

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

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

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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.

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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. 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.

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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 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.

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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 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

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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.

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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.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

- 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.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

- 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.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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.

THE EDUCATION ENDOWMENT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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		604,068	33,492,923	34,096,991	42,672,520
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
		465,242	-	465,242	536,224
Charitable activities	7	6,745,066	50,056,162	56,801,228	34,818,110
Total Expenditure		7,210,308	50,056,162	57,266,470	35,354,334
Net gains/(losses) on investments		57,245	-	57,245	8,703,834
Transfers between funds		(25,151)	25,151	-	-
Net movement in funds		(6,574,146)	(16,538,088)	(23,112,234)	16,022,020
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		49,961,789	2,676,293	52,638,082	75,750,316

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>

	Unrestricted funds	Restricted funds	2022 total	2021 total
	£	£	£	£
Grants				
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>

	Unrestricted funds	Restricted funds	2022 total	2021 total
	£	£	£	£
Donated services				
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

	Unrestricted fund	Restricted funds	2022 total	2021 total
	£	£	£	£
<u>Fundraising expenditure</u>				
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	<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

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	Global Trial Fund	880,128	-
Fluently	Embedding Formative Assessment Scale Up	826,778	95,804
SSAT	Global Trial Fund - Conecta Ideas	(144,790)	-
SUMMA (Chile)	Tutor Trust Scale Up	250,000	500,000
Tutor Trust	Direct Mapping	-	(38,550)
UCL	Primary Science Quality Mark	(5,599)	-
University of Hertfordshire	TEEM UP	28,450	170,682
University of York	Incredible Years Teacher Classroom Management	6,224	-
University of Exeter	Helping Handwriting Shine	(35,941)	-
University of Leeds	Early Years Jigsaw	-	74,408
White Rose	Stop and Think	89,897	506,007
Behavioural Insights Team	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	<u>3,540</u>	<u>2,950</u>
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

Average monthly number of employees during the year:

	2022 number	2021 number
Chief Executive Officer	1	1
Grant making, evaluation and dissemination staff	54	39
Fundraising staff	1	1
Administration staff	8	7
	64	48

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
	3,541,194	3,466,502

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

	2022 number	2021 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	1	1

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	88,403	2,038,530	2,126,933
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)
	87,480	1,665,867	1,753,347
Net Book Value			
At 31 March 2022	923	372,663	373,586
At 31 March 2021	250	356,187	356,437

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	36,843,199	100	28,143,149	64,986,448
Carrying amount At 31 March 2022	36,843,199	100	28,143,149	64,986,448
At 31 March 2021	43,004,827	100	59,552,757	102,557,684
Historical cost	24,387,805	100	59,552,757	83,940,662

	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
	64,986,448	102,557,584

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
	64,986,448	102,557,584

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
	679,564	41,716,222
Amounts falling due after more than one year:		
Grants receivable	40,185	131,313
Total debtors	719,749	41,847,535

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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

	Notes	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.

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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 £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	-
	<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 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.

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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 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
	<u>1,545,891</u>	<u>41,258,065</u>	<u>(23,589,575)</u>	<u>19,214,381</u>

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)
	<u>49,961,789</u>	<u>2,676,293</u>	<u>52,638,082</u>

Included within unrestricted funds is a reserve of £8,742,646 (2021: £8,703,834) relating to unrealised gains on investment assets.

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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.