees hold broad investment powers, including the ability to delegate investment management to firms authorised by the Financial Conduct Authority.

They avoid direct investment in companies primarily involved in arms, gaming and gambling, pornography, or tobacco products and services. For collective or pooled investment funds, Trustees instruct fund managers to monitor exposure to such companies and report quarterly on any holdings.

The EEF's assets are intended to support the EEF's activities to at least 2032, including its grant-making activities and operating costs.

The EEF team, with Trustees' guidance have developed a cash flow profile of the endowment over this time period including expected expenditure to support operations and grant making. These projections are kept under annual review and revised as appropriate. This cash flow profile informs the EEF's investment policy.

Investment objectives

The EEF's investment objectives are designed to meet the grant making activities and to support its operations within an agreed framework. The objectives are kept under review and adjusted in line with market performance developments as well as the evolving strategy.

The current investment objectives are:

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

Because the spending schedule may change over time, cash flow matching will not be exact. The Trustees therefore oversee adjustments as needed and work closely with investment managers to regularly review the schedule, ensuring assets and liabilities remain aligned within reasonable tolerances.

Contributions, distributions and income

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

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

Investment management

In March 2019, Goldman Sachs Asset Management ('GSAM') was appointed as the single portfolio manager. The Trustees have appointed Bank of New York Mellon as custodians of the Goldman Sachs portfolio. The manager has entered into an agreement with the EEF. This agreement includes investment guidelines and parameters ("the mandate") within which the manager will operate with full discretion (ie without requiring prior approval from the Trustees).

Following the confirmation of the re-endowment grant from the Department for Education in 2022, the EEF re-tendered the investment management contract. GSAM was re-appointed as the single portfolio manager of EEF's re-endowed portfolio.

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

Reporting

The Trustees have established regular and appropriate reporting arrangements with the manager and custodian. There are monthly reports from, and quarterly meetings with, the manager and custodian. The Trustees can convene ad hoc meetings as and when required.

Review of investment policy statement

The Trustees review the Investment Policy Statement annually, or more frequently if changes in circumstances, objectives, or other relevant factors make it necessary.

7. Risk management

EEF's risk management strategy encompasses:

- ongoing review of risks arising throughout the year through a detailed quarterly report by the Executive;
- compiling and reviewing a risk register through the Audit Committee and the Board of Trustees;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and,
- the implementation of procedures designed to minimise, where appropriate, any potential impact on the EEF should those risks materialise.

The trustees have appointed internal auditors (BDO LLP) to review the effectiveness of the charity's financial controls and to help the trustees and management identify and assess risks to the charity.

Following planning sessions with the Audit Committee and management, it was agreed that the internal auditors carry out four audits each year. These reviews focus on the charity's key risks, providing advice on how they should be monitored and managed, while also assessing the effectiveness of internal controls.

The most significant risks identified during the 2024-25 financial year were:

Research does not meet expected standards to forward the charity's objectives (e.g. trials fail or are late, results are insecure, organisations lose confidence in the work).

Mitigation strategies:

- Robust selection and monitoring processes of projects.
- A sharp focus on lessons learned from previous trials.
- Clear Quality Assurance standards and processes.
- External experts as needed.
- Ensuring the EEF research agenda is mission-aligned and focused on key leverage points for disadvantaged children and young people.

Research in new phases – the early years and 16-19 – faces challenges to recruitment, which affects sample sizes and outcome measures.

Mitigation strategies:

- Clear engagement and recruitment plans to ensure research aligns

with sector interests and opportunities to take part are advertised clearly.

- Exploration of alternative design and methods to overcome sample size issues such as Quasi Experimental Designs (QEDs) and individual pupil or student-level randomization.
- Scoping of specific outcome measures for the early years and 16-19 sectors.

Messages from research and Promising Programmes fail to influence the education system.

Mitigation strategies:

- Monitor the effectiveness of the regional strategy, incorporating:
 - a) learnings from the completion of the last regional strategy, focusing on in-depth partnerships centred on strategies to use the best evidence available.
 - b) learnings from the overarching evaluation of the Accelerator Fund activity.

8. Looking forward

In the upcoming financial year, we plan to publish a revision to the EEF strategy outlining our vision for the next 10 years, including our specific priorities for the next three years as part of our approach to implementation. Our strategy remains centred around our foundations: summarising, building and putting evidence to use.

Our plan for these three pillars for the upcoming year includes the following:

Building the evidence

We will develop and publish a three-year strategic Research Agenda, engaging with practice and research to identify the most salient issues for supporting disadvantaged children and young people. We will ensure that the evidence we build can be used easily by practitioners.

We will continue to build the evidence both on effective day to day approaches in settings and in the classroom, as well as effective programmes that support economically disadvantaged children and young people. To enable this, we will continue to diversify our research designs and methods across early years, schools and 16 to 19 settings. We will also invest in deepening our understanding of effective evidence mobilisation strategies.

We will seek to work with others to generate more evidence in a faster way (see working in partnership section below).

Summarising the evidence

We will issue an update to one of our most used guidance reports – metacognition – providing additional information on best practice within metacognition interventions with an enhanced emphasis on implementation and exemplification of practice.

We will have an enhanced emphasis on improving the direct usability of our resources to more effectively support practitioners. We will continue to update our Teaching and Learning Toolkit and Early Years Evidence Store by adding hundreds of new studies and ensuring that they contain the latest evidence – and we will explicitly consult with practitioners to increase the usefulness of the Toolkit.

In the 16-19 sector, we will publish the 16-19 Professional Development guidance report in Autumn 2025 as the first guidance report created for this sector.

Across phases, we will work in partnership to accelerate living evidence synthesis using Artificial Intelligence to summarise evidence with a view to generate more rapid and rigorous

recommendations for policymakers globally.

Putting the evidence to use

We will continue delivery of our current regional mobilisation strategy, focusing on in-depth bespoke, intensive two-year programme of support partnerships to schools and middle-tier actors in the sector.

We will continue and will extend our impact working with aligned policy activity – including our evidence guardianship function in relation to ITT, ECF and NPQs⁴ (and potentially other connected activity as it develops in the context of the forthcoming Schools White Paper). We will place a significant emphasis on both enhancing our understanding of how users access and implement EEF evidence – and in turn adapt and improve the way we develop, design and present our evidence. As part of this, we will undertake significant activity to improve user accessibility, including undertaking a full website rebuild.

In the Early Years sector, we will continue to play a role as Evidence Partner to the Department for Education’s Stronger Practice Hubs (SPH) programme now extended until at least April 2026. Following the announcement by the government of an uplift in the Early Years Pupil Premium (EYPP), the EEF will continue to leverage this policy opportunity and the publication of the ‘Guide to Early Years Pupil Premium’ for settings, to encourage effective use of the guide, in particular by local authorities, nursery chains and Stronger Practice Hubs.

In the 16-19 sector, we plan the launch of a 16-19 evidence partnership, which will focus on supporting colleges – both general Further Education and sixth form – to access, understand, and apply research evidence within their teaching and learning. We will exemplify the evidence in context within a range of communities, across different regions and settings, and within technical, vocational and academic provision.

Working in partnership – Building global evidence partnerships

We will continue to support a global network of organisations dedicated to improving education equity through better use of evidence. Our activity in the coming year will include a partnership in Scotland with the Robertson Trust, which focuses on contextualising, summarising and putting the evidence to use in Scotland.

⁴ ITT: Initial Teacher Training

ECF: Early Careers Framework

NPQs: National Professional Qualifications

9. Statement of Trustees' responsibilities

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

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102); make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable

- company's auditor is unaware;
the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

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

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

Christine Gilbert

Christine Gilbert (Nov 2, 2025, 6:39pm)

Dame Christine Gilbert, Chair

Date: 02 Nov 2025

Independent auditor's report to the trustees of The Education Endowment Foundation

Opinion

We have audited the financial statements of The Education Endowment Foundation ('the company' for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the 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 the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report and incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report and incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 29, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

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

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

Date: 03/11/2025

**The Education Endowment Foundation
Statement of Financial Activities
for the year ended 31 March 2025**

	Note	Unrestricted fund £	Restricted fund £	2025 total £	2024 total £
Income from:					
Donations and legacies	3	41,661,566	10,040,137	51,701,703	17,214,243
Trading activities	4	525,905	-	525,905	287,906
Investments	5	153,645	-	153,645	137,687
Total Income		<u>42,341,116</u>	<u>10,040,137</u>	<u>52,381,253</u>	<u>17,639,836</u>
Expenditure on:					
Raising funds					
Fundraising expenditure	6	102,760	-	102,760	184,319
Investment management	6	536,318	-	536,318	486,607
		639,078	-	639,078	670,926
Charitable activities	7	21,106,219	10,424,142	31,530,361	29,558,640
Total Expenditure		<u>21,745,297</u>	<u>10,424,142</u>	<u>32,169,439</u>	<u>30,229,566</u>
Net gains/(losses) on investments		5,445,968	-	5,445,968	12,979,700
Transfers between funds		13,590	(13,590)	-	-
Net movement in funds		26,055,377	(397,595)	25,657,782	389,970
Reconciliation of funds	23				
Balances at 1 April 2024		171,798,929	6,206,490	178,005,419	177,615,449
Balances at 31 March 2025		<u>197,854,306</u>	<u>5,808,895</u>	<u>203,663,201</u>	<u>178,005,419</u>

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

The notes on pages 39 to 52 form part of these financial statements.

**The Education Endowment Foundation
Balance Sheet
as at 31 March 2025**

		2025		2024	
		£	£	£	£
Fixed assets					
Tangible Fixed Assets	14		526,432		498,604
Investments	15		<u>220,387,052</u>		<u>196,346,187</u>
			220,913,484		196,844,791
Current assets					
Debtors falling due after one year	17	2,710,240		-	
Debtors falling due within one year	17	3,690,015		5,917,824	
Cash at bank and in hand		<u>889,460</u>		<u>584,283</u>	
		7,289,715		6,502,107	
Creditors: amounts falling due within one year	18	<u>(20,600,676)</u>		<u>(20,023,955)</u>	
Net current assets/(liabilities)			(13,310,961)		(13,521,848)
Creditors: amounts falling due over one year	18		(3,939,322)		(5,317,524)
Net assets			<u>203,663,201</u>		<u>178,005,419</u>
Funds					
Restricted funds	22		5,808,895		6,206,490
Unrestricted funds	22 + 23		197,854,306		171,798,929
			<u>203,663,201</u>		<u>178,005,419</u>

The financial statements were approved by the Board and authorised for issue, on 2nd November 2025 and signed on their behalf by:

Christine Gilbert

Christine Gilbert (Nov 2, 2025, 6:39pm)

Dame Christine Gilbert, Chair
Trustee

Date
02 Nov 2025

Company registration number: 07587909

**The Education Endowment Foundation
Statement of Cash Flows
for the year ended 31 March 2025**

Note	2025 £	2024 £
Net cash provided by operating activities	19,007,452	(14,897,864)
Cash flows from investing activities:		
Purchase of tangible fixed assets	(261,022)	(324,684)
Purchase of investments	(77,065,619)	-
Proceeds on disposal of investments	58,470,722	13,368,763
Proceeds on disposal of tangible fixed assets	-	7,187
Interest received	153,645	137,687
Net cash (provided by)/used in investing activities	(18,702,275)	13,188,953
Net increase/(decrease) in cash and cash equivalents	305,177	(1,708,912)
Cash and cash equivalents at the beginning of the year	584,283	2,293,194
Cash and cash equivalents at end of year	889,460	584,283

Cash generated from operations	2025 £	2024 £
Surplus/(Deficit) for the year	25,657,782	389,970
Adjustment for:		
Investment income recognised in statement of financial activities	(153,645)	(137,687)
Fair value gains and losses on investments	(5,445,968)	(12,979,700)
Depreciation and impairment of tangible fixed assets	233,193	209,280
Movement in working capital:		
(Increase)/decrease in debtors	(482,431)	(2,007,647)
(decrease)/increase in creditors	257,298	(491,484)
Increase/(decrease) in deferred income	(1,058,778)	119,404
Net cash provided by operating activities	19,007,452	(14,897,864)

Analysis of cash and cash equivalents	2025 £	2024 £
Cash at bank and in hand	889,460	584,283
Total cash and cash equivalents	889,460	584,283

Analysis of changes in net debt	As at 1 April 2024 £	Cash-flows £	As at 31 March 2025 £
Cash at bank and in hand	584,283	305,177	889,460
Total	584,283	305,177	889,460

The Education Endowment Foundation

Notes to the financial statements for the year ended 31 March 2025

Accounting Policies

1 Charity Information

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

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

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

2 Accounting convention

Basis of preparation

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

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

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

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

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

Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern.

Having reviewed forecasts prepared by management for a period of at least 12 months from the approval of the financial statements, the Trustees are confident that the charity will continue to meet its obligations as they fall due and that, therefore the going concern basis continues to be appropriate.

Fund accounting

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

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

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

**The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025**

Accounting policies (continued)

Income

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

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

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

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

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

Interest Receivable

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

Expenditure

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

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

Investment management costs include the costs of:

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

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

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

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

**The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025**

Accounting policies (continued)

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

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

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

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

Tangible fixed assets

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

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

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

Fixed asset investments

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

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

Impairment of fixed assets

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

Cash and cash equivalents

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

Financial instruments

The Education Endowment Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Taxation

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

Leases

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

**The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025**

Accounting policies (continued)

Employee benefits

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

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

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

Retirement benefits

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

Critical accounting estimates and judgements

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

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

Critical judgements

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

(i) Location of investment assets

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

(ii) Useful economic life of tangible assets

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

(iii) Gifts in kind

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

(iv) Capitalisation of website costs

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

3 Donations and legacies	Unrestricted funds £	Restricted funds £	2025 total £	2024 total £
Donations and gifts	51,320	-	51,320	13,590
Grants	40,000,000	10,040,137	50,040,137	15,654,256
Donated services	1,610,246	-	1,610,246	1,546,397
	<u>41,661,566</u>	<u>10,040,137</u>	<u>51,701,703</u>	<u>17,214,243</u>
For the year ended 31 March 2024	<u>1,546,396</u>	<u>15,667,847</u>		<u>17,214,243</u>

Grants	Unrestricted funds £	Restricted funds £	2025 total £	2024 total £
Department for Education	40,000,000	7,982,678	47,982,678	8,431,992
BHP Foundation	-	1,188,337	1,188,337	1,773,055
Cabinet Office	-	176,971	176,971	303,592
HG Foundation	-	80,000	80,000	75,000
SPH Grant	-	122,505	122,505	945,887
XTX Grant	-	-	-	3,900,000
YEF Grant	-	449,460	449,460	224,730
Wellcome Trust	-	40,186	40,186	-
	<u>40,000,000</u>	<u>10,040,137</u>	<u>50,040,137</u>	<u>15,654,256</u>

Donated services	Unrestricted funds £	Restricted funds £	2025 total £	2024 total £
Freshfields	440,246	-	440,246	946,397
Bain Co	1,170,000	-	1,170,000	-
BCG	-	-	-	600,000
	<u>1,610,246</u>	<u>-</u>	<u>1,610,246</u>	<u>1,546,397</u>

Donations & Gifts	Unrestricted funds £	Restricted funds £	2025 total £	2024 total £
Donations	51,320	-	51,320	13,590
	<u>51,320</u>	<u>-</u>	<u>51,320</u>	<u>13,590</u>

4 Income from other trading activities

	2025 £	2024 £
Licensing of Teaching and Learning Toolkit	525,905	287,906
	<u>525,905</u>	<u>287,906</u>

Licensing of Teaching and Learning Toolkit

Income from trading activities has arisen from the development and licencing of The Education Endowment Foundation resources all of which arose within the rest of the world.

5 Investments

	2025 £	2024 £
Income from listed investments	131,216	117,844
Interest receivable	22,429	19,843
	<u>153,645</u>	<u>137,687</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

6 Raising funds

	Unrestricted fund	Restricted funds	2025 total	2024 total
	£	£	£	£
<u>Fundraising expenditure</u>				
Legal and professional	808	-	808	2,300
Audit, accountancy and other finance costs	2	-	2	7
Office administration	4,153	-	4,153	5,838
Premises costs	1,883	-	1,883	3,878
Marketing and public relations	4,165	-	4,165	14,624
Staff costs	87,094	-	87,094	142,264
Other staff costs	1,718	-	1,718	8,777
Depreciation	2,937	-	2,937	6,631
	<u>102,760</u>	<u>-</u>	<u>102,760</u>	<u>184,319</u>

	Unrestricted fund	Restricted funds	2025 total	2024 total
	£	£	£	£
<u>Investment management</u>	536,318	-	536,318	486,607
	<u>536,318</u>	<u>-</u>	<u>536,318</u>	<u>486,607</u>

7 Charitable activities

	2025	2024
	£	£
Staff costs	-	5,747,570
Social security costs	600,362	4,707,990
Other pension costs	363,483	482,322
Other staff costs-Travel,recruitment etc	132,388	289,680
Donated services	1,610,247	338,071
	<u>8,454,050</u>	<u>1,546,397</u>
Grant funding of activities (see note 8)	21,799,678	20,791,434
Share of support costs (see note 10)	1,075,977	1,271,898
Share of governance costs (see note 10)	200,656	130,848
	<u>31,530,361</u>	<u>29,558,640</u>
<u>Analysis by fund</u>		
Restricted funds	10,424,142	10,548,464
Unrestricted funds	21,106,219	19,010,176
	<u>31,530,361</u>	<u>29,558,640</u>

8 Grants payable

	2025	2024
	£	£
Grants to institutions: See note 9	<u>21,799,678</u>	<u>20,791,434</u>

**The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025**

9 Grants to institutions

		2025	2024
		£	£
ARK	Mathematics Mastery Scale up AF2	575,860	1,001,280
Bath Spa University	Focus4TAPS	(23,340)	392,492
Behavioural Insights Team	Behavioural Insights Team: BITUP	18,382	403,582
Blessed Edward Bamber Catholic MAT	Thinking Mathematically	(2,950)	52,650
Charles Dickens Primary School	Now:The Charter Schools Educational Trust):Fluency Focus	-	64,620
East London Research School	Maths Through Picture Books Sheringham	-	83,335
eBase	Menstrual Hygiene Management (Efficacy)	85,050	911,899
eBase	Social Emotional Learning (Big Mama)	-	227,189
FFT Education	Reciprocal Reading (re-grant)	201,100	-
Herts For Learning Education	Reading Fluency Project	-	221,975
La Caixa Foundation	Exploding Dots	-	83,885
National Day Nursery Association	Maths Champions scale up AF2 AY23/24	791,635	539,429
National Literacy Trust: ABRA	ABRA	-	411,931
Norland College	Emotion Coaching	-	324,088
Ormiston Academies Trust	Trauma-Informed Short Term Managed Intervention Centres	-	549,034
OxEd and Assessment	Nuffield Early Language Intervention- Nursery (NELI-N)	-	642,887
Oxford Measured	AF2 capability-building support	(6,264)	179,862
Oxford University Press	Early Number with Numicon	-	81,778
Reading Solutions UK	Reading Plus	-	200,775
SSAT	Embedding Formative Assessment scale up AF2	936,958	900,158
SUMMA	Infancio Primero / Crecer Jugando	338,187	59,109
Tutor Trust	Targeted Tutoring Prog for Post-16 GCSE Resit Learners	-	138,988
The OTTO Therapy Club	The OTTO Club	265,550	-
Literacy Tree	Writing Roots	276,091	-
Royal Shakespeare Company	Rehearsal Room Writing	480,384	-
The Literacy Company Ltd	Pathways Literacy	92,375	-
Get Further	Get Further Tutoring Programme	1,097,071	-
Education Training Foundation	Can-Do Maths	198,934	-
Action Tutoring	Action Tutoring	1,323,111	-
CoachBright Charitable Trust	CoachBright Charitable Trust : Peer to-peer Coaching	510,405	-
HFL Education	Making Fluent and Flexible Calculators	188,895	-
National Centre for Excellence in Teaching Mathematics	Specialist Knowledge for Teaching Mathematics	335,844	-
Wingate Community Nursery School	Plan, Do, Review	89,049	-
White Rose Maths	Reception Jigsaw (regrant)	1,038,424	-
Speech and Language UK	Early Talk Boost regrant - Efficacy-	550,896	-
CEI	Scalability Framework	49,932	-
Innovation for Poverty Action	Global Trials Fund	100,000	-
Various other International partners	Global Trials Fund	5,639	-
St James Church School	Sunday times donations	32	-
Elklan	Communication Friendly Settings	13,200	-
Evidence for Learning (Australia)	Grant to maintain Australian evidence into education in Australia	26,667	-
University of Hertfordshire	Primary Science Quality Mark	-	768,606
University of Nottingham	Mastering Mathematics	-	630,575
University of Oxford	Talking Time	-	277,085
University of Oxford	Mathematical Reasoning	13,484	599,736
University of Surrey	SPACE	(84,743)	-
Nottingham Trent University		(25,252)	-
Queen Rania Foundation Let's Read Flue	Global Trial Fund	180,382	-
University College London	Direct Mapping	(85,278)	-
Childrens University	Regrant	(28,210)	-
Oxford Trust	Thinking Doing Talking Science	(4,284)	-
Centre for Literacy in Primary Education	The power of Reading	130,700	-
ImpactED Group	Capability Building	280,109	-
Whizz Education	Maths Whizz	913	245,360
Various organisations	45 Early Stage Programme Development £27,000 - £45,000	558,109	236,259
		<u>10,493,047</u>	<u>10,228,567</u>
Adjustments to grants awarded in previous year		(422,496)	(1,340,007)
Scale up expenditure (research schools, advocacy and guidance reports)		3,191,424	2,240,535
Evaluation and research funding		8,537,703	9,662,339
Total grants, scale up activity and evaluation		<u>21,799,678</u>	<u>20,791,434</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

10 Support costs

	Support Costs £	Governance costs £	2025 total £	2024 total £
Staff costs	-	105,791	105,791	55,611
Social security costs	-	7,034	7,034	6,015
Other pension costs	-	4,297	4,297	3,609
Other staff costs-Travel,recruitment etc	-	2,310	2,310	4,024
Office Administration	320,200	5,588	325,788	227,719
Premises costs	145,127	2,533	147,660	151,174
Legal and Professional	62,263	1,087	63,350	89,638
Exchange Gain or Loss	-	-	-	(9,854)
Audit, accountancy and other finance costs	1,114	62,466	63,580	16,284
Accountancy Fees	-	-	-	30,047
Marketing and public relations	320,966	5,601	326,567	570,030
Depreciation	226,307	3,949	230,256	258,449
	<u>1,075,977</u>	<u>200,656</u>	<u>1,276,633</u>	<u>1,402,746</u>

11 Auditor's remuneration

	2025 £	2024 £
Audit of the charity's annual accounts	<u>18,144</u>	<u>17,280</u>
Other audit- related assurance services		
Regularity report	<u>4,080</u>	<u>3,900</u>
Non- Audit services		
All other non-audit services	4,260	4,056
Total Non Audit fees	<u>4,260</u>	<u>4,056</u>

12 Trustees

One trustee received remuneration from the charitable company during the year totalling £39,200 (2024: £nil).

This was for services to the charity to support the executive team and not for the performance of their duties while acting as a trustee, as permitted by the Charity Commission.

There were £776 of trustee expenses in the period under review related to travel costs incurred (2024: £nil).

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

13 Employees		2025	2024
Average monthly number of employees during the year:		number	number
Chief Executive Officer		2	1
Grant making, evaluation and dissemination staff		90	76
Fundraising staff		2	2
Administration and communication staff		13	15
		<u>107</u>	<u>94</u>

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

The remuneration and employee benefits of key management personnel, amounted to £606,234 in the year under review (2024: £580,849).

Staff costs comprise:	2025	2024
	£	£
Salaries & wages	5,927,692	4,884,877
Social security costs	615,347	501,456
Other pension costs	372,591	301,160
	<u>6,915,630</u>	<u>5,687,493</u>

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

	2025	2024
	number	number
£60,000 to £69,999	3	8
£70,000 to £79,999	7	5
£80,000 to £89,999	1	-
£90,000 to £99,999	1	1
£110,000 to £119,999	1	1
£150,000 to £159,999	1	-
£160,000 to £169,999	1	-
£200,000 to £209,999	<u>1</u>	<u>1</u>

14 Tangible fixed assets

	Fixtures and fittings £	Computers and IT Equipment £	Total £
Cost			
At 1 April 2024	67,872	2,499,966	2,567,838
Additions	23,871	237,152	261,023
Revaluation	-	-	-
Disposals	-	(59,996)	(59,996)
At 31 March 2025	<u>91,743</u>	<u>2,677,122</u>	<u>2,768,865</u>
Depreciation			
At 1 April 2024	67,872	2,001,362	2,069,234
Depreciation charged in the year	2,909	230,284	233,193
Eliminated on disposals	-	(59,994)	(59,994)
	<u>70,781</u>	<u>2,171,652</u>	<u>2,242,433</u>
Net Book Value			
At 31 March 2025	<u>20,962</u>	<u>505,470</u>	<u>526,432</u>
At 31 March 2024	<u>-</u>	<u>498,604</u>	<u>498,604</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

15 Fixed Asset investments

	Listed investments £	Unlisted investments £	Cash in portfolio £	Total £
Cost or valuation at 1 April 2024	164,890,745	100	31,455,342	196,346,187
Additions	37,065,619	-	40,000,000	77,065,619
Revaluation changes	5,445,968	-	-	5,445,968
Disposals	(21,000,000)	-	(37,470,722)	(58,470,722)
At 31 March 2025	<u>186,402,332</u>	<u>100</u>	<u>33,984,620</u>	<u>220,387,052</u>
Carrying amount At 31 March 2025	<u>186,402,332</u>	<u>100</u>	<u>33,984,620</u>	<u>220,387,052</u>
At 31 March 2024	<u>164,890,745</u>	<u>100</u>	<u>31,455,342</u>	<u>196,346,187</u>
Historical cost	<u>33,984,620</u>	<u>100</u>	<u>143,845,075</u>	<u>177,829,795</u>
			2025	2024
			£	£
Investments Mix				
Fixed interest securities			129,483,593	110,573,794
Equities			50,838,981	48,497,278
Cash held within investment portfolio			33,984,620	31,455,341
Other			6,079,758	5,819,674
			<u>220,386,952</u>	<u>196,346,087</u>
			2025	2024
			£	£
Investments at fair value comprise:				
Investments held in the UK			126,335,928	97,411,640
Investments held overseas			94,051,025	98,934,447
			<u>220,386,952</u>	<u>196,346,087</u>

Fixed asset investments revalued

The above funds are invested in sterling denominated securities.

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

16 Subsidiaries

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

Details of the charitable company's subsidiaries at 31 March 2025 are as follows:

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

17 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	34,252	331,556
Grants receivable	3,453,798	5,555,572
Prepayments and accrued income	201,965	30,696
	<u>3,690,015</u>	<u>5,917,824</u>
Amounts falling due after more than one year:		
Grants receivable	2,710,240	-
Total debtors	<u>6,400,255</u>	<u>5,917,824</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

18 Creditors: amounts falling due within one year	2025	2024
	£	£
Trade creditors	86,368	61,266
Other taxation and social security	170,189	142,007
Deferred income	363,177	1,600,705
Grants accrued	13,223,454	9,352,872
Other creditors	91,352	83,921
Accruals	6,666,136	8,783,184
	<u>20,600,676</u>	<u>20,023,955</u>

19 Creditors greater than 1 year	2025	2024
	£	£
Deferred income	178,750	-
Grants accrued	3,760,572	5,317,524
	<u>3,939,322</u>	<u>5,317,524</u>

20 Deferred income	2025	2024
	£	£
Other deferred income	<u>541,927</u>	<u>1,600,705</u>

Deferred income is included in the financial statements as follows:

	2025	2024
	£	£
Current liabilities	363,177	1,600,705
Non current liabilities	178,750	-
	<u>541,927</u>	<u>1,600,705</u>

	2025	2024
	£	£
Deferred income brought forward	1,600,705	1,481,301
Grants received in the year	48,981,359	15,773,660
Grants recognised in the year	<u>(50,040,137)</u>	<u>(15,654,256)</u>
Deferred income carried forward	<u>541,927</u>	<u>1,600,705</u>

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

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

Defined contribution schemes

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

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £372,591 (2024: £301,160).

Contributions totalling £58,605 (2024: £46,521) were payable to the fund at the balance sheet date and are included in other creditors.

22 Restricted funds

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

	Movement in funds				Balance at 31 March 2025
	Balance at 1 April 2024	Income	Expenditure	Transfers	
Evidence Guardianship (DfE)	491,158	-	-	-	491,158
Accelerator Fund 2 (DfE)	1,814,928	7,982,678	(7,082,485)	-	2,715,121
BHP Billiton Foundation	-	1,188,337	(1,188,337)	-	-
Cabinet Office	-	176,971	(176,971)	-	-
HG Foundation	-	80,000	(80,000)	-	-
Kusuma Trust	13,925	-	-	-	13,925
Stronger Practice Hubs	-	122,505	(122,505)	-	-
Suffolk County Council	34,702	-	(34,702)	-	-
Wellcome Trust	-	40,186	(40,186)	-	-
XTX Markets	3,838,187	-	(1,249,496)	-	2,588,691
Youth Endowment Fund	-	449,460	(449,460)	-	-
Other income	13,590	-	-	(13,590)	-
	<u>6,206,490</u>	<u>10,040,137</u>	<u>(10,424,142)</u>	<u>(13,590)</u>	<u>5,808,895</u>

Details of restricted funds

The DfE funding is restricted to the Evidence Guardianship and Accelerator Fund 2.

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

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

The HG Foundation fund is restricted to the funding a project on using Generative Artificial Intelligence for Key Stage 3 science lesson.

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

Stronger Practice Hubs related income is restricted to two projects relating to Stronger Practice Hubs - Talk With Tales for Children (TWiTCH) and The Orchestrating Numeracy and the Executive Project (The ONE project).

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

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

The XTX Markets fund is restricted to funding Secondary Maths projects.

The Youth Endowment Fund fund is restricted to test projects aiming to address attendance in schools.

Other income was transferred from restricted funds to unrestricted funds as a minor correction to previous accounts.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

22 Restricted funds (continued)

Restricted funds (prior year)

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

	Balance at 1 April 2023	Movement in funds			Balance at 31 March 2024
		Income	Expenditure	Transfers	
Evidence Guardianship (DfE)	943,042	-	(451,884)	-	491,158
Accelerator Fund 2 (DfE)	-	8,431,992	(6,617,064)	-	1,814,928
BHP Billiton Foundation	-	1,773,055	(1,773,055)	-	-
Cabinet Office	21,855	303,592	(325,447)	-	-
HG Foundation	-	75,000	(75,000)	-	-
Kent Associate Research School	10,000	-	(10,000)	-	-
Kusuma Trust	54,000	-	(40,075)	-	13,925
Stronger Practice Hubs	-	945,887	(945,887)	-	-
Suffolk County Council	58,211	-	(23,509)	-	34,702
XTX Markets	-	3,900,000	(61,813)	-	3,838,187
YEF	-	224,730	(224,730)	-	-
Other income	-	13,590	-	-	13,590
	<u>1,087,108</u>	<u>15,667,846</u>	<u>(10,548,464)</u>	<u>-</u>	<u>6,206,490</u>

Details of restricted funds

The DfE funding is restricted to the Evidence Guardianship and Accelerator Fund 2.

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

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

The HG Foundation fund is restricted to the funding a project on using Generative Artificial Intelligence for Key Stage 3 science lesson.

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

Stronger Practice Hubs related income is restricted to two projects relating to Stronger Practice Hubs - Talk With Tales for Children (TWiTCH) and The Orchestrating Numeracy and the Executive Project (The ONE project).

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

The XTX Markets fund is restricted to funding Secondary Maths projects.

The Youth Endowment Fund fund is restricted to test projects aiming to address attendance in schools.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2025

23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2025 are represented by:			
Tangible assets	526,432	-	526,432
Investments	196,550,203	23,836,949	220,387,152
Current assets/(liabilities)	777,771	(16,798,972)	(16,021,201)
Long term assets	-	2,710,240	2,710,240
Long term liabilities	-	(3,939,322)	(3,939,322)
	<u>197,854,406</u>	<u>5,808,895</u>	<u>203,663,301</u>

Included within unrestricted funds is a reserve of £23,962,360 (2024: £18,516,392) relating to unrealised gains on investment assets.

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2024 are represented by:			
Tangible assets	498,604	-	498,604
Investments	171,534,105	24,812,082	196,346,187
Current assets/(liabilities)	(233,780)	(13,288,068)	(13,521,848)
Long term liabilities	-	(5,317,524)	(5,317,524)
	<u>171,798,929</u>	<u>6,206,490</u>	<u>178,005,419</u>

24 Commitments under operating leases

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

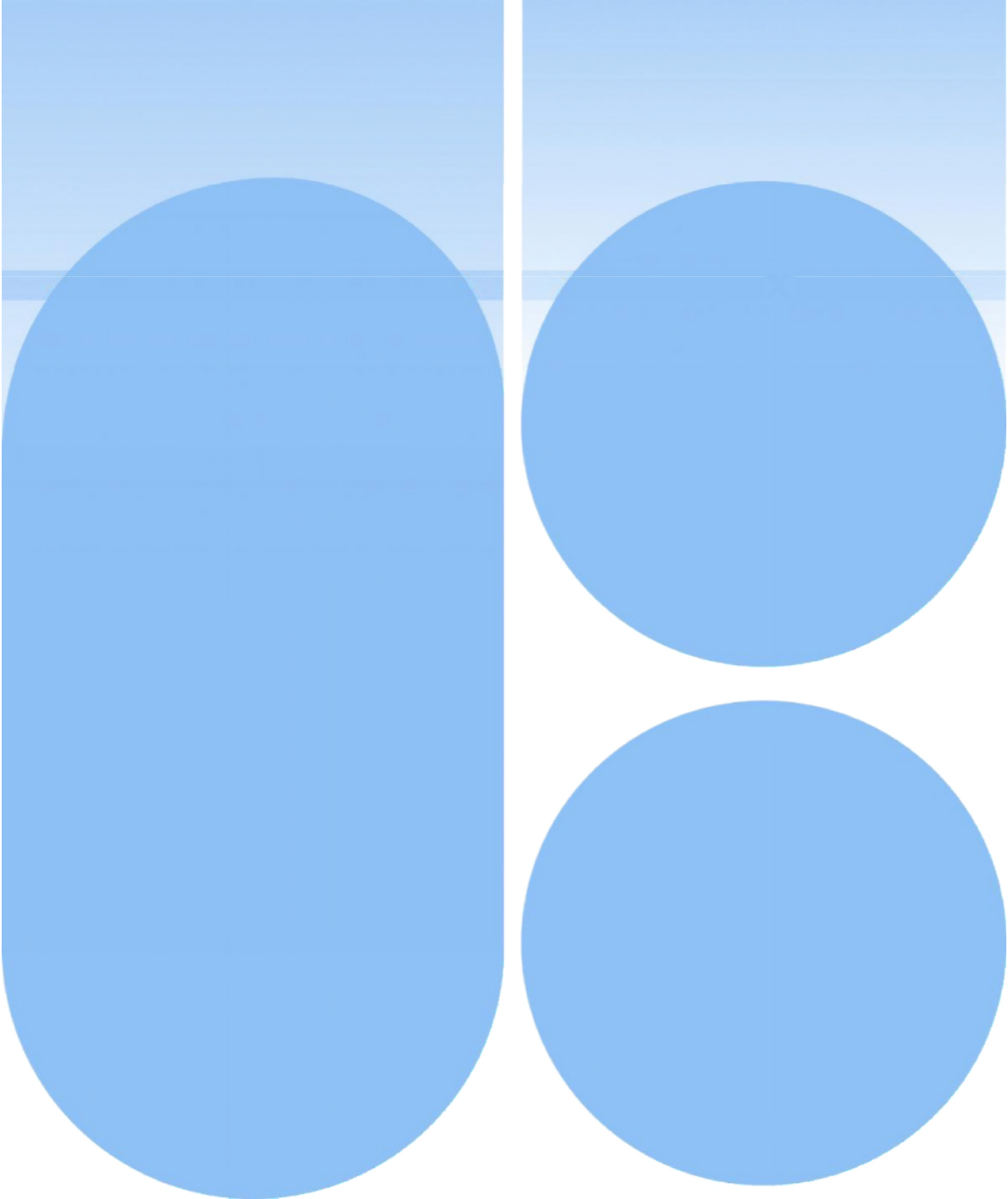
	2025	2024
	£	£
<u>Land and buildings</u>		
Within 1 year	109,540	98,964
Between 2 - 5 years	103,263	148,446
	<u>212,803</u>	<u>247,410</u>

25 Related party transactions

During the year the charity made payments of £7,712 (2024: £13,521) to the Sutton Trust for the use of shared media expenses.

At the year end the Sutton Trust was owed £Nil (2024: owed £Nil) by The Education Endowment Foundation. This amount is included in other creditors.


Lucy Heller, a Trustee of the Education Endowment Foundation, is also the Chief Executive of Ark, an organisation the Education Endowment Foundation granted £575,860 in the year (2024: £459,600). The Education Endowment Foundation owed Ark £1,407,201 at the year end (2024: £1,614,058).



**Education
Endowment
Foundation**

The Education Endowment Foundation
5th Floor, Millbank Tower
21–24 Millbank
London
SW1P 4QP

<https://educationendowmentfoundation.org.uk>

 [@EducEndowFoundn](https://twitter.com/EducEndowFoundn)

 [Facebook.com/EducEndowFoundn](https://www.facebook.com/EducEndowFoundn)

THE EDUCATION ENDOWMENT FOUNDATION

England & Wales - Charity number 1142111

Accounts

THE EDUCATION ENDOWMENT FOUNDATION

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2024

Registered Charity Number: 1142111

Registered Company Number: 07587909 (England and Wales)

THE EDUCATION ENDOWMENT FOUNDATION

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THE EDUCATION ENDOWMENT FOUNDATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Dame Christine Gilbert (Chair)	Chair since 1 January 2024
Sir Peter Lampl, Chair	Resigned 31 December 2023
Sarah Breeden	
Sir Kevan Collins	
Naomi Eisenstadt	
Graham Elton	Appointed 1 January 2024
Sir Peter Gershon	
Lucy Heller	
Zoe Lewis	Appointed 18 June 2024
Sir Martyn Oliver	Resigned 31 December 2023
Hanneke Smits	
Sonia Thompson	

Company Registration Number: 07587909

Charity Registration Number: 1142111

Registered Office

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

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Bankers

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

THE EDUCATION ENDOWMENT FOUNDATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

Solicitors

Freshfields Bruckhaus Deringer
100 Bishopsgate
London
EC2P 2SR

Key Management Personnel

Prof. Becky Francis CBE (Chief Executive, on secondment to the Department for Education from 6 August 2024 – Please refer to note 26 for further information)
Anne-Laure Bedouet (Director of Finance and Operations)
Chris Paterson (Director of Impact, acting as co-CEO since 6 August 2024)
Emily Yeomans (Director of Research, acting as co-CEO since 6 August 2024)

EEF Staff Team

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

Investment advisors

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

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Education Endowment Foundation (the charitable company) for the year ended 31 March 2024. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Constitution

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

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

Appointment of Trustees

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

Sir Peter Lampl, the Founder Chair of the EEF until December 2023, has been appointed by the Board to the role of Chair Emeritus.

Organisational structure and how decisions are made

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

The Finance and Fundraising Committee oversees the management of the EEF's resources. Its remit includes recommending the appropriate investment strategy for the charity and monitoring the performance of fund managers. It also reviews and recommends the annual budget and long term cash flow projections to the Board, reviews performance against the agreed budget and cash flow projections. The Committee also monitors and supports the development and delivery of the EEF's fundraising strategy.

The Audit Committee oversees the audit of the annual accounts and the internal and external audit plans. The Committee monitors the integrity of EEF's financial statements, with particular emphasis on the effectiveness of the external audit process and internal control systems. The Committee also reviews and recommends the risk register to the Board.

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

These committees comprise Trustees of the EEF, with relevant members of the executive team attending each committee. The committees may also co-opt expert members beyond the EEF Trustees from time to time to supplement the expertise of the committees. At present, Robert Coe Director of Research and Evaluation at Evidence Based Education, sits on the EEF Grants' Committee. The Department for Education also has a representative on this Committee and the EEF is presently awaiting a new appointment. Richard Lamplough, partner with Lancaster Investment, sits on the Finance and Fundraising Committee and on the Audit Committee.

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

Induction and training of Trustees

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

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

Relationships with wider interests and related parties

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

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

Objectives and Activities

Objectives

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

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

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

Grant making policy

The EEF's grant-making principally focuses on supporting and evaluating projects that are likely to improve the educational outcomes of young people, particularly eligible for free school meals. The EEF's aim is to fund, develop and evaluate cost effective and scalable projects that have a measurable positive impact on educational attainment or related outcomes, as well as promoting the use of evidence in the decision making of schools, early years settings, post-16 settings, and by other commissioners and policymakers. All EEF-funded projects are rigorously evaluated by independent experts in educational research. The charity has to date commissioned 316 projects, 208 of which use randomised controlled trials (RCTs), involving over 60% of English schools. When including the larger scale up programmes (Nuffield Early Language Intervention and the National Tutoring Programme) implemented during COVID, EEF projects have reached over 75% of English schools. The EEF also aims to influence the decision-making and spending of the wider education sector, for example, by scaling up and building the delivery capacity of projects which are determined to be effective and replicable, and by communicating and disseminating what works, through various channels such as the EEF's Research School Network, campaigns and policy work.

The EEF usually runs two grants rounds per school year. Applications are submitted online via the EEF's website and reviewed by the team of Programmes and/or Evaluation Managers, drawing on external advice as needed. The most promising applications are developed by a Programmes and/or Evaluation Manager in collaboration with the applicant, before being put forward to the Grants Committee in a two-stage process.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

The EEF Board makes the final decision on funding the applications recommended by the Grants' Committee over £1m. Following approval, all grant awards made are subject to: i) the recipient entering into a written, legally binding agreement, and ii) a project review at each milestone as set out in the grant agreement. Under the terms of its agreements with grant recipients, the EEF can withdraw its future funding commitment for a number of specified reasons, including failure to meet agreed milestones. More detail on grant making, evaluation and dissemination activities in the period under review can be found under the Strategic report section.

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

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

STRATEGIC REPORT

Going concern

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

Activities, achievements and performance

The significant development this year has been the agreement with the Department for Education to grant the EEF a further £40m to expand its current activity to support learners in post-16. The funding will allow EEF to increase the volume of research, synthesis and mobilisation activity focussed on post-16 settings, including building more evidence around supporting vocational learners. The funds were received by the EEF post year end (see note 26).

The results for the year are set out on page 32.

Grant making, evaluation and dissemination activities

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

EVIDENCE GENERATION

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

Research Agenda

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

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

Between April 2023 and March 2024, trustees approved 18 evaluations of new projects (separate from re-grants, below). This included funding for six projects under our consolidation round, Research Agenda 2, which targeted remaining portfolio gaps in research agenda themes from the previous year:

- Early Language: two programmes and one teacher choices project
- Cognitive Science: one teacher choices project
- Scaled and evidenced programmes (for Accelerator Fund): one KS2 reading programme
- Personal, Social and Emotional Development in the Early Years (PSED): one programme
- School presence: the first two of our school choices projects finished their scoping phase and were approved to run impact evaluations

We also funded our first projects under new themes in our Research Agenda 3 round:

- EdTech: three programmes and one teacher choices project
- Post-16 GCSE resits: two programmes

We also commissioned two policy evaluations: a longitudinal analysis of an existing evaluation of the impact of school closures on Key Stage 1, and an evaluation of the impact of universal primary free school meals in London.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

In October 2023, we launched Research Agenda 4, which provided a consolidation of the priorities identified for Research Agenda 3, including our first evaluation commissioning in Teacher Recruitment and Retention (school choices projects). The EEF agreed three research priorities for Research Agendas 5 and 6:

- Post-16
- Writing
- Secondary Maths

In February 2024, we launched Research Agenda 5 for programmes in writing and secondary maths, to be approved in the year 2024-25.

We also launched and completed four evidence reviews and practice reviews in the teacher recruitment and retention theme. The evidence generated from these reviews informed a School Choices commissioning round, which launched in December 2023 and closed in April 2024. This theme is part of the Research Agenda 4 round focused on teacher recruitment and teacher retention including: flexible working, teacher workload, and school leadership.

The EEF's programme pipeline and regranting: at the end of a programme evaluation, we assess the findings from the evaluation to assess whether there is evidence that warrants providing a further grant (regrant) to the programme – either at the next stage of the pipeline (e.g. progressing from pilot to efficacy stage) or in rare circumstances at the same stage of the pipeline.

We identified nine programmes suitable for regranting, which were approved: two pilots and three effectiveness trials, as well as an over-arching evaluation of four scale-up projects. These projects include maths, literacy and science programmes and one feedback programme, and include early years, primary and secondary phases.

Accelerator Fund

The Accelerator Fund aims to build the EEF's pipeline of evidence-based programmes, and increase the availability of evidence-based programmes in maths and literacy to schools and settings, with schools and settings in Education Investment Areas being prioritised for the work. In academic year 23/24, this includes the scale up of three programmes that have been evidenced to have a positive impact on pupil attainment. In academic year 23/24 up to 31 March 2024, EEF is engaging 1576 unique schools/settings in Accelerator Fund programmes.

To date, EEF has engaged 3,376 unique schools/settings in Accelerator Fund programmes, with 51% of these being from Education Investment Areas.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

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

We also have an annual report which complements the Trustees' annual report by giving further detail on projects and activities - see: [Annual reports | EEF \(educationendowmentfoundation.org.uk\)](https://www.educationendowmentfoundation.org.uk)

Publishing robust evaluation reports of funded projects

The EEF has continued its commitment to publishing evaluation reports on all completed projects and 17 evaluation reports were published in the period covered by this annual report.

The team at Durham University continues to analyse the data archive, to replicate results, inform methodological improvements and track the impact of EEF-funded projects longitudinally. In December 2023, the Trustees signed off a £270k extension to this agreement to allow Durham University to continue this work until December 2025.

The EEF is hosting the data archive in partnership with the Office for National Statistics, which will enable wider access to the archive for the purpose of research with public benefit. We have been granted £600k by the Cabinet Office as part of the Evaluation Accelerator Fund to develop processes for third party access, as well as conduct innovative longitudinal research and data linkages.

EVIDENCE SYNTHESIS

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

In November 2023 a new guidance report was published focusing on the teaching of science in primary school, based on a systematic review conducted by a team from the University of York. An update to the guidance report on implementation in schools will be published in April 2024. The systematic review underpinning the report has been completed by Exeter University.

Rapid evidence reviews were published in Autumn 2023 to support the EEF's research commissioning around the recruitment and retention of skilled teaching personnel. Reports were published focusing on flexible working, school leaders' role in recruitment and retention, and an analysis of job descriptions to identify current strategies around recruitment. The findings from the report informed research commissioning, but will also be summarised in a school facing document in Summer 2024.

Work is underway to automate the update process for the Teaching and Learning Toolkit using generative Artificial Intelligence and machine learning models. New versions of the Toolkit strands will be published in Autumn 2024.

EVIDENCE MOBILISATION AND SCALE-UP

The EEF has a range of ways to mobilise evidence and supports its use by schools and settings in England. Over this year the EEF has continued to widen impact and encourage deeper and more active engagement to promote behaviour change. It is making more deliberate choices about when, where, how and who to work with to maximise reach and impact to achieve mission.

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

The EEF uses a range of ways to mobilise evidence, to support its use by settings and schools in England. This year has seen a transition from one regional strategy to another. The regional strategy between 2019-2023 saw engagement with over 11,000 schools with over 6,300 schools engaging in some form of training with the Research School Network over the previous 4 years. This approach was aiming to support reach into a group of circa 2,200 schools with higher-than-average numbers of disadvantaged pupils and lower than average attainment outcomes for those pupils (based on 3-year averages to 2018-19). 77% of these schools were engaged with nearly half having been involved in sustained and intensive training and support.

The Research School Network is integral to the EEF's mobilisation activity, supporting communication and resources to be relevant and actionable; advocating for and providing access to evidence in local and regional networks; and providing direct support through professional development and training to schools. The transition to the new strategy saw a consolidation of the network through a re-application and open application process. This means there are now 33 Research Schools. The newer Research Schools have been inducted into the network and provided with initial support alongside continuation of a wider set of supports for the Research School Network as a whole.

The delivery of the new regional strategy focuses on three areas: continued communication, advocacy, and development of exemplification. This has continued strongly with Research Schools reaching over 3,400 schools since September 2023. The first library of video exemplification is expected to be launched in the next year – "Clips from the classroom". Secondly, a new approach to supporting other organisations who provide training and support for schools is being delivered. There will shortly be an open application round for initial trying out of this approach. Thirdly, the EEF is introducing more intensive partnerships, building on the lessons from the previous approach and the wider evidence, and seeking to build both local system capacity and create behaviour change in schools with a clear mission focus. An initial phase of partnerships "Evidence Exploration Partnerships" has commenced and 20 are underway across England, involving a range of partners from local authorities, multi-academy trusts to other informal local school collaborations.

Focusing on supporting evidence generation and evidence use in the Early Years

The EEF has continued to support the Department for Education's Early Years Stronger Practice Hubs' programme – part of the wider Early Years Covid Recovery programme. The EEF has provided tailored summaries of the evidence, including the continued development of the Early Years Evidence Store. The store has had contributions from multiple hubs and also informs their activity. By the end of March 2024 it has had more than 70,000 users and 200,000 views. Furthermore, the EEF has helped identify, support and provide appropriate evaluation for a number of Early Years programmes which form part of the “funded support” that hubs make available to settings. Working with the programme in this way has helped shape and influence spending to be more evidence-informed. It has also helped support a legacy from the programme as well as growing EEF's reach across the whole Early Years sector, private, voluntary and independent group-based settings and childminders.

In parallel, EEF has been developing its own plans to continue to support more evidence use in the Early Years to help improve outcomes for socio-economically disadvantaged children.

CONTENT AND ENGAGEMENT

Targeted content to meet school needs and improved engagement to understand practice in the school system

The EEF has very successful engagement with its online content. Our content campaigns continued to promote our EEF evidence with success. For example, our guidance reports have been downloaded around 668,000 times in the current academic year to the end of March 2024, whilst our 'News page' has been viewed over 492,000 times during that period.

Content specialists ensure relevant communications and tools promote our guidance in our targeted content campaigning. Our most popular guidance reports in this academic year to March included:

- 'Putting Evidence to Work: A Schools' Guide to Implementation' - 84k downloads
- 'Special Educational Needs in Mainstream Schools' - 73k downloads
- 'Improving Behaviour in Schools' - 64k downloads
- 'Metacognition and Self-regulated Learning' - 56k downloads.

In the year, the EEF has developed approaches to better understand our varied practitioner audiences. Multiple focus groups and surveys have been conducted to ensure a strong understanding of the needs of the school system, such as exploring pupil premium implementation, engagement and use of the EEF's guidance reports, and more. The EEF has also undertaken user testing to refine the development of our new guidance reports, further enhancing their quality and assuring the EEF's position as the go-to evidence source. As the audiences are further broadened – across early years, schools, and post-16 settings – the EEF will continue to map and enact a systematic understanding so that EEF content is appropriate, accurate and actionable.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

Developing the EEF's digital presence

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

In the past 12 months, the number of users on the EEF website has grown by 11% to 1.6 million users.

The email newsletter has over 47,000 subscribers, an increase of 2% on last year.

On social media, the EEF X following has increased to 123,000 (up 5%), Facebook followers are 39,000 (up 10%) and EEF LinkedIn followers increased to 85,000 (up 33%).

After an open and competitive procurement process, in May 2023, the EEF appointed Engage Interactive as its digital services agency, providing design and development support on a retained basis. The focus of their work has been on improving the user experience and accessibility of the EEF's digital products. A highlight of this work has been the launch of a new website navigation based on analytics and user insights in January 2024.

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

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

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

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

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

Fundraising activity

The EEF seeks to partner with other funders — whether trusts and foundations, corporates, individuals, charities or public bodies — to help extend the reach of the charity's work. To date, the EEF has successfully developed partnerships with 45 organisations, which have contributed a total of c £48.8m million in funding towards EEF-approved programmes.

The EEF's funding partnerships totalled c.£7.2 million in this financial year and fell into one of three categories:

- Direct grants to the EEF — £4m from XTX Markets and Hg Foundation
- Pro bono donations to the EEF — valued at c.£1.5 million including legal advice and consultancy from Freshfields and Boston Consulting Group. See Note 3 for further detail.
- Shared funding of EEF supported programmes – £2.2m of contributions from grantees and their partners towards the costs of EEF-funded programmes. This amount includes a large contribution of £1.7m from Ormiston Academy Group towards the Trauma Informed Short-Term Managed Intervention Centres project co-funded with Youth Endowment Fund aiming to address attendance for young people.

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

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

The Trustees acknowledge their grateful thanks to all those organisations contributing to the EEF's programme of work.

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The charity is registered with the Fundraising Regulator. The Fundraising regulator is the independent regulator of charitable fundraising in England, Wales and Northern Ireland. Their work ensures public protection, accountability, and excellence in fundraising. They work in partnership with other regulators and representative bodies in the charitable and fundraising sectors to build public trust and confidence and to ensure consistently high fundraising standards across the UK.

No complaints have been received in the year in relation to the charity's fundraising activities.

International activity

Since 2014, the EEF has been working internationally on a partnership-based model with other domestic evidence functions which, like the EEF, aim to improve teaching and learning and address education equity in their own systems. The focus of this work has been two-fold (1) recontextualising the Teaching and Learning Toolkit and (2) peer-peer support for evidence generation and use. Over the last ten years, eight partnerships have been established and a collaborative peer-peer network has grown. The expansion of this work has been supported by the BHP Foundation through a £9.9m project running from 2018-2025.

This year the international partnerships were formalised into the Evidence for Education Network with its own aims, regular convenings, including an annual workshop this year held in Jordan, working groups and visual identity. Network members are:

- eBASE Africa based in Cameroon and working across the Lake Chad Basin
- Evidence for Learning based in Australia
- EduCaixa based in Spain
- Education Endowment Foundation based in England, UK (secretariat)
- Education Review Office, based in New Zealand
- Leerpunt based in Flanders, Belgium
- National Initiative for Education Research Organisation based in the Netherlands
- SUMMA, based in Chile and working across Latin America and the Caribbean
- Queen Rania Foundation (QRF) based in Jordan

With support from BHP Foundation, EEF established a £4.2m Global Trials Fund for network members primarily to support members from the Global South develop buy in for impact evaluations, support local technical capacity and an evidence pipeline. This year all remaining funds for the Global Trial Fund were committed with the fund supporting 13 projects overall (seven impact evaluations and six pilot evaluations) across five partnerships and seven jurisdictions, totalling £3.8m. The remaining £0.4m has been allocated to projects which support Global South members to address barriers to impact evaluations in their systems. A total of six projects have been awarded under this fund to support partners to develop resources for evaluators, training programmes for impact evaluations and to improve awareness, engagement and understanding of with impact findings with decision makers.

This year EEF has continued its engagement with global initiatives and agencies with the aim of supporting a culture of evidence use in education and furthering collaborations which support the development of 'global goods'. This includes EEF's current and former CEOs jointly presenting the keynote speech at Jacobs Foundation's annual 'Journey of Evidence' conference, an EEF presentation at the Council of the European Union about government investment in evidence functions and at the Building Evidence in Education (BE2) meeting on how sharing data from EEF's

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repository could increase the responsiveness of evidence synthesis.

The EEF has also continued engagement with a number of networks, advisory groups and initiatives including the Alliance for Living Evidence Council, the Organisation for Economic Co-operation and Development (OECD), Schools+ network, the Foreign, Commonwealth and Development Office (FCDO), What Works Hub for Global Education and the Transforming Evidence Funders Network.

Within the UK, the EEF has formed a strategic partnership with the Welsh government to support their focus on tackling social disadvantage and improving educational attainment. To support equal access to the evidence base for Welsh medium schools, EEF has published Welsh language versions of the Early Years and the Teaching and Learning Toolkits on its website. The partnership will also support the Welsh government to improve the evidence ecosystem in Wales including through use of the Pupil Development Grant.

EEF People

Our people are key to the EEF's success. At the start of the year, the EEF's headcount was 87, by the end of the year it was 101, an increase of 16% (see note 13). Our strategy sets out our ambition to further develop our reputation as a great place to work; a place that attracts and retains diverse, talented, pro-active professionals. In 2023-24 we launched and implemented several initiatives to fulfil this ambition.

Our new remuneration policy was launched in November 2023 to an overwhelmingly positive reception from staff. Core to the policy is a career framework which provides definitions for the levels within our pay structure enabling staff to understand their remuneration and how they can progress their careers.

We have continued our Equity, Diversity & Inclusion (EDI) work at great pace with the highlight for the last year being our achievement of the Inclusive Employers Standard. The process leading to this recognition has given us important feedback on our work which has led to the development of our EDI commitments published to staff in February 2023. We report back to staff quarterly on our progress including further developments in our inclusive recruitment process, awareness raising, education and celebration to support or inclusive culture and reviews of relevant policies from an EDI perspective.

Our continued focus on prioritising staff wellbeing by providing a safe and healthy working environment for staff and encouraging staff to maintain and promote their health has been supported by the launch of our new wellbeing policy accompanied by workshops on managing mental health at work for our line managers and a series of wellbeing webinars for staff. We have also enhanced our working environment at Millbank Tower with additional office space for our expanding team which complements our attractive working practices, and collaborative and inclusive culture.

In October 2023, we launched our annual staff survey. 84 responses were received, representing a 91% response rate, an increase of 7 percentage points on the previous year. Staff reported pride in working with the EEF (93.2%), a culture of dignity and respect (92.3%), easy and efficient working (89.9%) and strong internal communication (87.8%). Our survey provider, the People Experience Hub, has provided externally benchmarking for key survey questions, the results show that our scores are favourable in comparison:

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Overall engagement score of 77.4% compared to an external benchmark of 74.6%; “I am proud to work at the EEF” scored 93.2% compared to an external benchmark of 78%; “I would recommend working at the EEF” scored 89.3% compared to an external benchmark of 73.3% and the overall score for the Diversity and Inclusion Index was 76.3% compared to an external benchmark of 75.5%.

Some areas signposted for improvement include opportunities for professional development (64.6%) and career progression (63.4%). Following the further expansion of our team in 2024, we have been able to offer career progression to several staff and a renewed focus on our performance management processes linked to our new remuneration policy. We expect to see this reflected positively in the 2024 survey and we are committed to taking further action in response to the feedback.

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Investment performance

The £137 million received from the DfE in the last financial year was invested at the end of 2022 into 10% Cash, 45% UK gilts and 45% into an ESG- (environmental, social and governance) enhanced multi-asset balanced portfolio including c. 50% Equities and 50% fixed income. The portfolio's value at year end of £196.3 million compared to £196.7 million in the previous year. The movement since last year is due to withdrawals of £13 million during the year to fund grants and evaluations as well as operating expenses and investment costs of £0.4 million, offset by a revaluation gain of £13 million.

The investment portfolio experienced another year of mixed performance in the year resulting however in a large revaluation gain. The portfolio performance was negative with a net revaluation loss of £1.2m in the first half of the year. However, the portfolio gained £10m in a last quarter of 2023 and a further £4.1m in the first quarter of 2024. Following a reduction in inflation globally, central banks started decreasing their interest rates and the economic outlook grew stronger, leading to a rally of most market assets. The portfolio was invested mostly in investment grade credit and diverse global equities, so profited further.

The overall return on the portfolio since inception in June 2011 has been an annualised rate of 3.88% per annum net of fees. The portfolio risks were reviewed throughout the year with the portfolio manager including inflation risk, credit risk and currency risks. They were all assessed as appropriate for the EEF and its long-term objectives.

Financial review

In the financial year under review, income including donations and legacies, income from trading activities and from investments was £17.6 million (2023: £156.1 million). This included a grant from XTX Markets for £3.9m and grants from the Department for Education relating to our Accelerator Fund programmes of £8.4m. Last year included the re-endowment grant from the Department for Education of £137 million and further grants from the Department for Education relating to our Accelerator Fund programmes for £12.9 million. Total expenditure for the year was £30.2 million (2023: £31.2 million). Total funds were £178 million as at 31 March 2024 (31 March 2023: £177.6 million), with £171.8m unrestricted and £6.2m restricted (31 March 2023: £176.5m and £1.1m respectively).

Pay policy for senior staff

The key management personnel of the EEF are the Chief Executive, Director of Impact, Director of Research and Director of Finance and Operations. In order to attract and retain staff with an attractive reward offer, pay is set by benchmarking with market data for equivalent posts in organisations of a similar size and complexity. The remuneration of all staff, including key management personnel, is reviewed annually as part of the budgeting process of the charity and follows the EEF remuneration policy as described under the EEF People section of this report on page 16. The Chair, supported by the Chair of the Finance and Fundraising Committee, was involved in reviewing the salaries of the Executive team; the Chief Executive and Executive team lead the pay review for other staff with the input of the Human Resources Manager.

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Reserves policy

In accordance with the policy adopted since the establishment of the EEF, the initial endowment grant of £125 million from the Department for Education and the re-endowment of £137 million this year are treated as an unrestricted reserve. The unrestricted fund reserves as at the year end were £171.8 million. The Trustees treat the unrestricted funding as available for activities which forward the EEF's charitable objectives, including grant making, and for funding the requirements for support costs and governance costs.

Additionally, the Trustees review on a regular basis the investment strategy and performance of the funding pool along with projections in terms of future grant and operating expense commitments. Accordingly, the Trustees consider that the current level of free reserves (general unrestricted funds less fixed assets) of £171.3 million forms a pool available for supporting EEF activities to 2032 — as stipulated in the terms of the re-endowment grant.

The restricted fund reserves as at the year-end were £6.2 million (see detail in Note 22).

Investment policy

Introduction

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

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

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

Investment objectives

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

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

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

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

Contributions, distributions and income

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

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

Investment management

In March 2019, Goldman Sachs Asset Management was appointed as the single portfolio manager. The Trustees have appointed Bank of New York Mellon as custodians of the Goldman Sachs portfolio. The manager has entered into an agreement with the EEF. This agreement includes investment guidelines and parameters ("the mandate") within which the manager will operate with full discretion (ie without requiring prior approval from the Trustees).

Following the confirmation of the re-endowment grant from the Department for Education in 2022, the EEF re-tendered the investment management contract and Goldman Sachs Asset Management was re-appointed as the single portfolio manager of the new increased portfolio.

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

Reporting

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

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

Review of investment policy statement

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

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Plans for future periods

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

The EEF will further develop its approach to answering research questions that best support the EEF mission. We have begun funding more 'choices' projects and are currently revisiting our approach to identifying 'Teacher Choices' research questions and developing methodological guidance to support these projects. Next year will also see us funding our first set of Setting Choices – the equivalent of School Choices in the post-16 sector. To continue strengthening the links between our evidence generation and mobilisation work, we will be launching a funding round into research use in the next year.

Delivery will continue on the Accelerator Fund to the end of this academic year (August 2024), with up to 2,000 schools/settings planned to take part. The final year of Accelerator Fund is academic year 24/25. The focus will be on further scale up of effective programmes and a variety of new evaluations planned in the area of writing attainment, from our open funding round. In the final year of the fund, EEF will consider our longer-term approach to scaling evidenced programmes.

An update to the guidance report focusing on implementation will be published in May 2024. Work will begin on updating the guidance report that focuses on metacognition in schools. Systematic reviews will also complete on the implementation of digital technology in schools and on secondary mathematics. The latter will be used to inform a new guidance report that focuses on teaching maths in secondary school.

An update to the Teaching and Learning Toolkit will be published in Autumn 2024, drawing on the machine learning process to add new studies to the Toolkit. Alongside the addition of studies, additional exemplification will be added to selected "high interest" strands, such as metacognition to support the high-quality implementation of these approaches in schools.

The EEF will continue to focus resources on mobilising evidence to support teachers to improve practice in schools, colleges and early years settings, especially those serving high numbers of disadvantaged children. The EEF will begin the second year of the regional mobilisation strategy. This will include concluding the first round of Evidence Exploration Partnerships, and brokering and commencing a further round. We expect that around ten Evidence into Action partnerships will be established, providing intensive support for these areas and groups of schools to build local system capacity and change teacher practice. The EEF expects to work with four organisations to build their capacity to use evidence and/or co-create resources to support others to do so. The Research School Network will continue to be a key plank in the engagement and direct support for schools, supported by the Regional team. The EEF will continue to use its more systematic understanding of practice and perceptions to enhance and drive resource development and wider communication activity. The EEF will continue to co-create exemplification with educators to support others across schools and early years to use evidence, including supporting the launch of a Research School Network video library.

To better understand the EEF's various audiences (including the new post-16 audiences) and their priorities, pressures and practices, the EEF will develop a systematic engagement strategy for the year ahead, with the intention to meet high standards of transparency, rigour, and practical relevance.

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There will be three core workstreams to undertake engagement activity with practitioners in leaders in early years, schools, and post-16 settings. These include:

- a) 'Temperature checking'. Staying abreast of the key pressures, priorities and practices, with methods such as focus groups and surveys.
- b) 'Resource refinement'. Understand how EEF content, communications and other activity is interpreted, understood and applied through user testing (user experience, via structured interviews, 'approximations', focus groups and surveys).
- c) 'Evidence-practice mapping'. Identify disparities between effective and common practice, particularly around evidence use, via interviews, focus groups, document analysis, and observational work.

The Content & Engagement team will lead and support engagement activity to further our research agenda, responding to emerging policy needs, and other targeted projects. This activity will be aligned with commissions for external practice reviews to develop deeper understanding of the education sector so that it can improve the work of the EEF and reach its organisational core purpose.

EEF teams will be supported with an 'Engagement offer', whereby they are supported to better understand and utilise engagement practices, ensuring practitioner insights are collected at appropriate times and with a clear window of influence. This will be cohered internally and will be a central part of how the EEF realise its organisational impact and communicate it within the EEF and the wider system.

In post-16, EEF has commissioned disadvantage mapping to help identify the population of interest in this stage of education, given the lack of a Pupil Premium. The EEF will also undertake a practice review of professional development in the sector, to support a post-16 version of the Effective Professional Development guidance report. An autumn funding round, focused on College Choices, and a spring funding round for programmes are also planned, and will reflect the EEF's expanded remit by including technical qualifications for the first time. The EEF will continue to work collaboratively with colleges and other key stakeholders in the sector as the strategy for this expanded remit is further refined.

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

The EEF will continue to develop its international work in line with its partnership with BHP Foundation. We hope to support partnership work in Scotland, Kenya and India in 2024.

We will also play a role in working alongside other funders to create shared global goods around evidence synthesis to promote greater collaboration and less duplication in evidence informed education across the world. As part of our peer learning agenda, we are planning to co-host a partners meeting in Santiago, Chile, in July 2024.

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The EEF will continue to build its work to support evidence-informed policymaking, engaging constructively with the Department for Education to support high quality teacher development and evidence-informed practice, looking to balance influence with the need to maintain independence and objectivity. This will include supporting a new government to consider how best to embed evidence in its work. The EEF will also continue to work with other policy stakeholders and with the other members of the What Works Network to secure the use of rigorous evidence in government and elsewhere, and to collaborate on joint initiatives.

The EEF expects to support the Department for Education's Early Years Stronger Practice Hub initiative until its expected cessation in October 2024. The EEF expects to independently continue some of the work started as part of its evidence partner role, including continuing to develop and update the Early Years Evidence Store and supporting the ongoing programme and evaluation delivery. Further, as part of its work on revising its strategy, the EEF expects to set out a five year plan to continue to grow its work and support the early years sector.

Following the re-endowment in 2022, the EEF intends to keep reviewing its investment objectives, with a view to meet or exceed cashflow needs over the next 10 years of the EEF's planned lifespan, to create some capital growth to attempt to preserve the real spending power of the EEF. The funds received post year end from the Department for Education to expand the EEF's activities to support learners in Post-16 have been invested into the EEF's portfolio.

Risk management

The Trustees have a risk management strategy which comprises: ongoing review of risks arising throughout the year through a detailed quarterly report by the Executive; compiling and reviewing a risk register through the Audit Committee and the Board of Trustees; the establishment of systems and procedures to mitigate those risks identified in the plan; and the implementation of procedures designed to minimise, where appropriate, any potential impact on the EEF should those risks materialise.

The trustees have appointed internal auditors (BDO LLP) to review the effectiveness of the charity's financial controls and to help trustees and management identify and assess risks to the charity. The internal auditors conduct four internal audits per year and advise on how the charity should monitor and manage risks, checking the operation of the internal control systems.

The top three risks during the financial year 2023-2024 were:

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

Mitigation: robust selection and monitoring processes, focus on lessons learned from previous trials, using clear Quality Assurance standards and processes and involving external experts as needed. Ensuring the EEF research agenda is mission aligned and focused on key leverage points for disadvantaged children and young people.

- ***Research at new phases (Early Years and Post-16) faces challenges in terms of recruitment, sample size, outcome measurement where conducting high-quality research is challenging or not possible.***

Mitigation: clear engagement plans to ensure research aligns with sector interests for these phases and to advertise opportunities to take part: exploration of alternative design and methods to overcome sample size issues such as Quasi Experimental Designs (QEDs) and individual pupil/student randomization; scoping of outcome measurement and linkage to other relevant datasets.

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

Mitigation: monitor the effectiveness of the new regional strategy, incorporating learnings from the completion of the last regional strategy and from the overarching evaluation of Accelerator Fund.

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Statement of Trustees' Responsibilities

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

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102); make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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Auditor

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

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

Chair
Dame Christine Gilbert, Chair

Christine Gilbert

Date: 28 Oct 2024

Christine Gilbert (Mon, 28th Oct 2024 8:57:27
GMT)

INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF THE EDUCATION ENDOWMENT FOUNDATION

Opinion

We have audited the financial statements of The Education Endowment Foundation (‘the company’ for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 ‘The Financial Reporting Standard Applicable in the UK and Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

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

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

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

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

Use of our report

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

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street

London

EC2A 2AP

Date: 29 October 2024

The Education Endowment Foundation
Statement of Financial Activities
for the year ended 31 March 2024

	Note	Unrestricted fund £	Restricted fund £	2024 total £	2023 total £
Income from:					
Donations and legacies	3	1,546,396	15,667,847	17,214,243	154,792,914
Trading activities	4	287,906	-	287,906	95,820
Investments	5	137,687	-	137,687	1,193,405
Total Income		<u>1,971,990</u>	<u>15,667,847</u>	<u>17,639,836</u>	<u>156,082,139</u>
Expenditure on:					
Raising funds					
Fundraising expenditure	6	184,319	-	184,319	172,891
Trading costs	6	-	-	-	-
Investment management	6	486,607	-	486,607	283,274
		<u>670,926</u>	<u>-</u>	<u>670,926</u>	<u>456,165</u>
Charitable activities	7	19,010,176	10,548,464	29,558,640	30,490,733
Total Expenditure		<u>19,681,102</u>	<u>10,548,464</u>	<u>30,229,566</u>	<u>30,946,898</u>
Net gains/(losses) on investments		12,979,700	-	12,979,700	(157,874)
Transfers between funds		-	-	-	-
Net movement in funds		<u>(4,729,412)</u>	<u>5,119,382</u>	<u>389,970</u>	<u>124,977,367</u>
Reconciliation of funds	23				
Balances at 1 April 2023		176,528,341	1,087,108	177,615,449	52,638,082
Balances at 31 March 2023		<u>171,798,929</u>	<u>6,206,490</u>	<u>178,005,419</u>	<u>177,615,449</u>

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

The notes on pages 35 to 48 form part of these financial statements.

**The Education Endowment Foundation
Balance Sheet
as at 31 March 2024**

		2024		2023	
		£	£	£	£
Fixed assets					
Tangible Fixed Assets	14		498,604		390,388
Investments	15		196,346,187		196,735,250
			<u>196,844,791</u>		<u>197,125,638</u>
Current assets					
Debtors falling due after one year	17		-	207,617	
Debtors falling due within one year	17	5,917,824		3,702,560	
Cash at bank and in hand		<u>584,283</u>		<u>2,293,194</u>	
		6,502,107		6,203,371	
Creditors: amounts falling due within one year	18	<u>(20,023,955)</u>		<u>(20,820,633)</u>	
Net current assets/(liabilities)			(13,521,848)		(14,617,262)
Creditors: amounts falling due over one year	18		(5,317,524)		(4,892,927)
Net assets			<u>178,005,419</u>		<u>177,615,449</u>
Funds					
Restricted funds	22		6,206,490		1,087,108
Unrestricted funds	22 + 23		171,798,929		176,528,341
			<u>178,005,419</u>		<u>177,615,449</u>

The financial statements were approved by the Board and authorised for issue, on 28 Oct 2024

and signed on their behalf by:

Christine Gilbert

Christine Gilbert (Mon, 28th Oct 2024 8:57:27 GMT)

Dame Christine Gilbert, Chair
Trustee

Date 28 Oct 2024

Company registration number: 07587909

The Education Endowment Foundation
Statement of Cash Flows
for the year ended 31 March 2024

	Note	2024 £	2023 £
Net cash provided by operating activities		(14,897,864)	123,641,735
Cash flows from investing activities:			
Purchase of tangible fixed assets		(324,684)	(180,777)
Purchase of investments		-	(270,612,237)
Proceeds on disposal of investments		13,368,763	138,705,660
Proceeds on disposal of tangible fixed assets		7,187	-
Interest received		137,687	1,193,406
Net cash (provided by)/used in investing activities		13,188,953	(130,893,948)
Net increase/(decrease) in cash and cash equivalents		(1,708,911)	(7,252,213)
Cash and cash equivalents at the beginning of the year		2,293,194	9,545,407
Cash and cash equivalents at end of year		584,283	2,293,194

	2024 £	2023 £
Cash generated from operations		
Surplus/(Deficit) for the year	389,970	124,977,367
Adjustment for:		
Investment income recognised in statement of financial activities	(137,687)	(1,193,405)
Fair value gains and losses on investments	(12,979,700)	157,874
Depreciation and impairment of tangible fixed assets	209,280	163,875
Movement in working capital:		
(Increase)/decrease in debtors	(2,007,647)	(3,190,428)
(decrease)/increase in creditors	(491,484)	4,180,195
Increase in provision	-	-
Increase/(decrease) in deferred income	119,404	(1,453,743)
Net cash provided by operating activities	(14,897,864)	123,641,735

	2024 £	2023 £
Analysis of cash and cash equivalents		
Cash at bank and in hand	584,283	2,293,194
Total cash and cash equivalents	584,283	2,293,194

	As at 1 April 2023 £	Cash-flows £	As at 31 March 2024 £
Analysis of changes in net debt			
Cash at bank and in hand	9,545,407	(8,961,124)	584,283
Total	9,545,407	(8,961,124)	584,283

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

Accounting Policies

1 Charity Information

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

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

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

2 Accounting convention

Basis of preparation

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

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

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

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

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

Going concern

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

Fund accounting

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

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

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

Accounting policies (continued)

Income

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

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

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

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

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

Interest Receivable

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

Expenditure

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

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

Investment management costs include the costs of:

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

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

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

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

Accounting policies (continued)

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

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

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

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

Tangible fixed assets

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

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

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

Fixed asset investments

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

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

Impairment of fixed assets

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

Cash and cash equivalents

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

Financial instruments

The Education Endowment Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Taxation

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

Leases

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

Accounting policies (continued)

Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

Retirement benefits

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

Critical accounting estimates and judgements

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

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

Critical judgements

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

(i) Location of investment assets

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

(ii) Useful economic life of tangible assets

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

(iii) Gifts in kind

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

(iv) Capitalisation of website costs

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

3 Donations and legacies	Unrestricted funds	Restricted funds	2024 total	2023 total
	£	£	£	£
Donations and gifts	-	13,590	13,590	93,895
Grants	-	15,654,256	15,654,256	153,970,547
Donated services	1,546,397	-	1,546,397	728,472
	<u>1,546,396</u>	<u>15,667,847</u>	<u>17,214,243</u>	<u>154,792,914</u>
For the year ended 31 March 2023	<u>137,728,472</u>	<u>17,064,442</u>		<u>154,792,914</u>

Grants	Unrestricted funds	Restricted funds	2024 total	2023 total
	£	£	£	£
Department for Education	-	8,431,992	8,431,992	152,039,765
BHP Foundation	-	1,773,055	1,773,055	1,595,853
Cabinet Office	-	303,592	303,592	77,028
Kusuma Trust	-	-	-	97,000
Royal Society of Arts	-	-	-	(26,783)
HG Foundation	-	75,000	75,000	-
Stronger Practice Hub Grants	-	945,887	945,887	-
XTX Markets Grant	-	3,900,000	3,900,000	-
Youth Endowment Fund Grant	-	224,730	224,730	-
Wellcome Trust	-	-	-	187,684
	<u>-</u>	<u>15,654,256</u>	<u>15,654,256</u>	<u>153,970,547</u>

Donated services	Unrestricted funds	Restricted funds	2024 total	2023 total
	£	£	£	£
Freshfields	946,397	-	946,397	728,472
Boston Consulting Group	600,000	-	600,000	-
	<u>1,546,397</u>	<u>-</u>	<u>1,546,397</u>	<u>728,472</u>
For the year ended 31 March 2023	<u>728,472</u>	<u>-</u>		<u>728,472</u>

4 Income from other trading activities	2024 £	2023 £
Licensing of Teaching and Learning Toolkit	287,906	95,820
	<u>287,906</u>	<u>95,820</u>

Licensing of Teaching and Learning Toolkit

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

5 Investments	2024 £	2023 £
Income from listed investments	117,844	49,395
Interest receivable	19,843	1,144,010
	<u>137,687</u>	<u>1,193,405</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

6 Raising funds

	Unrestricted fund	Restricted funds	2024 total	2023 total
	£	£	£	£
<u>Fundraising expenditure</u>				
Legal & Professional	2,300	-	2,300	-
Bank charges	7	-	7	6
Office administration	5,838	-	5,838	7,164
Premises costs	3,878	-	3,878	5,215
Marketing and public relations	14,624	-	14,624	10,641
Staff costs	142,264	-	142,264	136,884
Other staff costs	8,777	-	8,777	7,359
Depreciation and impairment	6,631	-	6,631	5,622
	<u>184,319</u>	<u>-</u>	<u>184,319</u>	<u>172,891</u>

	Unrestricted fund	Restricted funds	2024 total	2023 total
	£	£	£	£
<u>Investment management</u>	486,607	-	486,607	283,274
	<u>486,607</u>	<u>-</u>	<u>486,607</u>	<u>283,274</u>

7 Charitable activities

	2024 £	2023 £
Staff costs	4,707,990	3,947,462
Social security costs	482,322	407,397
Other pension costs	289,680	196,844
Other staff costs	338,071	100,478
Donated services	<u>1,546,397</u>	<u>728,472</u>
	7,364,460	5,380,653
Grant funding of activities (see note 8)	20,791,434	23,976,637
Share of support costs (see note 10)	1,271,898	1,017,522
Share of governance costs (see note 10)	130,848	115,922
	<u>29,558,640</u>	<u>30,490,734</u>
<u>Analysis by fund</u>		
Restricted funds	10,548,464	18,576,650
Unrestricted funds	<u>19,010,176</u>	<u>11,914,083</u>
	<u>29,558,640</u>	<u>30,490,733</u>

8 Grants payable

	2024 £	2023 £
Grants to institutions: See note 9	<u>20,791,434</u>	<u>23,976,637</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

9 Grants to institutions

		2024	2023
		£	£
ARK	Mathematics Mastery Scale up Accelerator Fund 2	1,001,280	1,268,158
Ark Schools	English Mastery Efficacy Accelerator Fund	-	440,958
Bath Spa University	Focus4TAPS	392,492	166,508
Behavioural Insights Team	Behavioural Insights Team: BITUP	403,582	283,876
Blessed Edward Bamber Catholic MAT	Thinking Mathematically	52,650	-
CEI	Thinking Doing Talking Science Capability building	-	9,947
The Charter Schools Educational Trust)	Fluency Focus	64,620	-
Childrens University	Childrens University Regrant	-	2,730
Communicate SLT	Hanen Learning Language and Loving It	-	99,225
East London Research School	Maths Through Picture Books Sheringham	83,335	-
eBase	Menstrual Hygiene Management (Efficacy)	911,899	-
eBase	Social Emotional Learning (Big Mama)	227,189	-
eBase Menstrual Hygiene Pilot	Global Trial Fund	-	36,355
Edge Hill University	1stClass@Number 1	-	372,168
Elklan	Communication Friendly Settings	-	288,057
Elklan	Communication Friendly Home-based Settings	-	46,305
Evidence for Learning (Australia)	Australian evidence into education in Australia	-	597,884
FFT Education	Reciprocal Reading (re-grant)	-	942,150
FFT Literacy	Reciprocal Reading Scale up	-	147,430
Goldsmiths University	Tales Toolkit	-	41,251
Herts For Learning Education	Reading Fluency Project	221,975	-
La Caixa Foundation	Exploding Dots	83,885	-
National Children's Bureau	Making It REAL	-	523,076
National Children's Bureau	National Children's Bureau: United Against Bullying Plus	-	428,690
National Day Nursery Association	Maths Champions scale up Accelerator Fund Academic Year 23/24	539,429	-
National Literacy Trust	ABRA	411,931	-
Norland College	Emotion Coaching	324,088	-
Nottinghamshire County Council	Switch-on Reading Scale up Accelerator Fund 2	-	258,200
Ormiston Academies Trust (OAT)	Trauma-Informed Short Term Managed Intervention Centres	549,034	-
OxEd	Nuffield Early Language Project (NELI)	-	74,973
OxEd and Assessment (OxEd)	Nuffield Early Language Intervention- Nursery (NELI-N)	642,887	-
Oxford Measured	Accelerator Fund 2 capability-building support	179,862	-
Oxford University Innovation	Mathematical Reasoning	-	300,942
Oxford University Press	Early Number with Numicon	81,778	-
Queen Rania Foundation (Jordan)	Global Trial Fund	-	9,914
Queen's University Belfast and LexiaUK	Lexia Reading Core5® (re-grant)	-	1,036,515
Reading Solutions UK	Reading Plus	200,775	-
Sheffield Hallam University	Frames for Learning	-	112,403
Sheffield Hallam University	Talk With Tales for Children (TWITCH)	-	352,184
Sheringham Nursery & Childrens Centre	Early Years Conversation Project	-	280,098
Speech and Language UK (I CAN)	Early Talk Boost	-	127,355
Speech Link Multimedia Ltd	Infant Language Link	-	122,525
SSAT	Embedding Formative Assessment scale up AF2	900,158	678,489
SUMMA	Global Trial Fund - Learning Communities	-	75,443
SUMMA	Global Trial Fund - Escuela de Aprendizaje Colaborativo Chile	-	65,834
SUMMA	Global Trial Fund - Kit Literacy	-	131,005
SUMMA	Infancio Primero / Crecer Jugando	59,109	-
SUMMA (Chile)	Global Trial Fund - Conecta Ideas	-	5,138
The Association of Colleges (AOC)	5Rs Approach to Maths Resits Efficacy	-	27,750
Tutor Trust	Targeted Tutoring Prog for Post-16 GCSE Resit Learners	138,988	-
University of Hertfordshire	Primary Science Quality Mark	768,606	-
University of Nottingham	Mastering Mathematics	630,575	-
University of Nottingham	Counting Collections	-	495,947
University of Oxford	The Orchestrating Numeracy and the Executive Project	-	995,127
University of Oxford	Nuffield Early Language Fourth Trial	-	112,590
University of Oxford	Talking Time	277,085	-
University of Oxford	Mathematical Reasoning	599,736	-
University of Roehampton	ASCENTS 121 Support for Science (re-grant)	-	904,187
University of Surrey	SPACE	-	252,243
Whizz Education	Maths Whizz	245,360	-
3iE	Global Trial Fund related	-	4,000
Grants made to 5 regions and schools	Sunday Times appeal grant	-	12,100
Various international organisations	Global Fellowships	-	236,400
Various organisations	45 Early Stage Programme Development £27,000 - £45,000	236,259	1,652,000
		10,228,567	14,018,130
Adjustments to grants awarded in previous year		(1,340,007)	(885,720)
Scale up expenditure (research schools, advocacy and guidance reports)		2,240,535	4,596,345
Evaluation and research funding		9,662,339	6,247,882
Total grants, scale up activity and evaluation		20,791,434	23,976,637

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

10 Support costs

	Support Costs	Governance costs	2024 total	2023 total
	£	£	£	£
Staff costs	-	55,611	55,611	53,565
Social security costs	-	6,015	6,015	5,947
Other pension costs	-	3,609	3,609	2,874
Other staff costs-Travel, recruitment etc	-	4,024	4,024	3,354
Office Administration	225,040	2,679	227,719	234,336
Premises costs	149,396	1,778	151,174	170,578
Legal and Professional	88,583	1,055	89,638	41,200
Exchange Gain or Loss	(9,854)	-	(9,854)	-
Audit Fees	-	16,284	16,284	16,608
Accountancy Fees	-	30,047	30,047	73,059
Marketing and public relations	563,324	6,706	570,030	348,043
Depreciation	255,409	3,040	258,449	183,880
	<u>1,271,898</u>	<u>130,848</u>	<u>1,402,746</u>	<u>1,133,444</u>

11 Auditor's remuneration

	2024	2023
	£	£
Audit of the charity's annual accounts	<u>17,280</u>	<u>13,840</u>
Other audit- related assurance services		
Regularity report	<u>3,900</u>	<u>3,750</u>
Non- Audit services		
All other non-audit services	4,056	3,900
Total Non Audit fees	<u>4,056</u>	<u>3,900</u>

12 Trustees

None of the trustees or any persons connected with them received any remuneration from the charitable company during the year (2023: £nil).

There were no trustee expenses in the period under review (2023: £0 travel expenses).

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

13 Employees	2024	2023
Average monthly number of employees during the year:	number	number
Chief Executive Officer	1	1
Grant making, evaluation and dissemination staff	76	68
Fundraising staff	2	1
Administration and communication staff	15	13
	<u>94</u>	<u>83</u>

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

The remuneration and employee benefits of key management personnel, amounted to £580,849 in the year under review (2023: £460,884).

Staff costs comprise:	2024	2023
	£	£
Salaries & wages	4,884,877	4,001,027
Social security costs	501,456	413,344
Other pension costs	301,160	199,718
	<u>5,687,493</u>	<u>4,614,089</u>

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

	2024	2023
	number	number
£60,000 - £69,999	8	8
£70,000 - £79,999	5	1
£80,000 - £89,999	-	-
£90,000 - £99,999	1	-
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-
£180,000 - £189,999	-	-
£190,000 to £199,999	-	1
£200,000 to £209,999	<u>1</u>	<u>-</u>

14 Tangible fixed assets

	Fixtures and fittings	Computers and IT Equipment	Total
	£	£	£
Cost			
At 1 April 2023	67,872	2,239,838	2,307,710
Additions	-	324,684	324,684
Revaluation	-	-	-
Disposals	-	(64,556)	(64,556)
At 31 March 2024	<u>67,872</u>	<u>2,499,966</u>	<u>2,567,838</u>
Depreciation			
At 1 April 2023	67,801	1,849,522	1,917,323
Depreciation charged in the year	71	209,209	209,280
Eliminated on disposals	-	(57,369)	(57,369)
	<u>67,872</u>	<u>2,001,362</u>	<u>2,069,234</u>
Net Book Value			
At 31 March 2024	<u>-</u>	<u>498,604</u>	<u>498,604</u>
At 31 March 2023	<u>71</u>	<u>390,317</u>	<u>390,388</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

15 Fixed Asset investments

	Listed investments	Unlisted investments	Cash in portfolio	Total
	£	£	£	£
Cost or valuation at 1 April 2023	164,297,561	100	32,437,489	196,735,150
Additions	-	-	-	-
Revaluation changes	12,979,700	-	-	12,979,700
Disposals	(12,386,616)	-	(982,147)	(13,368,763)
At 31 March 2024	<u>164,890,645</u>	<u>100</u>	<u>31,455,342</u>	<u>196,346,087</u>
Carrying amount At 31 March 2024	<u>164,890,645</u>	<u>100</u>	<u>31,455,342</u>	<u>196,346,087</u>
At 31 March 2023	<u>164,297,561</u>	<u>100</u>	<u>32,437,489</u>	<u>196,735,150</u>
Historical cost	<u>31,455,342</u>	<u>100</u>	<u>146,374,353</u>	<u>177,829,795</u>

	2024 £	2023 £
Material Investments		
Fixed interest securities	110,573,794	111,890,464
Equities	48,497,278	45,867,236
Cash held within investment portfolio	31,455,341	33,333,733
Other	5,819,674	5,643,717
	<u>196,346,087</u>	<u>196,735,150</u>

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

	2024 £	2023 £
Investments at fair value comprise:		
Investments held in the UK	97,411,640	108,463,046
Investments held overseas	98,934,447	88,272,104
	<u>196,346,087</u>	<u>196,735,150</u>

Fixed asset investments revalued

The above funds are invested in sterling denominated securities.

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

16 Subsidiaries

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

Details of the charitable company's subsidiaries at 31 March 2024 are as follows:

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

17 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	331,556	21,576
Grants receivable	5,555,572	3,640,835
Prepayments and accrued income	30,696	40,149
	<u>5,917,824</u>	<u>3,702,560</u>
Amounts falling due after more than one year:		
Grants receivable	-	207,617
Total debtors	<u>5,917,824</u>	<u>3,910,177</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

18 Creditors: amounts falling due within one year		2024	2023
	Notes	£	£
Trade creditors		61,266	150,302
Other taxation and social security		142,007	127,143
Deferred income	20	1,600,705	1,273,684
Grants accrued		9,352,872	10,590,266
Other creditors		83,921	65,534
Accruals		8,783,184	8,613,704
		<u>20,023,955</u>	<u>20,820,633</u>
19 Creditors greater than 1 year		2024	2023
		£	£
Deferred income	20	-	207,617
Grants accrued		5,317,524	4,685,310
		<u>5,317,524</u>	<u>4,892,927</u>
20 Deferred income		2024	2023
		£	£
Other deferred income		<u>1,600,705</u>	<u>1,481,301</u>
Deferred income is included in the financial statements as follows:			
		2024	2023
		£	£
Current liabilities		1,600,705	1,273,684
Non current liabilities		-	207,617
		<u>1,600,705</u>	<u>1,481,301</u>
		2024	2023
		£	£
Deferred income brought forward		1,481,301	2,935,044
Grants received in the year		15,773,660	152,516,804
Grants returned in the year		-	-
Grants recognised in the year		(15,654,256)	(153,970,547)
Deferred income carried forward		<u>1,600,705</u>	<u>1,481,301</u>

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

21 Retirement benefit schemes

Defined contribution schemes

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

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £301,160 (2023: £199,718).

Contributions totalling £46,521 (2023: £35,381) were payable to the fund at the balance sheet date and are included in other creditors.

22 Restricted funds

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

	Balance at 1 April 2023	Movement in funds			Balance at 31 March 2024
		Income	Expenditure	Transfers	
Evidence Guardianship (Department for Education)	943,042	-	(451,884)	-	491,158
Accelerator Fund 2 (Department for Education)	-	8,431,992	(6,617,064)	-	1,814,928
BHP Foundation	-	1,773,055	(1,773,055)	-	-
Cabinet Office	21,855	303,592	(325,447)	-	-
HG Foundation	-	75,000	(75,000)	-	-
Kent Associate Research School	10,000	-	(10,000)	-	-
Kusuma Trust	54,000	-	(40,075)	-	13,925
Stronger Practice Hubs	-	945,887	(945,887)	-	-
Suffolk County Council	58,211	-	(23,509)	-	34,702
Youth Endowment Fund	-	224,730	(224,730)	-	-
XTX Markets	-	3,900,000	(61,813)	-	3,838,187
	<u>1,087,108</u>	<u>15,654,256</u>	<u>(10,548,464)</u>	<u>-</u>	<u>6,192,900</u>

Details of restricted funds

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

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

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

The HG Foundation fund is restricted to the funding a project on using Generative Artificial Intelligence for Key Stage 3 science lesson

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

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

Stronger Practice Hubs related income is restricted to two projects relating to Stronger Practice Hubs - Talk With Tales for Children (TWiTCH) and The Orchestrating Numeracy and the Executive Project (The ONE project)

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

The Youth Endowment Fund fund is restricted to test projects aiming to address attendance in schools.

The XTX Markets fund is restricted to funding to support Secondary Maths projects.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

22 Restricted funds (continued)

Restricted funds (prior year)

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

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

Details of restricted funds

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

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

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

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

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

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

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

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

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

23 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2024 are represented by:			
Tangible assets	498,604	-	498,604
Investments	171,534,105	24,812,082	196,346,187
Current assets/(liabilities)	(220,189)	(13,301,659)	(13,521,848)
Long term liabilities	-	(5,317,524)	(5,317,524)
	<u>171,812,520</u>	<u>6,192,899</u>	<u>178,005,419</u>

Included within unrestricted funds is a reserve of 18,516,392 (2023: £11,713,364) relating to unrealised gains on investment assets.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2024

23 Analysis of net assets between funds (continued)

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

24 Commitments under operating leases

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

	2024		2023
	£		£
<u>Land and buildings</u>			
Within 1 year	98,964		98,964
Between 2 - 5 years	148,446		247,410
	247,410		346,374

25 Related party transactions

Sir Peter Lampl, the Chair of The Education Endowment Foundation until 31 December 2023 is also the Chairman of the Sutton Trust. Sir Peter Gershon, a Trustee of The Education Endowment Foundation is a Trustee of the Sutton Trust. During the year the charity made payments of £13,521 (2023: £25,652) to the Sutton Trust for the use of office premises and related office administration expenses and reimbursed the Sutton Trust the sum of £Nil (2023: £2,190) for payments made on behalf of The Education Endowment Foundation for staff costs, staff travel expenditure and sundry purchases.

At the year end the Sutton Trust was owed £Nil (2023: owed £5,236) by The Education Endowment Foundation. This amount is included in other creditors.

Lucy Heller, a Trustee of the Education Endowment Foundation, is also the Chief Executive of Ark, an organisation the Education Endowment Foundation granted £459,600 in the year (2023: £1,709,116). The Education Endowment Foundation owed Ark £1,614,058 at the year end (2023: £1,980,222).

26 Post balance sheet events

Since year-end, the Department for Education granted the Education Endowment Foundation a further £40 million to expand its current activity to support learners in post-16. The funding will allow EEF to increase the volume of research, synthesis and mobilisation activity focussed on post-16 settings, including building more evidence around supporting vocational learners. The funds were received by the EEF post year end in June 2024.

In July 2024, Prof. Becky Francis, CEO of the EEF was asked by the Department for Education to lead the Curriculum review in her personal capacity and stepped back from her role as CEO of the EEF as of 6th August 2024. The EEF signed a secondment agreement with the Department for Education and will recover the CEO's salary costs. During the secondment period, Christine Gilbert, Chair of the EEF, will provide additional time and support over and above her Chair role as Executive chair. EEF's Directors of Impact and Research, Chris Paterson and Emily Yeomans respectively will provide interim leadership as co-CEOs.



Issuer EEF

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Mon, 28th Oct 2024 8:57:27 GMT	Christine Gilbert - Signer (62456909e6cadca0224b215189d225d8)

Audit history log

Date	Action
Mon, 28th Oct 2024 8:57:28 GMT	Christine Gilbert viewed the envelope (80.5.131.11)
Mon, 28th Oct 2024 8:57:27 GMT	This envelope has been signed by all parties (80.5.131.11)
Mon, 28th Oct 2024 8:57:27 GMT	Christine Gilbert signed the envelope (80.5.131.11)
Mon, 28th Oct 2024 8:57:12 GMT	Christine Gilbert viewed the envelope (20.90.86.233)
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Mon, 28th Oct 2024 8:21:31 GMT	Document emailed to Christine.Gilbert@eefoundation.org.uk (18.175.169.187)
Mon, 28th Oct 2024 8:21:31 GMT	Sent the envelope to Christine Gilbert (Christine.Gilbert@eefoundation.org.uk) for signing (31.126.172.252)
Mon, 28th Oct 2024 8:21:30 GMT	Anne-Laure Bedouet has changed the party Christine Gilbert's email to Christine.Gilbert@eefoundation.org.uk (31.126.172.252)
Fri, 25th Oct 2024 12:13:57 BST	Document emailed to chrisgilberthome@aol.com (18.170.49.136)
Fri, 25th Oct 2024 12:13:57 BST	Sent the envelope to Christine Gilbert (chrisgilberthome@aol.com) for signing (31.126.172.252)
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Fri, 25th Oct 2024 12:00:36 BST	Document generated with fingerprint 35dc0b44318bf59b14b4fe8b812c426a (31.126.172.252)
Fri, 25th Oct 2024 12:00:36 BST	Envelope generated by Anne-Laure Bedouet (31.126.172.252)

THE EDUCATION ENDOWMENT FOUNDATION

England & Wales - Charity number 1142111

Accounts

THE EDUCATION ENDOWMENT FOUNDATION

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2023

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

THE EDUCATION ENDOWMENT FOUNDATION

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

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

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

(*) Founder Trustees

Company Registration Number: 07587909

Charity Registration Number: 1142111

Registered Office

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

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC1A 2AP

Bankers

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

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

Solicitors

Freshfields Bruckhaus Deringer
100 Bishopsgate
London
EC2P 2SR

Macfarlanes
20 Cursitor Street
London
EC4A 1LT

Key Management Personnel

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

EEF Team

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

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

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

THE EDUCATION ENDOWMENT FOUNDATION

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

FOR THE YEAR ENDED 31 MARCH 2023

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

Structure, governance and management

Constitution

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

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

Appointment of Trustees

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

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

Organisational structure and how decisions are made

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

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

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

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

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

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

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

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

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

Induction and training of Trustees

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

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

Relationships with wider interests and related parties

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

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

Objectives and Activities

Objectives

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

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

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

Grant making policy

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

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

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

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

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

STRATEGIC REPORT

Going concern

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

Activities, achievements and performance

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

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

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

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

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

Grant making, evaluation and dissemination activities

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

EVIDENCE GENERATION

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

Research Agenda

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

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

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

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

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

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

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

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

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

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

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

The EEF's programme pipeline and regranting

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

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

Accelerator Fund

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

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

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

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

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

Publishing robust evaluation reports of funded projects

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

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

EVIDENCE SYNTHESIS

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

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

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

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

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

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EVIDENCE MOBILISATION AND SCALE-UP

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

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

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

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

Developing the EEF's digital presence

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

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

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

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

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

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

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

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

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

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

Fundraising activity

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

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

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

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

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

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

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EEF's programme of work.

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

International activity

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

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

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

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

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

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Investment performance

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

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

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

Financial review

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

Pay policy for senior staff

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

Reserves policy

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

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

Investment policy

Introduction

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

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

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

Investment objectives

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

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

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

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

Contributions, distributions and income

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

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

Investment management

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

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

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

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

Reporting

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

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

Review of investment policy statement

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

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Plans for future periods

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

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

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

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

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

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

THE EDUCATION ENDOWMENT FOUNDATION

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

FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

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

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

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

Risk management

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

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

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

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

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

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

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

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

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

Statement of Trustees' Responsibilities

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

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102); make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

Disclosure of information to auditor

In so far as the Trustees are aware:

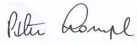
- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

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

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



20 November 2023

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

Chairman

Sir Peter Lampl, Chairman Date:

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE EDUCATION ENDOWMENT FOUNDATION

Opinion

We have audited the financial statements of The Education Endowment Foundation ('the company' for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Our approach was as follows:

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

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

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

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

Use of our report

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

Moore Kingston Smith LLP.

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

9 Appold Street
London
EC2A 2AP

Date: 20 November 2023

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

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

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

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

**The Education Endowment Foundation
Balance Sheet
as at 31 March 2023**

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

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



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

Sir Peter Lampl, Chairman
Trustee

Date 20 November 2023

Company registration number: 07587909

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

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

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

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

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

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

Accounting Policies

1 Charity Information

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

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

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

2 Accounting convention

Basis of preparation

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

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

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

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

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

Going concern

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

Fund accounting

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

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

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

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

Accounting policies (continued)

Income

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

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

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

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

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

Interest Receivable

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

Expenditure

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

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

Investment management costs include the costs of:

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

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

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

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

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

Accounting policies (continued)

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

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

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

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

Tangible fixed assets

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

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

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

Fixed asset investments

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

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

Impairment of fixed assets

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

Cash and cash equivalents

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

Financial instruments

The Education Endowment Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Taxation

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

Leases

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

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

Accounting policies (continued)

Employee benefits

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

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

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

Retirement benefits

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

Critical accounting estimates and judgements

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

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

Critical judgements

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

(i) Location of investment assets

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

(ii) Useful economic life of tangible assets

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

(iii) Gifts in kind

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

(iv) Capitalisation of website costs

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

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

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

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

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

4 Income from other trading activities	2023	2022
	£	£
	Licensing of Teaching and Learning Toolkit	95,820
Commissioned research	-	35,064
	<u>95,820</u>	<u>135,064</u>

Licensing of Teaching and Learning Toolkit

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

Commissioned research

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

5 Investments

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

6 Raising funds

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

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

6 Raising funds (continued)

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

7 Charitable activities

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

8 Grants payable

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

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

9 Grants to institutions

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

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Notes to the financial statements
for the year ended 31 March 2023

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

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

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

11 Auditor's remuneration

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

12 Trustees

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

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

The Education Endowment Foundation
Notes to the financial statements
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13 Employees	2023	2022
Average monthly number of employees during the year:	number	number
Chief Executive Officer	1	1
Grant making, evaluation and dissemination staff	68	54
Fundraising staff	1	1
Administration staff	13	8
	<u>83</u>	<u>64</u>

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

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

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

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

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

14 Tangible fixed assets

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

The Education Endowment Foundation
Notes to the financial statements
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15 Fixed Asset investments

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

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

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

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

Fixed asset investments revalued

The above funds are invested in sterling denominated securities.

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

16 Subsidiaries

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

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

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

17 Debtors

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

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Notes to the financial statements
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18 Creditors: amounts falling due within one year	Notes	2023 £	2022 £
Trade creditors		150,302	302,329
Other taxation and social security		127,143	92,538
Deferred income	20	1,273,684	2,894,859
Grants accrued		10,590,266	7,272,509
Other creditors		65,534	34,534
Accruals		8,613,704	9,841,506
		<u>20,820,633</u>	<u>20,438,275</u>
19 Creditors greater than 1 year		2023 £	2022 £
Deferred income	20	207,617	40,185
Grants accrued		4,685,310	2,508,648
		<u>4,892,927</u>	<u>2,548,833</u>
20 Deferred income		2023 £	2022 £
Other deferred income		<u>1,481,301</u>	<u>2,935,044</u>
Deferred income is included in the financial statements as follows:			
		2023 £	2022 £
Current liabilities		1,273,684	2,894,859
Non current liabilities		207,617	40,185
		<u>1,481,301</u>	<u>2,935,044</u>
		2023 £	2022 £
Deferred income brought forward		2,935,044	54,469,602
Grants received in the year		152,516,804	11,064,934
Grants returned in the year		-	(29,184,555)
Grants recognised in the year		(153,970,547)	(33,414,937)
Deferred income carried forward		<u>1,481,301</u>	<u>2,935,044</u>

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

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

Defined contribution schemes

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

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

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

22 Restricted funds

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

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

Details of restricted funds

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Restricted funds (continued)

Restricted funds (prior year)

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

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

Details of restricted funds

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

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

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

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

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

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

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

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

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

23 Analysis of net assets between funds

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

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

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

23 Analysis of net assets between funds (continued)

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

24 Commitments under operating leases

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

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

25 Related party transactions

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

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

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

26 Post balance sheet events

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



Issuer EEF

Document generated Mon, 20th Nov 2023 11:17:02 UTC

Document fingerprint 35115aba28f74d9a2727233ebb61c397

Parties involved with this document

Document processed	Party + Fingerprint
Mon, 20th Nov 2023 12:38:24 UTC	Chairman - Signer (35b0dc98f803c3980d88a696d5b13e64)
Mon, 20th Nov 2023 12:38:24 UTC	Anne-Laure Bedouet - Copied In (a48c0523550094d5b1cc3dbae414bc2e)

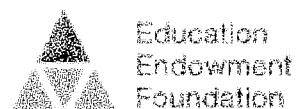
Audit history log

Date	Action
Mon, 20th Nov 2023 12:38:25 UTC	Chairman viewed the envelope (51.155.193.152)
Mon, 20th Nov 2023 12:38:24 UTC	Document emailed to anne-laure.bedouet@eefoundation.org.uk (18.132.17.42)
Mon, 20th Nov 2023 12:38:24 UTC	This envelope has been signed by all parties (51.155.193.152)
Mon, 20th Nov 2023 12:38:24 UTC	Sent the envelope to Anne-Laure Bedouet (anne-laure.bedouet@eefoundation.org.uk) for signing (51.155.193.152)
Mon, 20th Nov 2023 12:38:24 UTC	Chairman signed the envelope (51.155.193.152)
Mon, 20th Nov 2023 12:35:20 UTC	Chairman viewed the envelope (51.155.193.152)
Mon, 20th Nov 2023 11:28:48 UTC	Document emailed to peter.lampl@suttontrust.com (35.178.191.53)
Mon, 20th Nov 2023 11:28:48 UTC	Sent the envelope to Chairman (peter.lampl@suttontrust.com) for signing (195.234.28.3)
Mon, 20th Nov 2023 11:24:53 UTC	Anne-Laure Bedouet has been assigned to this envelope (195.234.28.3)
Mon, 20th Nov 2023 11:24:53 UTC	Chairman has been assigned to this envelope (195.234.28.3)
Mon, 20th Nov 2023 11:17:40 UTC	Document generated with fingerprint fc8796b159cf1a7bc4789db661c635b0 (195.234.28.3)
Mon, 20th Nov 2023 11:17:34 UTC	Document generated with fingerprint 35115aba28f74d9a2727233ebb61c397 (195.234.28.3)
Mon, 20th Nov 2023 11:17:02 UTC	Envelope generated by Anne-Laure Bedouet (195.234.28.3)

THE EDUCATION ENDOWMENT FOUNDATION

England & Wales - Charity number 1142111

Accounts



THE EDUCATION ENDOWMENT FOUNDATION

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2022

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

THE EDUCATION ENDOWMENT FOUNDATION

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THE EDUCATION ENDOWMENT FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Sir Peter Lampl, Chairman (*)

David Hall CBE, Vice Chairman(*)

Sarah Breedon

Appointed 21 September 2022

Naomi Eisenstadt

Louis Elson (*)

Resigned 31 January 2022

Sir Peter Gershon

Lucy Heller

Sir Kevan Collins

Appointed 11 October 2021

Nat Sloane CBE (*)

Hanneke Smits

(*) Founder Trustees

Company Registration Number: 07587909

Charity Registration Number: 1142111

Registered Office

5th Floor

Millbank Tower

21-24 Millbank

London

SW1P 4QP

Auditor

Moore Kingston Smith LLP

9 Appold Street

London

EC1A 2AP

Bankers

CAF Bank Limited

25 Kings Hill Ave Kings Hill

West Malling

Kent

ME19 4TA

Solicitors

Freshfields Bruckhaus Deringer

65 Fleet Street

London

EC4Y 1HS

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Solicitors (continued)

Macfarlanes
20 Cursitor Street
London
EC4A 1LT

Key Management Personnel

Prof. Becky Francis (Chief Executive)
Emily Yeomans (Director of Research since July 2021 on maternity leave)
Julie Nelson (Director of Research – Maternity cover)
Chris Paterson (Director of Impact since September 2021)
Anne-Laure Bedouet (Director of Finance and Operations)
Stephen Fraser (Deputy Chief Executive until July 2021)
Stephen Tall (Director of Development and Communications, until August 2021)
Robbie Coleman (NTP Secretariat Director until June 2021)

EEF Team

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

Education Advisory Board

Sir Michael Wilshaw (Chairman)
Kate Atkins
Peter Goldsbrough
Sir Mark Grundy
David Hall CBE
Hang Ho
Russell Hobby
Prof Li Wei
Prof Steve Higgins
Sir Frank Mcloughlin CBE
Ann Mroz MBE
Professor Dame Alison Peacock

Investment advisors

Goldman Sachs Asset Management International
Christchurch Court
10-15 Newgate Street
London
EC1A 7HD

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Education Endowment Foundation (the charitable company) for the year ended 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Constitution

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

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

Appointment of Trustees

The appointment of Trustees is governed by the governing document of the charity. EEF Trustees are appointed for a term not exceeding five years. Any Trustee may be re-appointed on the expiry of his/her initial or any subsequent term of office. The Sponsors' Agreement between The Sutton Trust and Impetus - The Private Equity Foundation (now Impetus) specifies that four of the seven Trustees are to be nominated by Impetus and five to be nominated by The Sutton Trust. Impetus nominated Louis Elson, Lucy Heller, Nat Sloane and Hanneke Smits. The Sutton Trust nominated Sir Peter Lampl, Naomi Eisenstadt, Sir Peter Gershon, David Hall, and Sir Kevan Collins (appointed 3 December 2020, resigned 25 February 2021 and re-appointed 11 October 2021). The members of the EEF have duly appointed these individuals as the EEF Trustees. The Sponsors' Agreement provides that the Chairman of the EEF is Sir Peter Lampl, who is also the Chairman of The Sutton Trust.

Development during the year:

In October 2021, the Sutton Trust, as sole member, agreed with the Board of Trustees of the EEF that EEF would be permitted full control over its governance. As a result, it was agreed that the Trustees of EEF have the authority to appoint EEF's Trustees, and that the Member's right to appoint Trustees would cease. In addition, The Sutton Trust has stepped down as the sole Member of EEF, and EEF's Trustees are the charity's only Members going forward. The articles of EEF were amended accordingly on 22 October 2021. The Sponsors' agreement between The Sutton Trust and Impetus - The Private Equity Foundation has been terminated and neither organisation have any rights in respect of the governance of EEF. The Founder Trustees shall complete their terms and step down on a staggered basis. New trustees will be appointed for a term not exceeding four years and trustees may be reappointed for a maximum of one additional term.

Organisational structure and how decisions are made

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The EEF Trustees meet at least four times a year to review overall strategy and to determine how best to direct the EEF's resources to meet its objectives. The EEF has a Chief Executive, who reports to the Chair and other Trustees, and is supported by an Executive team. The Chief Executive and Executive team oversee a team of full and part time posts as referred to on the Legal and Administrative pages.

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

- The Grants Committee makes recommendations to the Board on projects to support (including the funding for the independent evaluations of each project), shapes the priorities for grant making, reviews the project portfolio and oversees the scale up efforts of the EEF.
- The Finance and Fundraising Committee oversees the management of the EEF's resources. Its remit includes recommending the appropriate investment strategy for the charity and monitoring the performance of fund managers. It also reviews and recommends the annual budget and long term cash flow projections to the Board, reviews performance against the agreed budget and cash flow projections and monitors the integrity of EEF's financial statements, with particular emphasis on the effectiveness of the external audit process and internal control systems. The committee also reviews and recommends the risk register to the Board. Since 2017, the committee also monitors and supports the development and delivery of the EEF's fundraising strategy.
- The Audit Committee oversees the audit of the annual accounts and the internal and external audit plans.
- The Nominations Committee supports the Board in recruiting, inducting and developing trustees

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

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

Induction and training of Trustees

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

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

Relationships with wider interests and related parties

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Objectives and Activities

Objectives

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

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

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

Grant making policy

The EEF's grant-making principally focuses on supporting and evaluating projects that are likely to improve the educational outcomes of young people, particularly pupils eligible for free school meals in the most challenging schools. The EEF's aim is to fund, develop and evaluate cost effective and scalable projects that have a measurable positive impact on educational attainment or related outcomes, as well as promoting the use of evidence in the decision making of schools, early years settings, post-16 settings, and by other commissioners and policymakers. All EEF-funded projects are rigorously evaluated by independent experts in educational research. The charity has to date commissioned 253 projects, 167 of which use randomised controlled trials (RCTs), involving over 60% of English schools. The EEF also aims to influence the decision-making and spending of the wider education sector, for example, by scaling up and building the delivery capacity of projects which are determined to be effective and replicable, and by communicating and disseminating what works, through various channels such as the EEF's Research School Network, campaigns and policy work.

The EEF usually runs two grants rounds per school year. Applications are submitted online via the EEF's website and reviewed by the team of Programmes Managers, drawing on external advice as needed. The most promising applications are developed by a Programmes Manager in collaboration with the applicant, before being put forward to the Grants Committee in a two-stage process. The Trustees make the final decision on funding the applications recommended by the Grants Committee over £1m and on scale up grants. Following approval, all grant awards made are subject to: i) the recipient entering into a written, legally binding agreement, and ii) a project review at each milestone as set out in the grant agreement. Under the terms of its agreements with grant recipients, the EEF can withdraw its future funding commitment for a number of specified reasons, including failure to meet agreed milestones. This process was significantly impacted by the partial school closures due to the COVID-19 pandemic. More detail on grant making, evaluation and dissemination activities in the period under review can be found under the Strategic report section.

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

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Going concern

Despite COVID-19, after making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies section of the financial statements.

Activities, achievements and performance

The EEF's activities have been significantly impacted by COVID-19 in the year 2021-22 again with continued significant challenges for the education sector. The EEF focused on its research into the impact of the pandemic, on scaling up effective programmes with funding from the Department for Education for the National Tutoring Programme (NTP) and Nuffield Early Language Intervention (NELI), and on supporting schools by publishing evidence-based resources for use in this extraordinary context. Another consequence of Covid-related disruptions to schooling is that many ongoing education research studies have been affected, first by the direct impact of school closures which has affected recruitment to trials and second by the cancellation of national exams and standardized tests and associated difficulties of collecting impact data.

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

The EEF secured £10.5m of funding through DfE's Accelerator Fund (AF1), in order to further develop our programme pipeline work so there is a quality supply of evidence-based programmes that schools can easily access. This work was focused on areas identified by DfE as being particularly impacted by the pandemic. Based on the success of AF1, a 3 year extension of Accelerator Fund has been agreed (AF2) with a value of £41.5m.

The results for the year are set out on page 26.

Grant making, evaluation and dissemination activities

Last year the EEF set itself a number of objectives aligned to the three main aspects of its work: evidence generation (grants and evaluation), synthesis (toolkit and guidance reports) and mobilisation / scale up (including research schools and campaigns). Added to this was a fourth area of work focusing on supporting the education sector with the impact of COVID-19.

COVID-19 impact on EEF's activities in the year and response by EEF

This year has brought with it immense challenge for the education sector, notably with a second period of school closures beginning in January 2021 and the cancellation of exams. The EEF played a key role in supporting the education sector and provided a triple-pronged response to the challenges of the pandemic.

First, by commissioning three large-scale research projects investigating the impact of the pandemic on pupils' learning, and particularly the disproportionate impact on the most disadvantaged pupils, the EEF is building a national picture of how learning has been affected. The findings will support recovery efforts and give policymakers

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

and schools evidence on where efforts are most needed.

Second, by identifying and scaling up teaching and learning approaches with the potential to improve pupil progress, the EEF has helped to ensure evidence-based approaches are at the heart of national efforts to support recovery. Notably, the EEF played the major role in launching the National Tutoring Programme, giving over 300,000 pupils access to high-quality tuition in the 2020-21 school year. The National Tutoring Programme was designed to comprise two pillars. The first pillar was through NTP Partners, primarily led by EEF, schools were able to access heavily subsidised tutoring from an approved list of tuition partners. These organisations – who were subject to quality, safeguarding and evaluation standards – were given support to reach as many disadvantaged pupils as possible. This pillar reached c. 232,000 pupils. The second pillar was through NTP Coaches ('Academic Mentors'), primarily led by Teach First, where trained graduates were employed by schools in the most disadvantaged areas to provide intensive catch-up support to their pupils, allowing teachers in these schools to focus on their classrooms. This pillar reached c. 103,000 pupils. The Department of Education opened a tender for the delivery of Year 2 of the National Tutoring Programme for the 2021/22 academic year, which was awarded to Randstad.

We've also played a part in ensuring the Nuffield Early Language Intervention – an intervention to support four and five year olds who are struggling with their language and communication skills, is available to every primary school in England. This intervention had previously been demonstrated to be effective via two EEF trials

Third, the EEF's national network of Research Schools have continued their role in delivering evidence-led professional development by teachers, for teachers. Based on EEF evidence and prioritising support for schools in areas of disadvantage, activity this year has focused on supporting schools in their recovery efforts. The EEF has produced a number of timely resources to support some of the immediate challenges schools have faced, including planning guides and tools to support remote learning.

EVIDENCE GENERATION

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

Accelerator Fund

- We received £10.5m to deliver the Accelerator Fund in partnership with the DfE for the academic year 2021-22. The aim was to reignite the EEF pipeline and increase the availability of evidence-based programmes in maths and literacy to schools, particularly to help with recovery from the effect of school closures on children's education.
- A major focus of this project was re-granting to covid-affected trials. We granted to four efficacy trials and two effectiveness trials as well as subsidizing four projects with prior successful EEF trials to scale up into new schools, across the DfE regions of The North, East Midlands and Humber and the West Midlands.
- Through this project, we also supported eight project teams to develop their capability to deliver their projects at scale. We allocated a combination of grants directly to providers to support project scaling and grants to third party organisations to provide external formative assessment and development support, for example in developing from a face-to-face to an online training delivery model.
- The Accelerator Fund provided a new opportunity for the EEF to support projects at an earlier stage of their development. We funded 9 early-stage development projects in priority areas of the evidence each led by one of our Research School Network. This will bolster the quality and quantity of projects coming through the 'pipeline' to be ready for trialing and scaling.
- Based on the success of Accelerator Fund this year, the DfE has agreed to extend the Accelerator Fund for 3 more years until 2025, with a national focus for trial and scale up programme delivery.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Research Agenda

- The EEF has shifted strategy to be more focused when funding programmes through open funding calls. Rather than asking for any projects that attempt to improve attainment for disadvantaged pupils, the EEF now agrees research priorities that address the EEF mission through consulting with the evidence base and with teaching and research colleagues. Priorities are refreshed each year in spring and funding rounds are usually open in spring and autumn, the autumn providing a consolidation of the topic and incorporating the Early-Stage Development projects first granted to through the Accelerator Fund, which can address evidence gaps that more developed projects have not filled.
- In January 2022, we held our first open funding round since the pandemic began. The themes for this round were Early Language, Mathematics Teaching in the Early Years and Key Stage 1 and Cognitive Science. We anticipate allocating c. £2-3m for this round to fund c. 10-12 projects, which will be approved by trustees in November 2022.
- In addition to the 11 programme evaluations, we expect to fund 2-3 Teacher Choices projects. Our Choices research strand seeks to generate causal evidence about policies and practices that schools and teachers choose to implement outside of manualised programmes. The Choices research is innovative and relatively novel and an approach that we are developing and refining in collaboration with the appointed research teams.
- We ran a second funding round in February 2022 in collaboration with the Youth Endowment Fund (YEF). This round focused on attendance and exclusions, following on from the rapid evidence assessment of attendance interventions carried out by the EEF's synthesis team. The total funding available is £4.5 million. We anticipate funding 6 projects, which are expected to be approved by trustees in January 2023.
- We also anticipate funding 3 School Choices projects as part of the co-funded round with YEF. These focus on school level policies and practices in relation to reducing absences and exclusions.

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

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

Publishing robust evaluation reports of funded projects

The EEF has continued its commitment to publishing evaluation reports on all completed projects and 54 evaluation reports were published in the period covered by this report. Many of these reports were from projects impacted by Covid school closures, which were not able to collect impact data. These reports focus on findings from the implementation and process evaluations, which provide useful insights to developer teams on ways to potentially improve their delivery.

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

EVIDENCE SYNTHESIS

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

In September 2021 the EEF published the new version of the Teaching and Learning Toolkit. The new version

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has added a number of additional features including:

- A new section that explores the impact “behind the average” to let teachers know when approaches have been more effective with different age groups, subjects and delivery methods (e.g. teacher delivered vs delivered by digital technology)
- More information has been provided on *how* to implement approaches effectively
- A new section has been added that explicitly explores the disadvantage gap and highlights any risks when introducing approaches for disadvantaged pupils
- Where categories in the Toolkit contain multiple approaches (e.g. written and verbal feedback within the feedback strand), impacts have been provided for each approach

In addition to these new sections and features, the underlying methodological work has improved the rigour of the resource and the padlock security ratings have been updated to reflect these changes. The launch of the new Toolkit helped to increase users accessing the page and recent polling showing that 70% of school leaders overall were using the Toolkit.

The Durham team are now working on a similar update to the Early Years version of the Toolkit, which will be launched in January 2023. They are also working with a team at UCL to develop machine learning tools that will assist with automatic updating of the Toolkit.

The synthesis team has also been increasing capacity to conduct in-house review work, in response to some of the evidence reviews conducted during the pandemic. This capacity allows reviews to happen faster and more cheaply and will eventually allow the team to manage the Toolkit without large grant agreements with other academic teams. This year the synthesis team conducted a rapid evidence assessment on attendance approaches that was used to inform the grant-funding round on attendance and exclusion.

EVIDENCE MOBILISATION AND SCALE-UP

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

The EEF strategy includes a number of models for both mobilising evidence and scaling up its work. The EEF has continued to pursue a range of approaches this year, aiming to widen the engagement and direct impact of the work, and add to the evidence base about disseminating most promising approaches.

A key aspect of this work is the regional strategy which has continued to be somewhat affected by the pandemic in terms of the capacity of schools and partners to engage with the EEF's work. In the third year of this extended four year strategy the significant efforts by the EEF team and the Research School Network teams to develop more flexible and blended delivery models, in combination with strong local and regional networks have helped to maintain and grow engagement and reach. This also helped enable continued development of new partnerships between EEF and a range of organisations and schools to work together to support the use of evidence in tackling joint priorities.

The EEF is on course to support training to be delivered to over 3000 schools by the end of the third year of the strategy (summer 2022). The regional strategy is particularly aimed at reaching and supporting schools with higher than average numbers of disadvantaged pupils and lower than average attainment for those pupils. Following the progress in this year at least 70% of those 2,400 schools targeted are expected to be engaged by the end of the academic year. There has remained strong interest in future partnership activity so we expect to have a significant number in delivery in the final year of the strategy.

The EEF's network of 40 Research Schools remains an important component of the strategy and development

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and support for the network remains strong. Increasingly their capacity and capability are recognised by others in the system. In preparation for the future strategy the EEF ran a re-application process inviting applications from current Research Schools and Associates to re-apply to be part of the network from September 2023. There will be opportunity for new entrants to the network in the next year.

Content specialists who were recruited to support the regional strategy have been invaluable through the year at providing the capacity for EEF to be responsive to school need. Having close involvement of practitioners in the development of the EEF's communications, contents and school-facing resources has continued to have a significant positive impact on ensuring messaging was adapted to schools' context- especially in another challenging year for schools. Another cohort of content specialists have been recruited to support the work from September 2022. We have started to build capacity and processes to support more systematic engagement with, and understanding of, a wider set of practitioners to enable use to use these insights to improve communication and target or efforts to support practice change.

There have been a number of practitioner focused resources and guidance published over the last year with the publication of the Effective Professional Development receiving significant engagement. This, in turn, supported our influence in the areas of teacher development, and of a revised Key Stage literacy guidance report. Significant development and preparatory work on the future guidance reports are under way to publish in the next year including Primary Science and an expected review of the Schools Guide to Implementation.

Developing the EEF's digital presence

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

In the past 12 months, the number of users on the EEF website has remained stable at c1.3m. The email newsletter has over 41,000 subscribers, an increase of 10% on last year.

On social media, the EEF Twitter following has increased to 103,000 (up 25%), Facebook 'likes' are 33,000 (up 16%) and EEF LinkedIn followers increased to 47,000 (up 26%).

Following last year's website redesign, we have conducted usability testing with school leaders and teachers, and have begun updating the site based on their feedback.

Completing the scale up of tutoring with the National Tutoring Programme and Nuffield Early Language Intervention as part of the recovery effort

The delivery of the National Tutoring Programme (NTP) and Nuffield Early Language Intervention (NELI) by the EEF started in Autumn 2020 and completed at the end of the 2020/21 academic year. Delivery completed in this financial year, with a successful reach despite further school closures during the academic year and continued disruption for schools. The NTP Partners pillar led by the EEF reached 232,000 children by the end of the 2020/21 academic year. EEF commissioned an independent evaluation of the NTP Tuition Partners and Academic Mentors pillars which is due to be published in October 2022.

The delivery of NELI through the EEF in academic year 2020/21 reached over 40% of eligible settings receiving the intervention targeted at reception-age children.

The Department of Education opened a tender for the delivery of Year 2 of the National Tutoring Programme for the 2021/22 academic year, which was awarded to Randstad.

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

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

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

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

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

Fundraising activity

The EEF actively seeks to partner with other funders – whether trusts and foundations, corporates, individuals, charities or public bodies – to help extend the reach of the charity's work. To date, the EEF has successfully developed partnerships with 44 organisations, which have contributed a total of c £41.3 million in funding towards EEF-approved programmes. The EEF's funding partnerships totalled c.£3.9 million in this financial year and fell into one of four categories:

- Direct donations to the EEF – £3 million, from the Youth Endowment Fund, as co-funding
- Pro bono donations to the EEF – valued at c.£0.4 million including legal advice and consultancy from Freshfields and Bain & Co. See Note XX for further detail.
- Shared funding of EEF supported programmes – £32k of contributions from grantees and their partners towards the costs of EEF-funded programmes.
- Shared funding of EEF Regional delivery – £0.4 million of contributions from a range of partners in support of the EEF's regional work, which aims to ensure all schools, especially those in deprived areas, have access to the resources, training and support they need.

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

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

The Trustees acknowledge their grateful thanks to all those organisations contributing to the EEF's programme of work.

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

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International activity

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

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

The BHP Foundation grant has enabled us to set up EEF's Global Trials Fund (GTF) which supports existing partners to commission trials in their own jurisdictions. To date, over £3 million has been committed towards eight pilots or trials and a potential further four trials. The GTF projects have been subject to delays due to the COVID-19 school closures.

This year the BHP Foundation awarded a two-year extension to EEF's grant to support the GTF projects which have been delayed due to COVID. As part of this extension they have awarded an additional £1.2 million sub-grant to Evidence for Learning to maintain and deepen their capacity in the Australian system and as part of the global network, acting as test case for project activities and new ways of working.

This year the EEF has agreed a new international partnership with the Netherlands Initiative for Education Research (NRO). The Dutch government have utilized the Teaching and Learning Toolkit as part of their recovery strategy from covid-19, and have invested funding into a consortium of organisations, including the NRO, to replicate the work of the EEF in the Netherlands. There are ongoing discussions with a number of additional partnerships, including the Flemish Government and the Welsh Government.

In partnership with eBASE Africa, the EEF have launched a version of the Teaching and Learning Toolkit aimed at countries surrounding the Chad Basin. The project was funded by the Centre for Development Impact and Learning (CEDIL). This version of the Toolkit contains new topics aimed at the context of low and middle income countries.

Investment performance

The portfolio's value at year end of £63.9 million compared to £74.1 million in the previous year. There is an additional £1.1 million held in a liquid reserve fund (£28.5 million in the previous year) restricted to the National Tutoring Programme (NTP) cashflow needs. The net decrease in value of the investment portfolio is due to withdrawals of £10 million made during the year to fund grants and evaluations as well as operating expenses, with a net revaluation gain of £0.1m, offset by investment management costs of £0.3m. The decrease in value of the liquid reserve fund for NTP is due to the final payments to Tuition Partners at the end of academic year 2020/21. The liquid reserves fund amount remaining at 31 March 2022 is held for final transition and evaluation costs.

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The investment portfolio experienced a very positive period until the end of 2021, with revaluation gains of £2.6m in the first 9 months of the financial year following the recovery of financial markets post COVID. From January 2022 and following the impact of the Ukraine crisis, bond and equity financial markets valuations dropped, with the EEF's portfolio losing close to all value gained in the first 9 months of the year. Following the onset of the Russia-Ukraine war and in the context of tightening financial conditions, central banks hiked their rates. Heightened inflation risks also contributed to increased volatility in the market.

The overall return on the portfolio since inception in June 2011 has been 34%, an annualised rate of 2.7% per annum net of fees. The portfolio risks were reviewed throughout the year with the portfolio manager including inflation risk, credit risk and currency risks. They were all assessed as appropriate for the EEF and its long-term objectives.

Financial review

In the financial year under review, income including donations and legacies, income from trading activities and from investments was £34.1 million (2021: £42.7 million). This included grants from the Department for Education relating to the COVID-19 crisis for the National Tutoring Programme for £23.3m in academic year 2020/21 and £6.4m for the first part of academic year 2021/22. Total expenditure for the year was £57.3 million (2021: £35.4 million). Total funds were £52.6 million as at 31 March 2022 (31 March 2021: £75.7 million), with £49.9m unrestricted and £2.7m restricted (31 March 2021: £56.5m and £19.2m respectively).

Pay policy for senior staff

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

Reserves policy

In accordance with the policy adopted since the establishment of the EEF, the initial endowment grant of £125 million from the Department for Education is treated as an unrestricted reserve. The unrestricted fund reserves as at the year end were £49.9 million. The Trustees treat the unrestricted funding as available for activities which forward the EEF's charitable objectives, including grant making, and for funding the requirements for support costs and governance costs. Additionally, the Trustees review on a regular basis the investment strategy and performance of the funding pool along with projections in terms of future grant and operating expense commitments. Accordingly, the Trustees consider that the current level of free reserves (general unrestricted funds less fixed assets) of £49.6 million forms a pool available for supporting EEF activities to April 2026 – as stipulated in the terms of the initial grant – and believe this pool is sufficient to meet the planned expenditure requirements of the organisation for the foreseeable future.

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The restricted fund reserves as at the year-end were £2.7 million (see detail in Note 22).

Since year end, the EEF has received a further £137 million from the Department of Education. This re-endowment grant will also be treated as unrestricted reserves and will be supporting EEF activities for the next decade. See Post balance sheet events note 26.

Investment policy

1. Introduction

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

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

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

2. Investment objectives

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

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

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

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

3. Contributions, distributions and income

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

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

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4. Investment management

In March 2019, Goldman Sachs Asset Management was appointed as the single portfolio manager.

The Trustees have appointed BNY Mellon as custodians of the Goldman Sachs portfolio.

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

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

1. Reporting

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

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

2. Review of investment policy statement

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

Plans for future periods

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

- Through Accelerator Fund, there is a specific focus on scaling the most promising EEF programmes, that have shown an impact through a previous trial. Funding is being provided to directly subsidise the costs of programmes to schools, and further support provided directly to organisations to support them to address barriers to scale. This work is planned to continue and extend through AF2.

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- The EEF will support the Early Years Stronger Practice Hubs programme - part of the Department for Education's wider Covid Recovery programme. This means we will be providing support to the DfE, its delivery partner and the hubs themselves in two main ways: i) through the provision of tailored summaries of the evidence (an Early Years "framework") with expanded exemplification, to complement the planned update of the EEF's Early Years Toolkit; and ii) through the identification, support for developers and appropriate evaluation of an expanded number of Early Years programmes that will form part of the "funded support" available to settings from Hubs. This is a significant development of our work to support the Early Years and the private, voluntary and independent sector in particular and we will be seeking to scope further work to develop our reach and support in the Early Years over the next year.
- To further develop our approach to answering research questions that best support the EEF mission, we plan to fund more 'choices' projects over the next year. We anticipate funding Teacher Choices projects and School Choices projects (described in the Evidence Generation section above), which aim to generate causal evidence around decisions teachers and school leaders make or practices and policies they choose to implement outside of manualised programmes.
- Following early indicative success of the early-stage programme development model in the last year, we plan to use this to model to support the Accelerator Fund and Stronger Practice Hubs work. We hope this will help build the quality and quantity of new programmes joining the pipeline- in particular targeting areas of the evidence that are promising to support our mission, but where there are gaps in availability and practice.
- The EEF will launch a new version of the Early Years Toolkit in early 2023, to better contextualise the evidence base for early years practitioners. Early 2023 will also see the publication of new guidance reports and a focus on recruiting schools to EEF trials in all stages of the project pipeline.
- The EEF will continue to focus more resources on mobilising evidence to support teachers to improve practice in schools, colleges and early years settings, especially those serving high numbers of disadvantaged students. The EEF moves into the final year of the current four year regional delivery strategy and will continue to focus on schools with higher than average numbers of disadvantaged pupils and lower than average attainment for those pupils. The Research School Network will continue to be a key plank in the engagement and direct support for schools, supported by the Regional leads and the enhanced development of resources through the Content Specialists. In addition the EEF will look to further strengthen the voice of practice in both internal decision making and in its communications activities through specific development of new structures and processes to more systematically engage with practitioners through a regular survey and a reference group. Finally there will be significant preparation for the new strategy (September 2023-August 2026) which is likely to include an open opportunity to add a small number of new Research Schools from September 2023.
- The EEF will continue to develop funding partnerships with organisations and individuals to further leverage its work. These partnerships to date have supported grant funding rounds, further developed the evidence base, and helped to scale the most promising interventions in schools in England. The School Funders Network will continue to bring together like-minded funding organisations to share best practice, and to understand current challenges within the education sector. Moving forward, the EEF will seek to develop strategic partnerships with those in the sector whose investment and support can further its progress to close the attainment gap.

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- The EEF will continue to develop its international work in line with its partnership with the BHP Foundation. This will include tendering for an opportunity to lead a global What Works Hub, that is being funded by the Foreign, Commonwealth and Development Office (FCDO) to expand on the EEFs international work.
- The EEF will continue to build its work to support evidence-informed policymaking, engaging constructively with the Department for Education to support high quality teacher development and evidence-informed practice, looking to balance influence with the need to maintain independence and objectivity. This will include quality assuring training materials produced by the new National Institute of Teaching to ensure that they are grounded in the best available evidence. The EEF will also continue to work with other policy stakeholders and with the other members of the What Works Network to secure the use of rigorous evidence in Government and elsewhere, and to collaborate on joint initiatives.
- Following the re-endowment, the EEF intends to tender out the investment portfolio management of the new funds. The main investment objectives of the new investment portfolio remain to meet or exceed cashflow needs over the next 10 years of the EEF's planned lifespan, to create some capital growth to attempt to preserve the real spending power of the EEF.

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Risk management

The Trustees have a risk management strategy which comprises:

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

The top three risks during the financial year 2021-2022 were:

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

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

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

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

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

3. Overreliance on third parties to deliver.

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

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Statement of Trustees' Responsibilities

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

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

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

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



Chairman

Sir Peter Lampl, Chairman

Date: 01 Nov 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

Opinion

We have audited the financial statements of The Education Endowment Foundation ('the company' for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

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

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

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

Use of our report

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

Moore Kingston Smith LLP

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

9 Appold Street
London
EC2A 2AP

Date: 03/11/2022

**The Education Endowment Foundation
Statement of Financial Activities
for the year ended 31 March 2022**

	Note	Unrestricted fund £	Restricted fund £	2022 total £	2021 total £
Income from:					
Donations and legacies	3	409,483	33,492,923	33,902,406	42,370,712
Trading activities	4	135,064	-	135,064	245,613
Investments	5	59,521	-	59,521	56,195
Total Income		<u>604,068</u>	<u>33,492,923</u>	<u>34,096,991</u>	<u>42,672,520</u>
Expenditure on:					
Raising funds					
Fundraising expenditure	6	212,063	-	212,063	266,443
Trading costs	6	-	-	-	-
Investment management	6	253,179	-	253,179	269,781
		<u>465,242</u>	<u>-</u>	<u>465,242</u>	<u>536,224</u>
Charitable activities	7	6,745,066	50,056,162	56,801,228	34,818,110
Total Expenditure		<u>7,210,308</u>	<u>50,056,162</u>	<u>57,266,470</u>	<u>35,354,334</u>
Net gains/(losses) on investments		57,245	-	57,245	8,703,834
Transfers between funds		(25,151)	25,151	-	-
Net movement in funds		<u>(6,574,146)</u>	<u>(16,538,088)</u>	<u>(23,112,234)</u>	<u>16,022,020</u>
Reconciliation of funds	23				
Balances at 1 April 2021		56,535,935	19,214,381	75,750,316	59,728,296
Balances at 31 March 2022		<u>49,961,789</u>	<u>2,676,293</u>	<u>52,638,082</u>	<u>75,750,316</u>

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

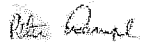
The notes on pages 27 to 40 form part of these financial statements.

**The Education Endowment Foundation
Balance Sheet
as at 31 March 2022**

		2022		2021	
		£	£	£	£
Fixed assets					
Tangible Fixed Assets	14		373,586		356,437
Investments	15		64,986,448		102,557,684
			<u>65,360,034</u>		<u>102,914,121</u>
Current assets					
Debtors falling due after one year	17	40,185		131,313	
Debtors falling due within one year	17	679,564		41,716,222	
Cash at bank and in hand		9,545,407		8,308,490	
		<u>10,265,156</u>		<u>50,156,025</u>	
Creditors: amounts falling due within one year	18	<u>(20,438,275)</u>		<u>(73,987,698)</u>	
Net current assets/(liabilities)			(10,173,119)		(23,831,673)
Creditors: amounts falling due over one year	18		(2,548,833)		(3,332,132)
Net assets			<u>52,638,082</u>		<u>75,750,316</u>
Funds					
Restricted funds	22		2,676,293		19,214,381
Unrestricted funds	22 + 23		49,961,789		56,535,935
			<u>52,638,082</u>		<u>75,750,316</u>

The financial statements were approved by the Board and authorised for issue, on 01 Nov 2022

and signed on their behalf



Chairman

Sir Peter Lampl, Chairman
Trustee

Date 01 Nov 2022

Company registration number: 07587909

**The Education Endowment Foundation
Statement of Cash Flows
for the year ended 31 March 2022**

	Note	2022 £	2021 £
Net cash provided by operating activities		(36,254,948)	25,599,583
Cash flows from investing activities:			
Purchase of tangible fixed assets		(196,709)	(194,154)
Purchase of investments		(28,781,748)	(40,710,564)
Proceeds on disposal of investments		66,410,229	20,424,618
Proceeds on disposal of tangible fixed assets		572	-
Interest received		59,521	56,195
Net cash (provided by)/used in investing activities		37,491,865	(20,423,905)
Net increase/(decrease) in cash and cash equivalents		1,236,917	5,175,678
Cash and cash equivalents at the beginning of the year		8,308,490	3,132,812
Cash and cash equivalents at end of year		9,545,407	8,308,490

	2022 £	2021 £
Cash generated from operations		
Surplus/(Deficit) for the year	(23,112,234)	16,022,020
Adjustment for:		
Investment income recognised in statement of financial activities	(59,521)	(56,195)
Loss on disposal of tangible fixed assets	-	-
Fair value gains and losses on investments	(57,245)	(8,703,834)
Depreciation and impairment of tangible fixed assets	178,988	183,188
Movement in working capital:		
(Increase)/decrease in debtors	41,127,786	(33,326,373)
(decrease)/increase in creditors	(2,798,164)	963,190
Increase in provision	-	-
Increase/(decrease) in deferred income	(51,534,558)	50,517,587
Net cash provided by operating activities	(36,254,948)	25,599,583

	2022 £	2021 £
Analysis of cash and cash equivalents		
Cash at bank and in hand	9,545,407	8,308,490
Total cash and cash equivalents	9,545,407	8,308,490

	As at 1 April 2021 £	Cash-flows £	As at 31 March 2022 £
Analysis of changes in net debt			
Cash at bank and in hand	8,308,490	1,236,917	9,545,407
Total	8,308,490	1,236,917	9,545,407

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

Accounting Policies

1 Charity Information

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

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

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

2 Accounting convention

Basis of preparation

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

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2, (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Additional information has been provided where this increases understanding of the figures.

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

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

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

Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The Trustees have given due consideration to the impact of the Covid-19 pandemic, which continued to be an issue for English schools in the period under review. The charity's income continues to be largely sheltered from the impact of Covid-19 due to a number of long term grants which have supported the charity in the current global pandemic. The trustees have prepared a budget and cash flow forecast covering a period of at least twelve months from the date of approval of these financial statements, which incorporates the confirmed re-endowment income of £137 million from the Department of Education.

Having reviewed forecasts prepared by management the Trustees are confident that the charity will continue to meet its obligations as they fall due and that therefore the going concern basis continues to be appropriate.

Fund accounting

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

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

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

Accounting policies (continued)

Income

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

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

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

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

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

Trading Income

Trading income comprises revenue recognised by the charitable company in respect of licensing of The Education Endowment Foundation resources, exclusive of Value Added Tax and trade discounts.

Licensing income is recognised on the accruals basis based on the contracted terms and substance of the relevant arrangements.

Interest Receivable

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

Expenditure

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

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

Investment management costs include the costs of:

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

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

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

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

Accounting policies (continued)

Expenditure

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

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

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

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

Tangible fixed assets

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

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

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

Fixed asset investments

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

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

Impairment of fixed assets

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

Cash and cash equivalents

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

Financial instruments

The Education Endowment Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Taxation

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

Leases

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

Accounting policies (continued)

Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

Retirement benefits

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

Critical accounting estimates and judgements

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

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

Critical judgements

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

(i) Location of investment assets

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

(ii) Useful economic life of tangible assets

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

(iii) Gifts in kind

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

(iv) Performance related grant recognition

The Grant funding for the National Tutoring Partnership and the Accelerator Fund agreements contain performance related conditions that specify the services to be performed. Income is recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant has occurred as performance-related conditions are met. The degree to which the performance related conditions have been met have been estimated based upon the underlying data available to the charity.

(v) Capitalisation of website costs

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

3 Donations and legacies	Unrestricted funds	Restricted funds	2022 total	2021 total
	£	£	£	£
Donations and gifts	-	86,627	86,627	367,596
Grants	-	33,406,296	33,406,296	40,890,469
Donated services	409,483	-	409,483	1,112,647
	<u>409,483</u>	<u>33,492,923</u>	<u>33,902,406</u>	<u>42,370,712</u>
For the year ended 31 March 2021	<u>1,112,647</u>	<u>41,258,065</u>		<u>42,370,712</u>

Grants	Unrestricted funds	Restricted funds	2022 total	2021 total
	£	£	£	£
Department for Education	-	30,400,935	30,400,935	37,939,768
BHP Foundation	-	2,268,247	2,268,247	1,389,616
KPMG	-	-	-	500,000
Paul Hamlyn Foundation	-	-	-	100,000
ICG	-	500,000	500,000	500,000
Wellcome Trust	-	237,114	237,114	461,085
	<u>-</u>	<u>33,406,296</u>	<u>33,406,296</u>	<u>40,890,469</u>
For the year ended 31 March 2021	<u>-</u>	<u>40,890,469</u>		<u>40,890,469</u>

Donated services	Unrestricted funds	Restricted funds	2022 total	2021 total
	£	£	£	£
Macfarlanes	-	-	-	29,446
Freshfields	366,193	-	366,193	170,431
BCG	-	-	-	350,000
Bain & Co	43,290	-	43,290	562,770
	<u>409,483</u>	<u>-</u>	<u>409,483</u>	<u>1,112,647</u>
For the year ended 31 March 2021	<u>1,112,647</u>	<u>-</u>		<u>1,112,647</u>

4 Income from other trading activities

	2022	2021
	£	£
Licensing of Teaching and Learning Toolkit	100,000	100,250
Commissioned research	35,064	145,363
	<u>135,064</u>	<u>245,613</u>

Licensing of Teaching and Learning Toolkit

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

Commissioned research

All of this income arose within the UK.

5 Investments

	2022	2021
	£	£
Income from listed investments	59,353	55,727
Interest receivable	168	468
	<u>59,521</u>	<u>56,195</u>

6 Raising funds

Fundraising expenditure	Unrestricted fund	Restricted funds	2022 total	2021 total
	£	£	£	£
Audit, accountancy and other finance costs	35	-	35	114
Office administration	6,545	-	6,545	9,277
Premises costs	9,722	-	9,722	11,954
Advertising	16,772	-	16,772	21,857
Staff costs	164,585	-	164,585	209,249
Other staff costs	6,102	-	6,102	2,935
Depreciation and impairment	8,302	-	8,302	11,057
	<u>212,063</u>	<u>-</u>	<u>212,063</u>	<u>266,443</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

6 Raising funds (continued)

	Unrestricted fund £	Restricted funds £	2022 total £	2021 total £
<u>Investment management</u>	253,179	-	253,179	269,781
	<u>465,242</u>	<u>-</u>	<u>465,242</u>	<u>536,224</u>
For the year ended 31 March 2021				
Fundraising expenditure	257,501	8,942		266,443
Investment management	269,781	-		269,781
	<u>527,282</u>	<u>8,942</u>		<u>536,224</u>

7 Charitable activities

	2022 £	2021 £
Staff costs	3,304,203	3,171,614
Other staff costs	122,495	44,495
Donated services	409,483	1,112,647
	<u>3,836,181</u>	<u>4,328,756</u>
Grant funding of activities (see note 8)	51,893,938	29,360,442
Share of support costs (see note 10)	944,181	986,846
Share of governance costs (see note 10)	126,928	142,066
	<u>56,801,228</u>	<u>34,818,110</u>
<u>Analysis by fund</u>		
Restricted funds	50,056,162	23,580,633
Unrestricted funds	6,745,066	11,237,477
	<u>56,801,228</u>	<u>34,818,110</u>

8 Grants payable

	2022 £	2021 £
Grants to institutions: See note 9	51,893,938	29,360,442

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

9 Grants to institutions

		2022	2021
		£	£
Achievement for All	Achieving Early	-	(832,933)
Ambition Institute	Early Round Teaching	-	(4,500)
The Association of Colleges (AOC)	5Rs Approach to Maths Resits Efficacy	183,940	-
Association of Colleges	5 R's Revision Year	(67,000)	-
Ark Schools	English Mastery Efficacy AF	977,364	-
Ark UK Programmes	English Mastery	(79,043)	-
BIT	Embedding Formative Assessment Capability Building	126,604	-
BIT	1st Class @ number Capability Building	118,405	-
Bangor University	Headsprout Early Reading	(65,114)	65,035
CEI	Reciprocal Reading Capability building	40,710	-
CEI	Switch-on Reading Capability building	90,702	-
CEI	Thinking Doing Talking Science Capability building	121,530	-
Communicate SLT	Hanen Learning Language and Loving It	539,175	-
Chartered College of Teaching	Early Round Teaching	-	(3,000)
Childrens University	Regrant	62,426	82,875
eBase Menstrual Hygiene Pilot	Global Trial Fund	403,774	-
Edge Hill University	1stClass@Number Scale up	109,632	-
FFT Literacy	Reciprocal Reading Scale up	299,297	-
FFT Literacy	Reciprocal Reading Capability Building	93,860	-
Institute of Physics	Matched Timetabling	(88,606)	-
Notts County Council	Switch On Reading Scale up	257,749	-
Birkbeck University	Stop and Think Capability building	113,663	-
Leeds University	Glasses for Classes	206,537	-
Leeds University	REACH (Re-grant)	(67,709)	-
My Tutor	Schools Programme	(30,321)	23,267
NASAN	SEND review	-	116,472
National Day Nurseries	Maths Champions	-	52,531
Nottingham Trent University	Peer Assisted Learning Strategies (PALS) Efficacy	247,284	-
Outward Bound and Commando Joe	Adventure learning	(8,000)	-
Oxford Trust	Thinking Doing Talking Science	-	52,632
Pedroza	Thinking, Doing, Talking Science Capability building	19,670	-
Pedroza	Mathematical Reasoning Capability building	12,110	-
Pedroza	1stClass@Number Capability building	12,110	-
Oxford University Innovation	Mathematical Reasoning Capability Building	212,495	-
Ruth Miskin Training TLIF	Read Write Inc Phonics	247,650	-
OxEd	Nuffield Early Language Project (NELI)	195,620	-
Queen Rania Foundation Let's Read Fluently	Global Trial Fund	880,128	-
SSAT	Embedding Formative Assessment Scale Up	826,778	95,804
SUMMA (Chile)	Global Trial Fund - Conecta Ideas	(144,790)	-
Tutor Trust	Tutor Trust Scale Up	250,000	500,000
UCL	Direct Mapping	-	(38,550)
University of Hertfordshire	Primary Science Quality Mark	(5,599)	-
University of York	TEEM UP	28,450	170,682
University of Exeter	Incredible Years Teacher Classroom Management	6,224	-
University of Leeds	Helping Handwriting Shine	(35,941)	-
White Rose	Early Years Jigsaw	-	74,408
Behavioural Insights Team	Stop and Think	89,897	506,007
University of Oxford	Improving Working Memory	-	919,046
University of Oxford	Nuffield Early Language Third Trial	-	399,927
University of Oxford	Nuffield Early Language Fourth Trial	(242,091)	3,117,610
Zenex Foundation	Global Trial Fund	90,000	445,000
Oxford University Press	Nuffield Early Language	7,587	4,265,175
Grants awarded to 33 Tuition Partners	National Tutoring Programme	35,622,014	9,382,842
Grants made to 5 regions and schools	Sunday Times appeal grant	357,800	865,370
Various international organisations	Global Fellowships	20,795	213,627
		<u>42,037,766</u>	<u>20,469,327</u>
Adjustments to grants awarded in previous year		-	(425,083)
Scale up expenditure (research schools, advocacy and guidance reports)		2,732,670	2,338,117
Evaluation and research funding		7,123,502	6,978,081
Total grants, scale up activity and evaluation		<u>51,893,938</u>	<u>29,360,442</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

10 Support costs

	Support Costs £	Governance costs £	2022 total £	2021 total £
Staff costs	-	62,670	62,670	74,041
Social security costs	-	6,489	6,489	-
Other pension costs	-	3,248	3,248	-
Other staff costs	-	2,684	2,684	13,100
Depreciation	170,327	-	170,327	172,131
Legal and professional	101,719	-	101,719	141,157
Office administration	134,276	-	134,276	144,301
Premises costs	182,393	-	182,393	186,099
Marketing and public relations	344,092	-	344,092	340,270
Audit fees	-	17,340	17,340	14,855
Accountancy	11,374	34,497	45,871	42,958
	<u>944,181</u>	<u>126,928</u>	<u>1,071,109</u>	<u>1,128,912</u>

11 Auditor's remuneration

	2022 £	2021 £
Audit of the charity's annual accounts	<u>12,900</u>	<u>10,750</u>
Other audit- related assurance services		
Regularity report	<u>3,420</u>	<u>2,850</u>
Non- Audit services		
All other non-audit services	3,540	2,950
Total Non Audit fees	<u>3,540</u>	<u>2,950</u>

12 Trustees

None of the trustees or any persons connected with them received any remuneration from the charitable company during the year (2021: £nil).

There were no trustee expenses in the period under review (2021: £0 travel expenses).

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

13 Employees	2022	2021
Average monthly number of employees during the year:	number	number
Chief Executive Officer	1	1
Grant making, evaluation and dissemination staff	54	39
Fundraising staff	1	1
Administration staff	8	7
	<u>64</u>	<u>48</u>

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

The remuneration and employee benefits of key management personnel, amounted to £631,491 in the year under review (2021: £488,184).

Staff costs comprise:	2022	2021
	£	£
Salaries & wages	3,100,092	3,072,647
Social security costs	293,851	262,594
Other pension costs	147,251	131,261
	<u>3,541,194</u>	<u>3,466,502</u>

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

	2022	2021
	number	number
£60,001 - £70,000	3	2
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
£110,001 - £120,000	-	1
£180,001 - £190,000	<u>1</u>	<u>1</u>

14 Tangible fixed assets

	Fixtures and fittings	Computers and IT Equipment	Total
	£	£	£
Cost			
At 1 April 2021	125,076	1,871,762	1,996,838
Additions	1,704	195,005	196,709
Disposals	(38,377)	(28,237)	(66,614)
At 31 March 2022	<u>88,403</u>	<u>2,038,530</u>	<u>2,126,933</u>
Depreciation			
At 1 April 2021	124,826	1,515,575	1,640,401
Depreciation charged in the year	1,031	177,957	178,988
Eliminated on disposals	(38,377)	(27,665)	(66,042)
	<u>87,480</u>	<u>1,665,867</u>	<u>1,753,347</u>
Net Book Value			
At 31 March 2022	<u>923</u>	<u>372,663</u>	<u>373,586</u>
At 31 March 2021	<u>250</u>	<u>356,187</u>	<u>356,437</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

15 Fixed Asset investments

	Listed investments	Unlisted investments	Cash in portfolio	Total
	£	£	£	£
Cost or valuation at 1 April 2021	43,004,827	100	59,552,757	102,557,684
Additions	3,781,127	-	25,000,621	28,781,748
Revaluation changes	57,245	-	-	57,245
Disposals	(10,000,000)	-	(56,410,229)	(66,410,229)
At 31 March 2022	<u>36,843,199</u>	<u>100</u>	<u>28,143,149</u>	<u>64,986,448</u>
Carrying amount				
At 31 March 2022	<u>36,843,199</u>	<u>100</u>	<u>28,143,149</u>	<u>64,986,448</u>
At 31 March 2021	<u>43,004,827</u>	<u>100</u>	<u>59,552,757</u>	<u>102,557,684</u>
Historical cost	<u>24,387,805</u>	<u>100</u>	<u>59,552,757</u>	<u>83,940,662</u>

	2022 £	2021 £
Material Investments		
Fixed interest securities	24,647,426	29,674,589
Equities	9,057,418	10,160,603
Cash held within investment portfolio	28,143,149	59,552,757
Other	3,138,456	3,169,635
	<u>64,986,448</u>	<u>102,557,584</u>

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

	2022 £	2021 £
Investments at fair value comprise:		
Investments held in the UK	26,072,151	59,197,284
Investments held overseas	38,914,297	43,360,300
	<u>64,986,448</u>	<u>102,557,584</u>

Fixed asset investments revalued

The above funds are invested in sterling denominated securities.

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

16 Subsidiaries

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

Details of the charitable company's subsidiaries at 31 March 2022 are as follows:

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

17 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	228,567	21,020
Grants receivable	427,732	41,633,358
Prepayments and accrued income	23,265	61,844
	<u>679,564</u>	<u>41,716,222</u>
Amounts falling due after more than one year:		
Grants receivable	40,185	131,313
Total debtors	<u>719,749</u>	<u>41,847,535</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

18 Creditors: amounts falling due within one year	Notes	2022	2021
		£	£
Trade creditors		302,329	169,663
Other taxation and social security		92,538	87,114
Deferred income	20	2,894,859	54,354,769
Grants accrued		7,272,509	9,451,662
Other creditors		34,534	22,008
Accruals		9,841,506	9,902,482
		<u>20,438,275</u>	<u>73,987,698</u>

19 Creditors greater than 1 year		2022	2021
		£	£
Deferred income	20	40,185	114,833
Grants accrued		<u>2,508,648</u>	<u>3,217,299</u>
		<u>2,548,833</u>	<u>3,332,132</u>

20 Deferred income		2022	2021
		£	£
Other deferred income		<u>2,935,044</u>	<u>54,469,602</u>

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Current liabilities	2,894,859	54,354,769
Non current liabilities	<u>40,185</u>	<u>114,833</u>
	<u>2,935,044</u>	<u>54,469,602</u>

	2022	2021
	£	£
Deferred income brought forward	54,469,602	3,952,015
Grants received in the year	11,064,934	(41,062,469)
Grants returned in the year	(29,184,555)	-
Grants recognised in the year	<u>(33,431,447)</u>	<u>91,580,056</u>
Deferred income carried forward	<u>2,918,534</u>	<u>54,469,602</u>

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

21 Retirement benefit schemes

Defined contribution schemes

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

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £147,251 (2021: £131,369).

Contributions totalling £25,233 (2021: £25,812) were payable to the fund at the balance sheet date and are included in other creditors.

22 Restricted funds

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

	Balance at 1 April 2021	Movement in funds			Balance at 31 March 2022
		Income	Expenditure	Transfers	
National Tutoring Programme (DfE)	16,022,546	23,316,251	(39,184,172)	-	154,625
Nuffield Early Language Intervention (DfE)	1,016,063	(285,136)	(739,568)	8,641	-
Evidence Guardianship (DfE)	1,638,716	1,000,000	(1,726,501)	-	912,215
Accelerator Fund 1 (DfE)	-	6,369,820	(5,203,251)	-	1,166,569
BHP Billiton Foundation	-	2,268,247	(2,268,247)	-	-
ICG	-	500,000	(250,000)	-	250,000
Kent Associate Research School	-	40,000	(25,000)	-	15,000
Lincolnshire Associated Research School	22,000	-	(22,000)	-	-
Suffolk County Council	100,000	-	(16,000)	-	84,000
Sunday times Appeal	415,056	26,627	(357,800)	-	83,883
Unbound Philanthropy (EAL)	-	-	-	-	-
WELL Cumbria Associate Research School	-	20,000	(10,000)	-	10,000
Wellcome Trust	-	237,114	(253,624)	16,510	-
	19,214,381	33,492,923	(50,056,162)	25,151	2,676,293

Details of restricted funds

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

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

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

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

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

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

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

The Unbound Philanthropy fund is restricted to funding trials boosting the attainment of disadvantaged pupils with English as Additional Language (EAL).

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

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

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

22 Restricted funds (continued)

Restricted funds (prior year)

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

	Balance at 1 April 2020	Movement in funds		Balance at 31 March 2021
		Income	Expenditure	
ICG	250,000	500,000	(750,000)	-
Northern Rock Foundation	261,061	-	(261,061)	-
Sunday Times Appeal	1,034,830	245,596	(865,370)	415,056
National Tutoring Programme (DfE)	-	27,652,808	(11,630,262)	16,022,546
Nuffield Early Language Intervention (DfE)	-	8,054,465	(7,038,402)	1,016,063
Early Years Professional Development (DfE)	-	232,495	(232,495)	-
Evidence Guardianship (DfE)	-	2,000,000	(361,284)	1,638,716
BHP Billiton Foundation	-	1,389,616	(1,389,616)	-
KPMG National Tutoring Programme	-	500,000	(500,000)	-
Paul Hamlyn Foundation	-	100,000	(100,000)	-
Suffolk County Council	-	100,000	-	100,000
Wellcome Trust	-	461,085	(461,085)	-
Lincolnshire Associated Research School	-	22,000	-	22,000
	1,545,891	41,258,065	(23,589,575)	19,214,381

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

Northern Rock Foundation fund is restricted to funding a five-year North East Literacy Campaign focused on primary-age children in the region.

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

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

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

KPMG fund is restricted to funding the National Tutoring Programme.

Paul Hamlyn Foundation fund is restricted to funding the EEF's response to COVID-19 related schools closures.

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

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

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

23 Analysis of net assets between funds

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

Included within unrestricted funds is a reserve of £8,742,646 (2021: £8,703,834) relating to unrealised gains on investment assets.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2022

23 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	356,437	-	356,437
Investments	68,653,178	33,904,506	102,557,684
Current assets/(liabilities)	(10,254,778)	(13,576,895)	(23,831,673)
Long term liabilities	(2,218,902)	(1,113,230)	(3,332,132)
	56,535,935	19,214,381	75,750,316

Included within unrestricted funds is a reserve of £8,703,834 (2021: £8,703,834) relating to unrealised gains on investment assets.

24 Commitments under operating leases

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

	2022 £	2021 £
<u>Land and buildings</u>		
Within 1 year	98,964	97,315
Between 2 - 5 years	346,374	-
	445,338	97,315

25 Related party transactions

Sir Peter Lampl, the Chairman of The Education Endowment Foundation is also the Chairman of the Sutton Trust. Sir Peter Gershon is a Trustee of the Sutton Trust. During the year the charity made payments of £48,062 (2021: £52,919) to the Sutton Trust for the use of office premises and related office administration expenses and reimbursed the Sutton Trust the sum of £43,696 (2021: £44,400) for payments made on behalf of The Education Endowment Foundation for staff costs, staff travel expenditure and sundry purchases.

At the year end the Sutton Trust owed £2.01 (2021: were owed £21,134) by The Education Endowment Foundation. This amount is included in other creditors.

Lucy Heller, a Trustee of the Education Endowment Foundation, is also the Chief Executive of Ark, an organisation the Education Endowment Foundation granted £nil in the year (2021: £nil). The Education Endowment Foundation owed Ark £825,329 at the year end (2021: £224,363).

Hanneke Smits, Louis Elson, and Nat Sloane, Trustees of the Education Endowment Foundation, are also Trustees of Impetus - The Private Equity Foundation, an organisation the Education Endowment Foundation granted £nil in the year (2021: ££196,933), of which £nil was recognised as grant expenditure in 2022. (2021: £nil).

Staff were seconded from Impetus to deliver the National Tutoring Programme and costs recognised during the year are £nil (2021: £nil).

At the year end Impetus PEF were owed £nil (2021: £49,233) by the Education Endowment Foundation for its grant expenditure, this is included in Grant Accruals. At the year end Impetus PEF were owed £nil (2021: £23,406) by the Education Endowment Foundation with regards to seconded staff costs, this is included in Accruals.

26 Post balance sheet events

Since year-end, the Department for Education granted the Education Endowment Foundation a re-endowment grant of £137 million to continue its work at current levels of activity for at least the next decade, and also to increase investment in long-term evidence generation in the early years. The updated grant agreement sets out four core objectives for the EEF's work, which are consistent with the work conducted under our original endowment. These are evidence generation, evidence synthesis, evidence guardianship and evidence mobilisation. The funds were received at the end of July 2022.

THE EDUCATION ENDOWMENT FOUNDATION

England & Wales - Charity number 1142111

Accounts



THE EDUCATION ENDOWMENT FOUNDATION

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2021

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

THE EDUCATION ENDOWMENT FOUNDATION

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THE EDUCATION ENDOWMENT FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Sir Peter Lampl, Chairman (*)

David Hall CBE, Vice Chairman(*)

Naomi Eisenstadt

Louis Elson (*)

Sir Peter Gershon

Lucy Heller

Sir Kevan Collins (appointed 3 December 2020, resigned 25 February 2021 and re-appointed 11 October 2021)

Nat Sloane CBE (*)

Hanneke Smits

(*) Founder Trustees

Company Registration Number: 07587909

Charity Registration Number: 1142111

Registered Office

5th Floor

Millbank Tower

21-24 Millbank

London

SW1P 4QP

Auditor

Moore Kingston Smith LLP

Devonshire House

60 Goswell Road

London

EC1M 7AD

Bankers

CAF Bank Limited

25 Kings Hill Ave Kings Hill

West Malling

Kent

ME19 4TA

Solicitors

Freshfields Bruckhaus Deringer

65 Fleet Street

London

EC4Y 1HS

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Solicitors (continued)

Macfarlanes
20 Cursitor Street
London
EC4A 1LT

Key Management Personnel

Prof. Becky Francis (Chief Executive)
Stephen Fraser (Deputy Chief Executive until June 2021)
Emily Yeomans (Director of Research since July 2021)
Chris Paterson (Director of Impact since September 2021)
Anne-Laure Bedouet (Director of Finance and Operations)
Stephen Tall (Development and Communications Director until August 2021)

EEF Team

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

Education Advisory Board

Sir Michael Wilshaw (Chairman)
Kate Atkins
Peter Goldsbrough
Sir Mark Grundy
David Hall CBE
Hang Ho
Russell Hobby
Prof Li Wei
Prof Steve Higgins
Sir Frank Mcloughlin CBE
Ann Mroz MBE
Professor Dame Alison Peacock

Investment advisors

Goldman Sachs Asset Management International
Christchurch Court
10-15 Newgate Street
London
EC1A 7HD

Bank of New York Mellon
48th Floor, One Canada Square
London
E14 5AL

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Education Endowment Foundation (the charitable company) for the year ended 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Structure, governance and management

Constitution

The Education Endowment Foundation ('EEF') is a registered charity (number 1142111) whose principal object is the advancement of education for the benefit of the public, in particular, but not exclusively, by a) making grants to schools, local authorities, charities, social enterprises and other voluntary and community sector organisations to fund projects which seek to address low educational attainment; and b) supporting and disseminating the results of research into ways to mitigate the factors that cause or contribute to, and successful strategies for dealing with, low educational attainment. Within its charitable objects, the EEF particularly focuses on improving outcomes for disadvantaged children and young people. The EEF was set up by The Sutton Trust as the lead charity in partnership with Impetus Trust (now Impetus) and was initially funded by a £125m grant from The Department for Education.

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

Appointment of Trustees

The appointment of Trustees is governed by the governing document of the charity. EEF Trustees are appointed for a term not exceeding five years. Any Trustee may be re-appointed on the expiry of his/her initial or any subsequent term of office. The Sponsors' Agreement between The Sutton Trust and Impetus - The Private Equity Foundation (now Impetus) specifies that four of the seven Trustees are to be nominated by Impetus and five to be nominated by The Sutton Trust. Impetus nominated Louis Elson, Lucy Heller, Nat Sloane and Hanneke Smits. The Sutton Trust nominated Sir Peter Lampl, Naomi Eisenstadt, Sir Peter Gershon, David Hall, and Sir Kevan Collins (appointed 3 December 2020, resigned 25 February 2021 and re-appointed 11 October 2021). The members of the EEF have duly appointed these individuals as the EEF Trustees. The Sponsors' Agreement provides that the Chairman of the EEF is Sir Peter Lampl, who is also the Chairman of The Sutton Trust.

Development since year end:

In October 2021, the Sutton Trust, as sole member, agreed with the Board of Trustees of the EEF that EEF would be permitted full control over its governance. As a result, it was agreed that the Trustees of EEF have the authority to appoint EEF's Trustees, and that the Member's right to appoint Trustees would cease. In addition, The Sutton Trust has stepped down as the sole Member of EEF, and EEF's Trustees are the charity's only Members going forward. The articles of EEF were amended accordingly on 22 October 2021. The Sponsors' agreement between The Sutton Trust and Impetus – The Private Equity Foundation has been terminated and neither organisation have any rights in respect of the governance of EEF. It is the intention of the Founder Trustees that they shall resign on a staggered basis, that new trustees be appointed for a term not exceeding four years and that trustees may be reappointed for a maximum of one additional term.

Organisational structure and how decisions are made

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

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The EEF Trustees meet at least four times a year to discuss overall strategy and to determine how best to direct the EEF's resources to meet its objectives. The EEF has a Chief Executive, who reports to the Chairman and other Trustees, and is supported by an Executive team. The Chief Executive and Executive team oversee a team of full and part time posts as referred to on the Legal and Administrative pages. The Trustees have also established three committees to support the effective governance of the EEF's operations:

- The Grants Committee makes recommendations to the Board on projects to support (including the funding for the independent evaluations of each project), shapes the priorities for grant making, reviews the project portfolio and oversees the scale up efforts of the EEF.
- The Finance and Fundraising Committee oversees the management of the EEF's resources. Its remit includes recommending the appropriate investment strategy for the charity and monitoring the performance of fund managers. It also reviews and recommends the annual budget and long term cash flow projections to the Board, reviews performance against the agreed budget and cash flow projections and monitors the integrity of EEF's financial statements, with particular emphasis on the effectiveness of the external audit process and internal control systems. The committee also reviews and recommends the risk register to the Board. Since 2017, the committee also monitors and supports the development and delivery of the EEF's fundraising strategy.
- The Audit Committee oversees the audit of the annual accounts and the internal and external audit plans.

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

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

Induction and training of Trustees

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

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

Relationships with wider interests and related parties

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

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Objectives and Activities

Objectives

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

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

The EEF fulfils its charitable objectives by undertaking work to raise the attainment of 3-18 year-olds, particularly those facing disadvantage; develop their essential life skills; and prepare young people for the world of work and further study. The EEF aims to have a direct impact on those young people involved in its projects and also an indirect benefit by building the evidence of 'what works' and influencing the decisions of schools, policymakers and others.

Grant making policy

The EEF's grant-making principally focuses on supporting and evaluating projects that are likely to improve the educational outcomes of young people, particularly pupils eligible for free school meals in the most challenging schools. The EEF's aim is to fund, develop and evaluate cost effective and scalable projects that have a measurable positive impact on educational attainment or related outcomes, as well as promoting the use of evidence in the decision making of schools, early years settings, post-16 settings, and by other commissioners and policymakers. All EEF-funded projects are rigorously evaluated by independent experts in educational research, and the charity has to date commissioned 212 projects, 154 of which use randomised controlled trials (RCTs), involving over 60% of English schools. The EEF also aims to influence the decision-making and spending of the wider education sector, for example by scaling up and building the delivery capacity of projects which are determined to be effective and replicable, and by communicating and disseminating what works, through various channels such as the EEF's Research School Network, campaigns and policy work.

The EEF usually runs two grants rounds per school year. Applications are submitted online via the EEF's website and reviewed by the team of Programmes Managers, drawing on external advice as needed. The most promising applications are developed by a Programmes Manager in collaboration with the applicant, before being put forward to the Grants Committee in a two-stage process. The Trustees make the final decision on funding the applications recommended by the Grants Committee over £1m and on scale up grants. Following approval, all grant awards made are subject to: i) the recipient entering into a written, legally binding agreement, and ii) a project review at each milestone as set out in the grant agreement. Under the terms of its agreements with grant recipients, the EEF can withdraw its future funding commitment for a number of specified reasons, including failure to meet agreed milestones. This process was significantly impacted by the partial school closures due to the COVID-19 pandemic. More detail on grant making, evaluation and dissemination activities in the period under review can be found under the Strategic report section.

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

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

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STRATEGIC REPORT

Going concern

Despite COVID-19, after making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies section of the financial statements.

Activities, achievements and performance

The EEF's activities have been significantly impacted by COVID-19 and the associated school closures. As schools closed, the EEF focused on catch up activities with funding from the Department for Education for the National Tutoring Programme (NTP) and the scale up of Nuffield Early Language Intervention (NELI), on recalibrating its existing projects to ensure programmes were adapted to school closures, and on supporting schools by publishing evidence-based resources for use in this extraordinary context. The large catch-up programmes lead to recruitment of a new team in Summer 2020 with the onboarding of 20 new roles. Following this, the EEF underwent a light-touch restructure with the appointment of new Director roles (see Pay policy for senior staff in this report). The results for the year are set out on page 24.

Grant making, evaluation and dissemination activities

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

COVID-19 impact on EEF's activities in the year and response by EEF

At the very end of the last financial year as a result of the COVID-19 crisis, schools closed for most pupils. The EEF continued its role of evidence synthesis, generation and mobilisation in this new context.

The EEF conducted a rapid evidence assessment to examine the potential impact of school closures on the attainment gap. The review found that school closures were likely to reverse progress made to narrow the gap in the last decade, supporting effective remote learning would mitigate the extent to which the gap widens and that sustained support would be needed to help disadvantaged pupils to catch up.

The EEF supported the Department's policy response by providing advice on the promising approaches to support children to catch-up on their return to school, most notably related to tutoring with the National Tutoring Programme (NTP) and with the scale up of the Nuffield Early Language Intervention (NELI).

In response to school closures, the EEF conducted a rapid evidence assessment on the best practice in remote learning. An internal team at the EEF reviewed the evidence from a wide range of remote learning approaches and summarised them in an accessible report and poster for school leaders. This report was widely used and accessed over 20,000 times.

The Programmes and Evaluation teams have been working with all funded projects to develop contingency plans in response to school closures. For example, some projects needed to delay recruitment for a year, others needed to extend delivery or testing. Detailed plans have been submitted to the Grants Committee in April and June, and changes in funding have been approved. The vast majority of projects have been able to continue with some changes, and we expect them to produce useful findings. A small number of projects have

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been cancelled early leading to savings. The total change in budgets was £1.1m, which was lower than originally anticipated.

The EEF supported the Department's policy response by providing advice on the promising approaches to support children to catch-up on their return to school, most notably related to tutoring with the National Tutoring Programme (NTP) and with the scale up of the Nuffield Early Language Intervention (NELI).

As part of supporting schools to respond to the partial closures and lockdown, the EEF produced a range of resources for schools. These included a set of resources designed to be used by schools in helping parents/carers to support home learning, drawing on the evidence-based recommendations across a number of guidance reports. These have proved popular with schools with around 60,000 views and approaches to the use by other organisations and other countries (e.g. Jordan). In addition the EEF have supported schools with their planning through a "Schools planning guide" and update which helped school leaders navigate the evidence and put it in practice – with more than 30,000 downloads in the academic year.

The EEF was able to support the Research Schools Network, and other organisations, in adapting their training and professional development approaches to remote delivery in a number of ways, including the Rapid Evidence Assessment on Remote Professional Development published in Sept 2020.

EVIDENCE GENERATION

To continue to make grants to support the development and evaluation of a wide range of approaches to raising the attainment of 3-18 year-olds, particularly those facing disadvantage; developing their essential life skills; and preparing young people for the world of work and further study.

We have delayed general round funding due to the impact of school closures, however we have continued to fund re-grants and research into the impact of school closures. The research continued including:

- A project aiming to assess the extent to which pupils' attainment and socioemotional development in Year 1 and Year 2 has been impacted by school closures, and particularly the effect on disadvantaged pupils.
- A project aiming to understand the experiences of children attending reception in the academic year 2020/2021; and if, and how, they are different from the experiences of previous cohorts.
- The National Online Tuition Pilot aimed to establish the feasibility of supporting disadvantaged pupils by providing fully subsidised online tuition during the 2020 school 'closures'.
- Re-grants to Stop and Think and Improving Working Memory, both projects showed promising effects at the efficacy level and will now be tested in a greater number of schools through effectiveness trials. Stop and Think have been working with the Behavioural Insights team to develop a more scalable version of the approach and to further develop the technology platform that is used by pupils.
- As schools closed to most pupils, all of the 70+ live projects run by the EEF were significantly impacted. The EEF team worked very closely with grantees and evaluators to re-design the projects to maximise the learnings from the projects. This generated adjustments to all the live projects, either through pausing the delivery, adapting delivery to online, delaying delivery and unfortunately in some instances cancelling projects.

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

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

To continue to publish robust evaluation reports of funded projects

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The EEF has continued its commitment to publishing evaluation reports on all completed projects and 18 evaluation reports were published in the period covered by this report.

The team at Durham University continues to analyse the data archive, to replicate results, inform methodological improvements and track the impact of EEF-funded projects longitudinally. The EEF is now hosting the data archive in partnership with the Office for National Statistics. This will enable wider access to the archive for the purpose of research with public benefit.

EVIDENCE SYNTHESIS

To develop its core resources available on the website, including the Teaching and Learning Toolkit and Guidance Reports

This year the EEF has entered the final year of the project to update the EEF's Teaching and Learning Toolkit, which recent polling showed was being used by 70% of secondary headteachers. The team of researchers at Durham University have been analysing the data from the individual academic studies included in the original Toolkit to provide more information in an updated version of the EEF toolkit, which will launch in 2021. The website development for the new Toolkit has begun, which will display outcomes by subject and by age where the evidence is sufficiently robust to do so.

The EEF agreed future development work on the Teaching and Learning Toolkit with the team at Durham. The next contract includes development to make the resource sustainable into the future, through automating the update process. There is a commitment from the Durham team to support the building of internal evidence synthesis capacity at the EEF to ensure that evidence synthesis work can be completed cost effectively by a small team based at the EEF.

The EEF also commissioned and published a number of evidence synthesis products:

- School Closures Rapid Evidence Assessment: this research was widely used by the sector and especially by the Department for Education to establish a response to school closures and the impact on the attainment gap.
- A free and accessible evidence-based report for school leaders and teachers on effective distance and online learning approaches. Again, this report was widely used and accessed over 40,000 times.
- A systematic review to update the implementation guidance report was commissioned. A mixed methods review will be used to identify new evidence around high quality implementation in education.

EVIDENCE MOBILISATION AND SCALE-UP

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

The EEF strategy includes a number of models for both mobilising evidence and scaling up its work. The EEF has continued to pursue a range of approaches this year, aiming to widen the engagement and direct impact of the work, and add to the evidence base about disseminate best bets.

A key aspect of this work is the regional strategy agreed by the board. This was somewhat affected by the pandemic, in terms of the capacity of schools and partners to engage with the EEF's work, despite continued enthusiasm and appetite for doing so. In Autumn the board decided to extend the strategy into a fourth year (within the same financial envelope) and so this will now run until August 2023.

In light of the pandemic context there was significant work in supporting the Research Schools Network to change the delivery model away from in-person training and professional development to more remote and occasionally blended delivery- whilst still being informed by the evidence. This helped enable continued engagement and development of new partnerships between EEF and a range of organisations and schools to

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work together to support the use of evidence in tackling joint priorities. This means that the EEF is on course to support training to be delivered to over 1000 schools by the end of the second year of the strategy (summer 2021). The regional strategy is particularly aimed at reaching and supporting schools with higher than average numbers of disadvantaged pupils and lower than average attainment for those pupils, and following the progress in this year at least 40% of those 2,400 schools are expected to be engaged by the end of the academic year. There was a significant increase in interest for future partnerships as the 6 Regional Delivery Leads have continued to broker new relationships.

The EEF's network of 40 Research Schools remains an important component of the strategy and development and support for the network remains strong. Increasingly their capacity and capability is recognised by others in the system and it enabled the EEF to provide support for a number of DfE initiatives by working closely with the Research Schools, for example, the early roll out of Teaching School Hubs and the EdTech Demonstrator programme.

Content specialists who were recruited to support the regional strategy have been invaluable through the year at providing the capacity for EEF to be responsive to school need in responding to partial school closures and other pandemic related challenges. Having close involvement of practitioners in the development of the EEF's communications, contents and school facing resources has been had a significant positive impact on ensuring messaging in a challenging year was adapted to schools' context. Another cohort of content specialists have been recruited to support the work from September 21. The integration of practice and practitioner perspectives into the EEF's work over the coming year will continue to be developed.

Much of the development and publication of practitioner focused guidance has tackled the pandemic response, however, significant development and preparatory work on the future guidance reports is under way to publish in the next year including Feedback and Professional Development.

The North East Primary Literacy Campaign, funded in partnership with Northern Rock Foundation, ran into its fifth year in 2020/21. During the year the work continued on the campaign's key elements:

- Place-based advocacy: further developing the local capacity to advocate and support the use of evidence through the additional capacity in the North East within the Research School Network.
- Resources for school improvement: promoting EEF's the guidance reports on Improving Literacy in in Key Stage Two and Preparing for Literacy focusing on Early Years Literacy. The Key Stage one guidance report was updated following early feedback to increase the practical application and usefulness with more school-based exemplification.

To develop the EEF's digital presence

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

In the past 12 months, the EEF website has seen a 38% increase in users, to c.1.3M. The EEF email newsletter has over 38,000 subscribers, an increase of 17% on last year. On social media, the EEF Twitter following has increased to 83,000 (up 36%), Facebook 'likes' are 28,000 (up 11%), and EEF LinkedIn following has significantly increased to 37,000 (up 63%). The design of the EEF website has recently been refreshed, ensuring it is attractive, accessible and engaging, and with all content up to date.

To scale up tutoring with the National Tutoring Programme as part of the recovery effort

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The EEF's recommendation of tutoring as the catch-up strategy with the strongest supporting evidence was accepted by the Department for Education and the EEF worked closely with the Sutton Trust, Impetus, Nesta and DfE officials to develop a proposal to increase the availability of tutoring for disadvantaged children. On 19th June 2020, the Secretary of State for Education and Prime Minister announced £350 million to create "a National Tutoring Programme, to increase access to high-quality tuition for the most disadvantaged young people".

The National Tutoring Programme was designed to comprise two pillars:

- Through NTP Partners, schools were able to access heavily subsidised tutoring from an approved list of tuition partners. These organisations – who were subject to quality, safeguarding and evaluation standards – were given support to reach as many disadvantaged pupils as possible.
- Through NTP Coaches ('Academic Mentors'), trained graduates were employed by schools in the most disadvantaged areas to provide intensive catch-up support to their pupils, allowing teachers in these schools to focus on their classrooms.

The pillars build on an evidence base the EEF has helped develop over 10 years, including through evaluations of the Tutor Trust and Graduate Coaches Programme. The DfE invited the EEF to vary its Grant Funding Agreement by £76.2 million to establish the NTP Tuition Partners pillar for one year. This variation was signed at the end of July 2020, establishing that the EEF would be responsible for encouraging high-quality tutoring organisations to apply for funding, awarding grants to tutoring providers, subsidising provision of tutoring to schools, working with approved tutoring organisations to expand provision and conducting monitoring and evaluation of tutoring. Subsequently the value was increased by a further £4m (in late October 2020) to provide the EEF team with head room when setting up contracts with Tuition Partners. A new sub-committee was formed to ensure effective governance of this additional area of activity.

The delivery of the programme started in schools in November 2020 after a first phase of preparation and selection of 33 approved Tuition Partners to provide subsidised tutoring to 250,000 pupils in the academic year 2020/21. Take up and interest from schools was strong from the launch, but delivery was significantly disrupted by the partial school closures in January, February and March 2021. Tuition Partners continued delivery through lockdown including by offering at home online delivery. Following the reopening of schools to all pupils on 8 March, school demand for face-to-face tutoring increased sharply and by end March 2021, 86,280 pupils had received some tuition and 5,326 schools were onboarded. The total income recognised for NTP at end March 2021 was calculated using the number of pupils reached at year end over the total target of 250,000 pupils, or 34.5% of the total £80.2m agreed with the DfE, or £27.7m.

The Department of Education opened a tender for the delivery of Year 2 of the National Tutoring Programme for the 2021/22 academic year. EEF, Sutton Trust, Impetus and Nesta with support from Bain & Company prepared a response to the tender and established the National Tutoring Foundation as at 1 April 2021.

The new National Tutoring Foundation supported by EEF and its partners did not win the tender for Year 2 of delivery, which was awarded by the Department of Education to Randstad. See more detail on page 14.

To scale up the Nuffield Early Language Intervention as part of the recovery effort

The Department for Education announced in August 2020 their funding to work with the EEF to scale up the Nuffield Early Language Intervention (NELI). The Department awarded a significant grant extension (£8m) to the EEF to fund and manage the delivery partners (Oxford University, OxEd and Assessment, OUP, Elklan, Future Learn).

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The Department took the lead on recruitment which concluded at the end of Autumn term 2020 with 6,666 schools registered to receive NELI. This was 39% of all eligible schools which surpassed the original target of 25%. Crucially the targeting during recruitment appears to have been successful as the programme has been taken up more frequently by schools with a higher prevalence of pupils eligible for free school meals (FSM) (see table below). 60% of the schools listed on EEF's priority school list have registered for NELI. The round of school closures in Jan-March 2021 inevitably and unfortunately impacted delivery of the programme to pupils. However, when pupils fully returned, delivery could commence, and the EEF responded by providing schools with an extended delivery plan to ensure they could complete the full 20-week programme with pupils.

After competitive tender RAND Europe were awarded the grant to evaluate the scale up of NELI with the design amended to take account of the additional round of school closures.

To continue to engage constructively with the Department for Education on its school improvement and social mobility agendas

Over the course of the year, the EEF has supported and encouraged the use of evidence in a number of aspects of the Department for Education's work. Notably, the EEF has continued to support the development of the Early Career Framework, which creates an entitlement for every Newly Qualified Teacher in England to receive high-quality, evidence-informed mentoring and training.

In addition, the EEF has supported the DfE to improve the quality of training provided to teachers through the development of a new suite of National Professional Qualifications. More broadly during the year, EEF colleagues have participated in a number of Department for Education-led discussions and reviews on topics such as Special Educational Needs, the pupil premium and further education.

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

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

Fundraising activity

The EEF actively seeks to partner with other funders – whether trusts and foundations, corporates, individuals, charities or public bodies – to help extend the reach of the charity's work. To date, the EEF has successfully developed partnerships with 43 organisations, which have contributed a total of c.£36.8m funding towards EEF-approved programmes. The EEF's funding partnerships totalled £2.7 million in this financial year and fell into one of three categories:

- Direct donations to the EEF – £0.9million, from KPMG Foundation, Wellcome Trust and Paul Hamlyn Foundation, to support setting up EEF's response to the COVID-19 school closures including the National Tutoring Programme.
- Pro bono donations to the EEF – including legal advice and consultancy from Freshfields and Bain & Co on the National Tutoring Programme, governance advice from the Boston Consulting Group and legal advice from Macfarlanes. See Note 3 for further detail.
- Shared funding of EEF supported programmes – £0.1 million of contributions from grantees and their partners towards the costs of EEF-funded programmes.
- Shared funding of EEF Regional delivery – £0.6 million of contributions from a range of partners in support of the EEF's regional work, which aims to ensure all schools, especially those in deprived areas, have access to the resources, training and support they need.

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

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

The Trustees acknowledge their grateful thanks to all those organisations contributing to the EEF's programme of work.

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

International activity

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

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

The BHP Foundation grant has enabled us to set up EEF's first ever Global Trials Fund (GTF) which supports existing partners to commission trials in their own jurisdictions. To date, over £3 million has been committed towards eight pilots or trials and a potential further four trials. The GTF projects have been subject to delays due to the COVID-19 school closures.

This year the EEF funded a further three global fellows through the BHP Global Fellowship Programme which, to date, has supported a total of six global fellows. Fellows from the QRF and "la Caixa" Foundation have completed work to translate and recontextualise the Toolkit using additional local content, with QRF publishing their Arabic version of the Toolkit this year. The eBASE fellow continues their work on the re-contextualised version of the Toolkit for Cameroon which will be translated into French.

The EEF has continued to work on a project funded by the Centre for Development Impact and Learning (CEDIL) in collaboration with eBASE and Durham to add topics to the Toolkit that are relevant for low and middle-income countries. The new Toolkit will be launched in October 2021. The EEF also received £13,500 funding from EdTech Hub to re-contextualise the rapid evidence assessment on remote learning for low- and middle-income countries.

Investment performance

The portfolio's value at year end of £74.1 million compared to £73.6 million in the previous year with an additional £28.5m held in a liquid reserve fund. The net increase in value is due to a significant revaluation gain of £8.7m partly offset by withdrawals of £8 million made during the year to fund grants and evaluations as well

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as operating expenses Income received from the investments after management costs was £0.1 million and investment management costs were £0.3m in the year.

The investment portfolio experienced a very positive year, after a significant loss in the 3 months to 31 March 2020 due to the COVID crisis. The portfolio had regained this loss within 2 months after year end as central banks around the world responded to the crisis with strong and broad monetary and fiscal policies. During Summer 2020, the economic recovery continued with the restart of activities after lockdowns and markets gained value despite the COVID-19 related uncertainty. At the end of 2020, the markets (bond and equities) experienced a vaccine driven recovery and growth was supported by ongoing significant policy support, high savings rates and extensive inventory rebuild. The performance at the beginning of 2021 was mixed with the equities part of the portfolio performing well and the fixed income element being overall stable in Q1 despite increased volatility.

The overall return on the portfolio since inception in June 2011 has been 34%, an annualised rate of 3% per annum. The portfolio risks were reviewed throughout the year with the portfolio managers including inflation risk, credit risk and currency risks. They were all assessed as appropriate for the EEF and its long-term objectives.

Financial review

In the financial year under review, income including donations and legacies, income from trading activities and from investments was £42.7 million (2020: £8.9 million). This included grants from the Department for Education relating to the COVID-19 crisis relating to the National Tutoring Programme for £27.7m and for the Nuffield Early Language Intervention for £8m. Total expenditure for the year was £35.4 million (2020: £21.2 million). Total funds, were £75.7 million as at 31 March 2021 (31 March 2020: £59.7 million), with £56.5m unrestricted and £19.2m restricted (31 March 2020: £58.2m and £1.5m respectively).

Pay policy for senior staff

The key management personnel of the EEF are considered to be the Chief Executive, Deputy Chief Executive, Head of Finance and Operations and Director of Development and Communications. Following the Deputy Chief Executive and Director of Development and Communications departure in Summer 2021, the key management personnel will be the Chief Executive, the Director of Research, the Director of Impact and the Director of Finance and Operations. Pay packages are set through benchmarking with equivalent posts in organisations of a similar size and complexity (often with the advice of a specialist executive recruitment firm) and in order to aid the retention of key personnel. The remuneration of all staff, including key management personnel, is reviewed annually as part of the budgeting process of the charity. The Chairman and Vice Chairman are involved in reviewing the salary of the Chief Executive; the Chief Executive and Executive team lead the review of other pay packages.

Reserves policy

In accordance with the policy adopted since the establishment of the EEF, the initial endowment grant of £125 million from the Department for Education is treated as an unrestricted reserve. The unrestricted fund reserves as at the year end were £56.5 million. The Trustees treat the unrestricted funding as available for activities which forward the EEF's charitable objectives, including grant making, and for funding the requirements for support costs and governance costs. Additionally, the Trustees review on a regular basis the investment strategy and performance of the funding pool along with projections in terms of future grant and operating expense commitments. Accordingly, the Trustees consider that the current level of free reserves (general unrestricted funds less fixed assets) of £56.1 million forms a pool available for supporting EEF activities to April 2026 – as stipulated in the terms of the initial grant – and believe this pool is sufficient to meet the planned expenditure requirements of the organisation for the foreseeable future.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The funding for the National Tutoring Programme and for the Nuffield Early Intervention that has not yet been disbursed of £16 million and £1 million respectively has been classified as restricted as the funds will be disbursed in accordance with the activities for these two programmes that are aligned to the 2020/21 academic year. The funds are expected to be disbursed by the end of Summer 2021 when these two programmes end. The restricted fund reserves as at the year end were £19.2 million (see detail in Note 22).

Investment policy

1. Introduction

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

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

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

2. Investment objectives

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

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

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

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

3. Contributions, distributions and income

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

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

4. Investment management

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

In March 2019, Goldman Sachs Asset Management was appointed as the single portfolio manager.

The Trustees have appointed BNY Mellon as custodians of the Goldman Sachs portfolio.

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

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

5. Reporting

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

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

6. Review of investment policy statement

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

Plans for future periods

The EEF will continue with its three main areas of activity: building and summarising the evidence base of what works and scaling that evidence so that it changes behaviour in schools and benefits more young people, particularly those from poorer backgrounds. The balance of the EEF work shifted significantly to scale up work in the year attention to scale up is expected to be maintained for the upcoming year. Specifically:

- The EEF will continue to publish evaluation reports from its projects and seek to scale up the most promising approaches, taking into account their cost effectiveness, ease of implementation and replicability. A number of effectiveness trials are due to report in 2021/22 and more scale up grants are expected to be made.
- Since year end, the EEF team has started to develop its approach to a more proactive and question-led grant-making strategy. This work will focus around setting a clear and externally communicated Research Agenda, which will aim to prioritise specific research questions under a topic. This will lead to more targeted research commissioning addressing the EEF mission, rather than the more open and general funding rounds the EEF have conducted in the past. This new approach will be piloted over the Autumn as part of both the Accelerator Fund (see below) and the co-funded round with the Youth Endowment Fund (see below).
- The EEF team has been developing a new funding stream with the Department for Education entitled The Accelerator Fund. This would represent funding of £10.5m from the Department for Education, designed to foster a behaviour change around schools' spending of their funding, ensuring there is a quality supply of programmes that settings can confidently and easily access. The funding is intended to support the development of suppliers of evidence-based practice, with delivery focused on the North, East Midlands & the Humber, and the West Midlands. The first Accelerator Fund will run across the 21/22 academic year, but the intention is for DfE to fund future National Accelerator Funds, with this first year acting as a test of the overall approach. The work will include four workstreams:

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

developing the pipeline, scaling programmes with promise, capability building, to help projects that are scaling to do this while maintaining quality and the evaluation of each workstream and of the programme overall.

- The EEF has since year end launched the new version of the Toolkit in Summer 2021, with over 20,000 users accessing it in the first 72 hours after launch. The EEF will conduct a rapid evidence assessment for best practice in increasing school attendance. The work will be led by the new internal evidence synthesis team and will inform a funding round on attendance interventions co-funded with the Youth Endowment Fund.
- The EEF will continue to focus more resources on mobilising evidence to support teachers to improve practice in schools, colleges and early years settings, especially those serving high numbers of disadvantaged students. The EEF moves into the second year of the extended four year commitment to regional delivery and will continue to focus on schools with higher than average numbers of disadvantaged pupils AND lower than average attainment for those pupils. There will be particular focus on supporting schools to respond to the educational impact of COVID-19 with sustained and focused activity around the most disadvantaged pupils as part of this work and exploration of greater support to early years settings. The Research School Network will continue to be a key plank in the engagement and direct support for schools, supported by the Regional leads and the enhanced development of resources through the Content Specialists. In addition the EEF will look to further strengthen the voice of practice in both internal decision making and in its communications activities.
- The EEF will continue to develop its international work in line with its partnership with the BHP Foundation. This work will be supported by the developmental work to the Toolkit and the CEDIL project as it makes the information which underpins the Toolkit more relevant to different schooling contexts and therefore more useful to educators across the globe. This will include developing additional partnerships with overseas organisations that share the EEF's mission and seek to address the learning losses caused by COVID-19; supporting evaluation delivery of promising projects and initiating evaluations in the final GTF funding round; and supporting the development of appropriate evidence brokers, building on the EEF Research Schools model and approach to Guidance Reports.
- The EEF will continue to build its work to support evidence-informed policymaking, engaging constructively with the Department for Education on its school improvement and social mobility agendas, looking to balance influence with the need to maintain independence and objectivity. The EEF will also continue to work with other policy stakeholders and with the other members of the What Works Network to secure the use of rigorous evidence in Government and elsewhere, and to collaborate on joint initiatives.
- The EEF will continue to develop its newly established strategy to ensure sustainability post-2026, prioritising a financial commitment from Government, but maintaining a multi-faceted approach to reduce risk.
- The EEF intends to continue to review and update its investment strategy in 2021/22 based on the advice of its investment manager concerning current and expected bond and equity market conditions. The EEF will continue to review the manager's performance and level of fees against benchmark very closely.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

National Tutoring Programme (NTP) update since year-end and post balance sheet event

- The new National Tutoring Foundation supported by EEF and its partners did not win the tender for Year 2 of delivery, which was awarded by the Department of Education to Randstad. EEF signed the Transfer Service Agreement to hand the NTP over to Randstad in August 2021, with the EEF's role officially ending on 31 August 2021. Over the summer a comprehensive handover was undertaken with Randstad, which included a series of workshops, handing over key documentation, as well as the website and social media accounts.
- The NTP Phase 1 has now been wrapped up. Over 250,000 pupils were enrolled to the programme in over 7,158 schools. This exceeded the top of the projected range of 200-250,000 pupils. In total 206,844 pupils were reached, with these pupils receiving, on average, 12 sessions (with the average being above the recommended 10 as suggested by the evidence). Over 29,000 tutors were recruited to the programme, which exceeded the projection of 26,000.
- The numbers do suggest that the required supply and demand was generated to reach the top projection of 250,000 pupils. However, despite pupils reached exceeding the lower projection, not all pupils enrolled were converted to pupils reached. Much of this gap is due to school closures across January and February and the third wave of Covid that schools experienced in the Summer term, with schools reporting to us a reluctance to start tutoring when they had other priorities and pupils were already receiving a high level of online learning. The EEF also engaged in a 'lessons learned' exercise to support good practice in future tutoring delivery.
- The programme achieved a good regional spread of supply and demand. All regions exceeded 90% of their end of year targets for school enrolment, including regions that were initially areas of concern. Strategies that worked particularly well to achieve this included: working through Regional School Commissioners and hosting regional events where take up was initially slow.
- As a result of the impact on the delivery of the programme from the various periods of school closure and disruption, there was a significant underspend of £29.2m on the original £80.2m grant variation from the DfE. Details of this are further explained as a post balance sheet even disclosed in note 25 in the notes to the financial statements.

Risk management

The Trustees have a risk management strategy which comprises:

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

The top four risks during the financial year 2020-2021 were:

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

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

3. Overreliance on third parties to deliver.

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

4. Internal effectiveness: the EEF team fails to adapt to changes in leadership and a more dynamic external environment, leading to a risk that it does not deliver on its plan effectively.

Mitigation: despite changes at manager levels, the EEF retains key staff at different levels and has recruited a strong team in 20/21 that allows the development of key relationships with a broadened base of schools, key academics and advisors.

Statement of Trustees' Responsibilities

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

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

As part of the regular review of governance, the charity conducted a competitive tender process for the appointment of auditors. Following this process, Moore Kingston Smith LLP were appointed as auditors for the period under review and have indicated their willingness to continue in office.

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



Chairman (Dec 15, 2021, 8:06pm)
Sir Peter Lampl, Chairman

Date:

15 Dec 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

Opinion

We have audited the financial statements of The Education Endowment Foundation ('the company' for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION ENDOWMENT FOUNDATION

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

Use of our report

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

Moore Kingston Smith LLP.

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 16 December 2021

The Education Endowment Foundation
Statement of Financial Activities
for the year ended 31 March 2021

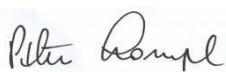
	Note	Unrestricted fund £	Restricted fund £	2021 total £	2020 total £
Income from:					
Donations and legacies	3	1,112,647	41,258,065	42,370,712	8,380,674
Trading activities	4	245,613	-	245,613	163,387
Investments	5	56,195	-	56,195	405,006
Total Income		<u>1,414,455</u>	<u>41,258,065</u>	<u>42,672,520</u>	<u>8,949,067</u>
Expenditure on:					
Raising funds					
Fundraising expenditure	6	257,501	8,942	266,443	225,474
Trading costs	6	-	-	-	-
Investment management	6	269,781	-	269,781	348,183
		<u>527,282</u>	<u>8,942</u>	<u>536,224</u>	<u>573,657</u>
Charitable activities	7	11,237,477	23,580,633	34,818,110	20,544,212
Total Expenditure		<u>11,764,759</u>	<u>23,589,575</u>	<u>35,354,334</u>	<u>21,117,869</u>
Net gains/(losses) on investments		8,703,834	-	8,703,834	(809,054)
Transfers between funds		-	-	-	-
Net movement in funds		(1,646,470)	17,668,490	16,022,020	(12,977,856)
Reconciliation of funds	23				
Balances at 1 April 2020		58,182,405	1,545,891	59,728,296	72,706,152
Balances at 31 March 2021		<u>56,535,935</u>	<u>19,214,381</u>	<u>75,750,316</u>	<u>59,728,296</u>

The notes on pages 27 to 39 form part of these financial statements.

**The Education Endowment Foundation
Balance Sheet
as at 31 March 2021**

		2021		2020	
		£	£	£	£
Fixed assets					
Tangible Fixed Assets	14		356,437		345,471
Investments	15		<u>102,557,684</u>		<u>73,567,904</u>
			102,914,121		73,913,375
Current assets					
Debtors falling due after one year	17	131,313		1,569,851	
Debtors falling due within one year	17	41,716,222		6,951,311	
Cash at bank and in hand		<u>8,308,490</u>		<u>3,132,812</u>	
		50,156,025		11,653,974	
Creditors: amounts falling due within one year	18	<u>(73,987,698)</u>		<u>(19,851,141)</u>	
Net current assets/(liabilities)			(23,831,673)		(8,197,167)
Creditors: amounts falling due over one year	18		(3,332,132)		(5,987,912)
Net assets			<u>75,750,316</u>		<u>59,728,296</u>
Funds					
Restricted funds	23		19,214,381		1,545,891
Unrestricted funds	23		56,535,935		58,182,405
			<u>75,750,316</u>		<u>59,728,296</u>

The financial statements were approved by the Board and authorised for issue, on 15 Nov 2021 and signed on their behalf by:



Chairman (Dec 15, 2021, 8:06pm)

Sir Peter Lampl, Chairman
Trustee

Date

15 Dec 2021

Company registration number: 07587909

**The Education Endowment Foundation
Statement of Cash Flows
for the year ended 31 March 2021**

	Note	2021 £	2020 £
Net cash provided by operating activities		25,599,583	(15,649,812)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(194,154)	(174,122)
Purchase of investments		(40,710,564)	(53,303,735)
Proceeds on disposal of investments		20,424,618	67,232,420
Interest received		56,195	405,006
Net cash (provided by)/used in investing activities		(20,423,905)	14,159,569
Net increase/(decrease) in cash and cash equivalents		5,175,678	(1,490,243)
Cash and cash equivalents at the beginning of the year		3,132,812	4,623,055
Cash and cash equivalents at end of year		8,308,490	3,132,812

	2021 £	2020 £
Cash generated from operations		
Surplus/(Deficit) for the year	16,022,020	(12,977,856)
Adjustment for:		
Investment income recognised in statement of financial activities	(56,195)	(405,006)
Loss on disposal of tangible fixed assets	-	11,629
Fair value gains and losses on investments	(8,703,834)	809,054
Depreciation and impairment of tangible fixed assets	183,188	188,817
Movement in working capital:		
(Increase)/decrease in debtors	(33,326,373)	(3,593,028)
(decrease)/increase in creditors	963,190	(529,642)
Increase in provision	-	-
Increase/(decrease) in deferred income	50,517,587	846,220
Net cash provided by operating activities	25,599,583	(15,649,812)

	2021 £	2020 £
Analysis of cash and cash equivalents		
Cash at bank and in hand	8,308,490	3,132,812
Total cash and cash equivalents	8,308,490	3,132,812

	As at 1 April 2020 £	Cash-flows £	As at 31 March 2021 £
Analysis of changes in net debt			
Cash at bank and in hand	3,132,812	5,175,678	8,308,490
Total	3,132,812	5,175,678	8,308,490

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2021

Accounting Policies

1 Charity Information

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

In the event of the charitable company being wound up each of the members have agreed to contribute up to £1 each towards:

- payment of those debts and liabilities of the charity incurred;
- payment of the costs, charges and expenses of winding up; and
- the adjustment of rights of contributors among themselves.

2 Accounting convention

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2, (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Additional information has been provided where this increases understanding of the figures.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The company has taken advantage of the exemption under section 402 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the subsidiary's results are immaterial to the results of the group.

The following accounting policies have been applied consistently during the current and previous year except as defined below:

Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The Trustees have given due consideration to the impact of the Covid-19 pandemic, which has remained an issue in the period between the year end and the signing of the financial statements. The charity's income continues to be largely sheltered from the impact of Covid-19 due to a number of long term grants and its loyal supporter base, who have continued to support the charity in the current global pandemic. The trustees have prepared a budget and cash flow forecast covering a period of at least twelve months from the date of approval of these financial statements, which incorporates confirmed income and consideration has been given how expenditure could be managed if further grants were not. Having reviewed forecasts prepared by management the Trustees are confident that the charity will continue to meet its obligations as they fall due and that therefore the going concern basis continues to be appropriate.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2021

Accounting policies (continued)

Income

All income is recognised in the Statement of Financial Activities once The Education Endowment Foundation has entitlement to the resources and is probable that the resources will be received within The Education Endowment Foundation or on its behalf and the monetary value of the incoming resources can be measured with sufficient reliability.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Grant income is deferred when the grants are received in advance and specified by the donor as relating to specific accounting periods; or alternatively which are subject to conditions which are still to be met and which are outside the control of the charity; or when it is uncertain whether the conditions can or will be met. These are deferred to the period to which they relate and released to incoming resources.

Investment income and associated tax recoverable is accounted for on a receivable basis.

Donated services and facilities are recognised as income and expenditure in the financial statements when companies and individuals offer their professional expertise pro bono. The value of these donated services and facilities to The Education Endowment Foundation is considered to be equal to market value which is based upon the valuation the professional or organisation places upon the time, services and facilities they have provided to The Education Endowment Foundation. All of these amounts are treated as unrestricted donations.

Trading Income

Trading income comprises revenue recognised by the charitable company in respect of licensing of The Education Endowment Foundation resources, exclusive of Value Added Tax and trade discounts.

Licensing income is recognised on the accruals basis based on the contracted terms and substance of the relevant arrangements.

Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred, which is when there is a legal or constructive obligation committing The Education Endowment Foundation to the expenditure. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds comprise the direct staff costs and other support costs associated with attracting voluntary income.

Investment management costs include the costs of:

- (a) Portfolio management
- (b) Obtaining Investment advice
- (c) Administration of the investments

Costs associated with acquiring and disposing of investments would normally form part of the acquisition cost of the investment or reduce the return on disposals. These costs are therefore not part of the investment management costs.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both the direct costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees, statutory reporting, legal costs and Trustee expenses linked to the strategic management of the charity.

Overhead and support costs have been allocated first between the cost of generating voluntary income, charitable activity and governance. Where overhead and support costs relating to costs of generating voluntary income and charitable activities cannot be directly allocated, these have been apportioned based on the head count for each activity.

The Education Endowment Foundation
Notes to the financial statements
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Accounting policies (continued)

Expenditure

Grants are recognised as expenditure in the year when the charity creates a legal or constructive obligation.

Following approval by the Board of Trustees, all grant awards made are subject to: (i) the recipient entering into a written, legally binding agreement, and (ii) a project review at each milestone as set out in the grant agreement. Under the terms of its agreements with grant recipients, which are considered to be performance related, The Education Endowment Foundation retains the discretion to withdraw its future funding commitment for a number of specified reasons, including failure to meet agreed performance milestones.

An obligation arises, and expenditure is recognised in the financial statements, when a funding agreement has been signed by both parties and evaluations by the charity confirm the milestones set out in the agreement and any other terms and conditions of funding have been satisfactorily met.

Grants payable but unpaid at the balance sheet date are recognised as grant commitments under creditors.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All assets costing more than £250 are capitalised.

Computer equipment	25-33% straight line
Fixtures and fittings	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Unlisted investments comprise investments in subsidiaries which are measured at cost less impairment.

Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

The Education Endowment Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Taxation

The Education Endowment Foundation is a registered company, number 07587909 and is exempt from corporation tax under the provisions of Sections 466-493 of the Corporation Taxes Act 2010.

Leases

Operating lease costs are charged to the Statement of Financial Activities as incurred, on a straight line basis over the term of the lease.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2021

Accounting policies (continued)

Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense to the Statement of Financial Activities as they fall due.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Location of investment assets

The charity makes an estimate to calculate the level of investment assets held in the UK or overseas. Most asset held as investments are global assets and it requires an element of judgement to determine where the asset is held.

(ii) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic life and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future economic utilisation and the physical condition of the assets. See note 14 for the carrying value of tangible fixed assets and the accounting policies for the useful economic lives for each class of asset.

(iii) Gifts in kind

Gifts in kind are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods. Where possible the value of services/goods are confirmed directly with the supplier however in some instances this information is not available and a best estimated is made of the expected cost of such goods based on what the charity would be willing to pay for similar services or goods at a market rate.

(iv) Performance related grant recognition

The National Tutoring Partnership Grant funding agreement contains performance related conditions that specify the services to be performed. Income is recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant has occurred as performance-related conditions are met. The degree to which the performance related conditions have been met have been estimated based upon the underlying data available to the charity.

(v) Capitalisation of website costs

Based on historic understanding and relationship with website developers, the development costs are split into two categories: maintenance costs for 30% and capitalised development costs adding significant capabilities and functionalities for 70%.

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2021

3 Donations and legacies	Unrestricted fund	Restricted funds	2021 total	2020 total
	£	£	£	£
Donations and gifts	-	367,596	367,596	1,097,958
Grants	-	40,890,469	40,890,469	7,235,938
Donated services	1,112,647	-	1,112,647	46,778
Donation from subsidiary				
	<u>1,112,647</u>	<u>41,258,065</u>	<u>42,370,712</u>	<u>8,380,674</u>
For the year ended 31 March 2020	<u>46,848</u>	<u>8,333,826</u>		<u>8,380,674</u>

Grants	Unrestricted fund	Restricted funds	2021 total	2020 total
	£	£	£	£
Department for Education	-	37,939,768	37,939,768	4,294,658
BHP Foundation	-	1,389,616	1,389,616	1,655,409
KPMG	-	500,000	500,000	25,000
Kusuma Trust	-	-	-	40,160
JP Morgan Foundation	-	-	-	33,335
Paul Hamlyn Foundation	-	100,000	100,000	-
ICG	-	500,000	500,000	500,000
Wellcome Trust	-	461,085	461,085	687,376
	<u>-</u>	<u>40,890,469</u>	<u>40,890,469</u>	<u>7,235,938</u>
For the year ended 31 March 2020	<u>-</u>	<u>7,235,938</u>		<u>7,235,938</u>

Donated services	Unrestricted fund	Restricted funds	2021 total	2020 total
	£	£	£	£
Macfarlanes	29,446	-	29,446	25,843
Freshfields	170,431	-	170,431	20,935
BCG	350,000	-	350,000	
Bain & Co	562,770	-	562,770	-
	<u>1,112,647</u>	<u>-</u>	<u>1,112,647</u>	<u>46,778</u>
For the year ended 31 March 2020	<u>46,778</u>	<u>-</u>		<u>46,778</u>

4 Income from other trading activities	2021 £	2020 £
Licensing of Teaching and Learning Toolkit	100,250	163,387
Commissioned research	145,363	-
	<u>245,613</u>	<u>163,387</u>

Licensing of Teaching and Learning Toolkit
Income from trading activities has arisen from the development and licencing of The Education Endowment Foundation resources to Social Ventures Australia, to La Caixa Foundation and to Queen Rania Foundation, all of which arose within the rest of the world.
Commissioned research
All of this income arose within the UK.

5 Investments	2021 £	2020 £
Income from listed investments	55,727	237,138
Interest receivable	468	167,868
	<u>56,195</u>	<u>405,006</u>

6 Raising funds	Unrestricted fund	Restricted funds	2021 total	2020 total
<u>Fundraising expenditure</u>	£	£	£	£
Audit, accountancy and other finance costs	110	4	114	32
Office administration	8,967	310	9,277	7,288
Premises costs	11,553	401	11,954	13,065
Advertising	21,123	734	21,857	8,988
Staff costs	202,226	7,023	209,249	169,060
Other staff costs	2,836	99	2,935	13,808
Depreciation and impairment	10,686	371	11,057	13,233
	<u>257,501</u>	<u>8,942</u>	<u>266,443</u>	<u>225,474</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2021

6 Raising funds (continued)

	Unrestricted fund £	Restricted funds £	2021 total £	2020 total £
<u>Investment management</u>	269,781	-	269,781	348,183
	<u>527,282</u>	<u>8,942</u>	<u>536,224</u>	<u>573,657</u>
For the year ended 31 March 2020				
Fundraising expenditure	211,204	14,270		225,474
Investment management	<u>348,183</u>	<u>-</u>		<u>348,183</u>
	<u>559,387</u>	<u>14,270</u>		<u>573,657</u>

7 Charitable activities

	2021 £	2020 £
Staff costs	3,171,614	2,173,965
Other staff costs	44,495	177,558
Donated services	<u>1,112,647</u>	<u>46,778</u>
	4,328,756	2,398,301
Grant funding of activities (see note 8)	29,360,442	17,412,621
Share of support costs (see note 10)	986,846	597,135
Share of governance costs (see note 10)	<u>142,066</u>	<u>136,155</u>
	<u>34,818,110</u>	<u>20,544,212</u>
<u>Analysis by fund</u>		
Unrestricted funds	23,580,633	13,130,654
Restricted funds	<u>11,237,477</u>	<u>7,413,558</u>
	<u>34,818,110</u>	<u>20,544,212</u>

8 Grants payable

	2021 £	2020 £
Grants to institutions: See note 9	<u>29,360,442</u>	<u>17,412,621</u>

9 Grants to institutions

	2021 £	2020 £
Achievement for All	(832,933)	855,933
Action for Children	-	(7,181)
Action for Children and Oxford University	-	(3,686)
Ambition Institute	(4,500)	382,785
Ark UK Programmes	-	(14,923)
Bangor University	65,035	400,231
Blackpool Council	-	32,750
Communicate SLT	-	183,544
Chartered College of Teaching	(3,000)	432,600
Childrens University	82,875	570,798
Kingsbridge Academy	-	(27,781)
Midlands Academy Trust	-	10,815
My Tutor	23,267	372,000
NASAN	116,472	559,810
National Children's Bureau	-	(71,770)
National Day Nurseries	52,531	478,284
National Literacy Trust	-	31,082
NFER	-	(340,000)
Oxford Trust	52,632	839,256
SSAT	95,804	257,819
St Mary Catholic Academy Blackpool	-	30,300
SUMMA (Chile)	-	616,972
Tutor Trust	500,000	50,000

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2021

9 Grants to institutions (continued)

		2021	2020
		£	£
UCL	Direct Mapping	(38,550)	399,438
University of Hertfordshire	Primary Science Quality Mark	-	15,819
University of Lincoln	ASCENTS mentoring	-	50,000
University of Manchester	PACT	-	98,446
University of York	TEEM UP	170,682	999,792
White Rose	Early Years Jigsaw	74,408	429,399
Behavioural Insights Team	Stop and Think	506,007	-
University of Oxford	Improving Working Memory	919,046	-
University of Oxford	Nuffield Early Language Third Trial	399,927	-
University of Oxford	Nuffield Early Language Fourth Trial	3,117,610	-
Zenex Foundation	Global Trial Fund	445,000	-
Oxford University Press	Nuffield Early Language	4,265,175	-
Grants awarded to 33 Tuition Partners	National Tutoring Programme	9,382,842	-
Grants made to 5 regions and schools	Sunday Times appeal grant	865,370	-
Various international organisations	Global Fellowships	213,627	-
		<u>20,469,327</u>	<u>7,632,532</u>
Adjustments to grants awarded in previous year		(425,083)	154,261
Scale up expenditure (research schools, advocacy and guidance reports)		2,338,117	2,364,970
Evaluation and research funding		6,978,081	7,260,858
Total grants, scale up activity and evaluation		<u>29,360,442</u>	<u>17,412,621</u>

10 Support costs

	Support Costs	Governance costs	2021 total	2020 total
	£	£	£	£
Staff costs	-	74,041	74,041	69,207
Other staff costs	-	13,100	13,100	5,652
Depreciation	172,131	-	172,131	175,584
Legal and professional	141,157	-	141,157	17,787
Other finance costs	-	-	-	36,814
Office administration	144,301	-	144,301	110,707
Premises costs	186,099	-	186,099	173,354
Marketing and public relations	340,270	-	340,270	119,281
Audit fees	-	14,855	14,855	14,800
Accountancy	2,888	40,070	42,958	10,104
	<u>986,846</u>	<u>142,066</u>	<u>1,128,912</u>	<u>733,290</u>

11 Auditor's remuneration

	2021	2020
	£	£
Audit of the charity's annual accounts	<u>10,750</u>	<u>12,000</u>
Other audit- related assurance services		
Regularity report	<u>2,850</u>	<u>2,800</u>
Non- Audit services		
Taxation compliance services	-	5,000
All other non-audit services	2,950	8,300
Total Non Audit fees	<u>2,950</u>	<u>13,300</u>

12 Trustees

None of the trustees or any persons connected with them received any remuneration from the charitable company during the year (2020: £nil).

There were no trustee expenses (2020: £239 travel expenses for one trustee).

The Education Endowment Foundation
Notes to the financial statements
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13 Employees	2021	2020
Average monthly number of employees during the year:	number	number
Chief Executive Officer	1	1
Grant making, evaluation and dissemination staff	39	32
Fundraising staff	1	1
Administration staff	7	5
	<u>48</u>	<u>39</u>

The key management personnel of the charity are considered to be the Chief Executive, Deputy Chief Executive, Director of Development and Communications and the Board of Trustees.

The remuneration and employee benefits of key management personnel, amounted to £488,184 in the year under review (2020: £416,379).

Staff costs comprise:	2021	2020
	£	£
Salaries & wages	3,072,647	2,117,019
Social security costs	262,594	196,806
Other pension costs	131,261	98,407
	<u>3,466,502</u>	<u>2,412,232</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021	2020
	number	number
£60,001 - £70,000	2	3
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£180,001 - £190,000	<u>1</u>	<u>-</u>

14 Tangible fixed assets

	Fixtures and fittings	Computers and IT Equipment	Total
	£	£	£
Cost			
At 1 April 2020	125,076	1,677,608	1,802,684
Additions	-	194,154	194,154
Disposals	-	-	-
At 31 March 2021	<u>125,076</u>	<u>1,871,762</u>	<u>1,996,838</u>
Depreciation			
At 1 April 2020	109,448	1,347,765	1,457,213
Depreciation charged in the year	15,378	167,810	183,188
Eliminated on disposals	-	-	-
	<u>124,826</u>	<u>1,515,575</u>	<u>1,640,401</u>
Carrying amount			
At 31 March 2021	<u>250</u>	<u>356,187</u>	<u>356,437</u>
At 31 March 2020	<u>15,628</u>	<u>329,843</u>	<u>345,471</u>

The Education Endowment Foundation
Notes to the financial statements
for the year ended 31 March 2021

15 Fixed Asset investments

	Listed investments £	Unlisted investments £	Cash in portfolio £	Total £
Cost or valuation at 1 April 2020	45,170,593	100	28,397,211	73,567,904
Additions	54,993	-	40,655,571	40,710,564
Revaluation changes	8,703,834	-	-	8,703,834
Disposals	(10,924,593)	-	(9,500,025)	(20,424,618)
At 31 March 2021	<u>43,004,827</u>	<u>100</u>	<u>59,552,757</u>	<u>102,557,684</u>
Carrying amount At 31 March 2021	<u>43,004,827</u>	<u>100</u>	<u>59,552,757</u>	<u>102,557,684</u>
At 31 March 2020	<u>45,170,593</u>	<u>100</u>	<u>28,397,211</u>	<u>73,567,904</u>
Historical cost	<u>24,387,805</u>	<u>100</u>	<u>59,552,757</u>	<u>83,940,662</u>

	2021 £	2020 £
Material Investments		
Fixed interest securities	29,674,589	30,162,741
Equities	10,160,603	10,299,506
Cash held within investment portfolio	59,552,757	28,397,211
Other	3,169,634	4,708,346
	<u>102,557,584</u>	<u>73,567,804</u>

The Trustees do not consider any individual investment within these amounts to be material

	2021 £	2020 £
Investments at fair value comprise:		
Investments held in the UK	59,197,284	28,765,050
Investments held overseas	43,360,300	44,802,754
	<u>102,557,585</u>	<u>73,567,804</u>

Fixed asset investments revalued

The above funds are invested in sterling denominated securities.

The Trustee appointed investment custodians are charged with safeguarding the investment assets of The Education Endowment Foundation. Their responsibilities include overseeing the reconciliation of the investment managers' records within their own.

16 Subsidiaries

These financial statements are separate charitable company financial statements for EEF Services Limited.

Details of the charitable company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
EEF Services Limited	5th Floor Millbank Tower, 21-24 Millbank, London SW1P 4QP	Dormant	Ordinary	100.00	

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	21,020	16,126
Grants receivable	41,633,358	6,883,557
Prepayments and accrued income	61,844	51,628
	<u>41,716,222</u>	<u>6,951,311</u>

Amounts falling due after more than one year:

Grants receivable	131,313	1,569,851
Total debtors	<u>41,847,535</u>	<u>8,521,162</u>

The Education Endowment Foundation
Notes to the financial statements
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18 Creditors: amounts falling due within one year	2021	2020
Notes	£	£
Trade creditors	169,663	757,379
Amounts due to subsidiary undertakings	-	-
Other taxation and social security	87,114	56,980
Deferred income	20 54,354,769	2,672,066
Grants accrued	9,451,662	8,330,737
Other creditors	22,008	528,951
Accruals	9,902,482	7,505,028
	<u>73,987,698</u>	<u>19,851,141</u>

19 Creditors greater than 1 year	2021	2020
Notes	£	£
Deferred income	20 114,833	1,279,949
Grants accrued	<u>3,217,299</u>	<u>4,707,963</u>
	<u>3,332,132</u>	<u>5,987,912</u>

20 Deferred income	2021	2020
Notes	£	£
Other deferred income	<u>54,469,602</u>	<u>3,952,015</u>

Deferred income is included in the financial statements as follows:

Notes	2021	2020
Notes	£	£
Current liabilities	54,354,769	2,672,066
Non current liabilities	114,833	1,279,949
	<u>54,469,602</u>	<u>3,952,015</u>

Notes	2021	2020
Notes	£	£
Deferred income brought forward	3,952,015	3,105,795
Grants received in the year	(41,062,469)	(6,389,719)
Grants recognised in the year	<u>91,580,056</u>	<u>7,235,939</u>
Deferred income carried forward	<u>54,469,602</u>	<u>3,952,015</u>

Deferred income represents grants received in advance. The income is deferred when the grant agreements are subject to conditions which are still to be met and which are outside the control of the charity or when grants or income are received in advance and specified by the donor or other party as relating to specific accounting periods.

The Education Endowment Foundation
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21 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £131,369 (2020: £89,407).

Contributions totalling £25,812 (2020: £17,064) were payable to the fund at the balance sheet date and are included in other creditors.

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 March 2021
	Balance at 1 April 2020	Income	Expenditure	
ICG	250,000	500,000	(750,000)	-
Northern Rock Foundation	261,061	-	(261,061)	-
Sunday Times Appeal	1,034,830	245,596	(865,370)	415,056
National Tutoring Programme (DfE)	-	27,652,808	(11,630,262)	16,022,546
Nuffield Early Language Intervention (DfE)	-	8,054,465	(7,038,402)	1,016,063
Early Years Professional Development (DfE)	-	232,495	(232,495)	-
Evidence Guardianship (DfE)	-	2,000,000	(361,284)	1,638,716
BHP Billiton Foundation	-	1,389,616	(1,389,616)	-
KPMG National Tutoring Programme	-	500,000	(500,000)	-
Paul Hamlyn Foundation	-	100,000	(100,000)	-
Suffolk County Council	-	100,000	-	100,000
Wellcome Trust	-	461,085	(461,085)	-
Lincolnshire Associated Research School	-	22,000	-	22,000
	<u>1,545,891</u>	<u>41,258,065</u>	<u>(23,589,575)</u>	<u>19,214,381</u>

Details of restricted funds

ICG fund is restricted to funding two of the EEF's promising projects, Tutor Trust and Nuffield Early Language intervention.

Northern Rock Foundation fund is restricted to funding a five-year North East Literacy Campaign focused on primary-age children in the region.

Sunday Times Appeal fund is restricted to supporting schools in disadvantaged communities.

The DfE funding is restricted to four different streams of work: the National Tutoring Programme, the Nuffield Early Language Intervention, the Early Years Professional Development and the Evidence Guardianship.

The BHP Billiton Foundation fund is restricted funding to fund global trials with the EEF's international partners.

KPMG fund is restricted to funding the National Tutoring Programme.

Paul Hamlyn Foundation fund is restricted to funding the EEF's response to COVID-19 related schools closures.

Suffolk County Council fund is restricted to funding Regional delivery activity in Suffolk.

Wellcome Trust fund is restricted to funding collaborations between educators and neuroscientists to develop and evaluate the effectiveness of neuroscience-based educational interventions in the classroom designed to increase the attainment of pupils, particularly those from low-income families, to fund Science and Education trials and Science Teacher retention trials.

A donation from an individual donor to support funding the Lincolnshire Associated Research School.

The Education Endowment Foundation
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22 Restricted funds (continued)

Restricted funds (prior year)

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019	Movement in funds		Balance at 31 March 2020
		Income	Expenditure	
Home Learning Environment (DfE)	-	2,569,288	(2,569,288)	-
Early Years Foundation Stage Profile Pilot (DfE)	-	168,089	(168,089)	-
Early Years Professional Development (DfE)	-	1,557,281	(1,557,281)	-
BHP Billiton Foundation	-	1,655,409	(1,655,409)	-
ICG	-	500,000	(250,000)	250,000
KPMG Manor Park Talks	-	25,000	(25,000)	-
JP Morgan Foundation (Post-16)	33,329	33,335	(66,664)	-
Kusuma Trust	54,940	40,160	(95,100)	-
Northern Rock Foundation	551,624	-	(290,563)	261,061
Sunday Times Appeal	-	1,097,888	(63,058)	1,034,830
Wellcome Trust	-	687,376	(687,376)	-
	<u>639,893</u>	<u>8,333,826</u>	<u>(7,427,828)</u>	<u>1,545,891</u>

The DfE Funding is restricted to three different themed rounds on Home Learning Environment, on an early Years Foundation Stage Profile Pilot and on Early Years Professional Development.

The BHP Billiton Foundation fund is restricted funding to fund global trials with the EEF's international partners.

ICG fund is restricted to funding two of the EEF's promising projects, Tutor Trust and Nuffield Early Language intervention.

KPMG fund is restricted to funding the Manor Park Talks project, a course of training for early years staff which helps them to identify and support children with early language development.

JP Morgan Foundation (Post-16) is restricted to funding post-16 trials.

Kusuma Trust fund is restricted to funding to scale up evidence for impact in mathematics and science in up to 220 schools in regions across the UK.

Northern Rock Foundation fund is restricted to funding a five-year North East Literacy Campaign focused on primary-age children in the region.

Sunday Times Appeal fund is restricted to supporting schools in disadvantaged communities.

Wellcome Trust fund is restricted to funding collaborations between educators and neuroscientists to develop and evaluate the effectiveness of neuroscience-based educational interventions in the classroom designed to increase the attainment of pupils, particularly those from low-income families, to fund Science and Education trials and Science Teacher retention trials.

23 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	356,437	-	356,437
Investments	68,653,178	33,904,506	102,557,684
Current assets/(liabilities)	(10,305,360)	(13,576,895)	(23,882,255)
Long term liabilities	(2,218,902)	(1,113,230)	(3,332,132)
	<u>56,485,353</u>	<u>19,214,381</u>	<u>75,699,734</u>

Included within unrestricted funds is a reserve of £8,703,834 (2020: £12,177,588) relating to unrealised gains on investment assets.

The Education Endowment Foundation
Notes to the financial statements
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23 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	345,471	-	345,471
Investments	73,567,904	-	73,567,904
Current assets/(liabilities)	(11,023,007)	2,825,840	(8,197,167)
Long term liabilities	(4,707,963)	(1,279,949)	(5,987,912)
	58,182,405	1,545,891	59,728,296

Included within unrestricted funds is an unrealised reserve of £12,177,588 (2019: £12,986,642) relating to gains on investment assets.

24 Commitments under operating leases

The charity has the following future minimum lease payments under non-cancellable operating leases:

	2021 £	2020 £
<u>Land and buildings</u>		
Within 1 year	97,315	97,315
Between 2 - 5 years	-	-
	97,315	97,315

25 Related party transactions

Sir Peter Lampl, the Chairman of The Education Endowment Foundation is also the Chairman of the Sutton Trust. Sir Peter Gershon is a Trustee of the Sutton Trust. During the year the charity made payments of £52,919 (2020: £29,384) to the Sutton Trust for the use of office premises and related office administration expenses and reimbursed the Sutton Trust the sum of £44,400 (2020: £29,206) for payments made on behalf of The Education Endowment Foundation for staff costs, staff travel expenditure and sundry purchases.

At the year end the Sutton Trust owed £21,134 (2020: were owed £18,727 by) The Education Endowment Foundation. This amount is included in other creditors.

Lucy Heller, a Trustee of the Education Endowment Foundation, is also the Chief Executive of Ark, an organisation the Education Endowment Foundation granted £nil in the year (2020: £nil). The Education Endowment Foundation owed Ark £224,363 at the year end (2020:£532,655).

Hanneke Smits, Louis Elson, and Nat Sloane, Trustees of the Education Endowment Foundation, are also Trustees of Impetus - The Private Equity Foundation, an organisation the Education Endowment Foundation granted £196,933 in the year (2020: £nil), of which £98,466 was recognised as grant expenditure in 2021. (2020: £nil).

Staff were seconded from Impetus to deliver the National Tutoring Programme and costs recognised during the year are £44,835 (2020: £nil).

At the year end Impetus PEF were owed £49,233 (2020: £nil) by the Education Endowment Foundation for its grant expenditure, this is included in Grant Accruals. At the year end Impetus PEF were owed £23,406 (2020: £nil) by the Education Endowment Foundation with regards to seconded staff costs, this is included in Accruals.

26 Post balance sheet events

After the year end, the charity re-tendered for the National Tutoring Programme Year 2, which they had run for the period 01/08/2020 - 31/07/2021, however the tender was unsuccessful and this was transferred to another provided from 31/08/2021. The project costs were less than budgeted in the period of the programme, due to the reasons outlined in the trustee report, which has resulted in a significant underspend at the finalisation of the project. This represents a total underspend of £29.2 million which will be returned to the Department for Education in the following financial year.



Issuer EEF

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Parties involved with this document

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Wed, 15th Dec 2021 17:32:29 UTC	Anne-Laure Bedouet - Signer (6552227004b32783a9ec4cfd44a0d5a0)
Wed, 15th Dec 2021 20:06:15 UTC	Chairman - Signer (3be7b725a8291a4113a28726d7b1bacf)
Wed, 15th Dec 2021 20:06:15 UTC	Anne-Laure Bedouet - Copied In (482a3ae18e24870a4044945f7fee7b19)

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Date	Action
Wed, 15th Dec 2021 20:06:15 UTC	The envelope has been signed by all parties. (88.109.215.24)
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Wed, 15th Dec 2021 17:30:03 UTC	Anne-Laure Bedouet viewed the envelope. (78.145.73.209)
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