

ANNUAL REPORT

2020/21

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INTRODUCTION

The report and accounts for the 12 months ended 31 August 2021 have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2019 (Financial Reporting Standard 102), and the Companies Act 2006.

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CHAIR'S REPORT

The past year has been exceptionally challenging for education around the world, with continued disruption from the Covid-19 pandemic and sustained school closures in many countries. However, it is also a year in which teachers, leaders and students everywhere have shown extraordinary resilience – doing their utmost to keep learning going even in the most challenging of circumstances. As schools around the world have reopened, we have also seen an incredible focus on learning recovery. It has been our privilege at Education Development Trust to support teachers, leaders and students in multiple countries through these changing situations and to see the many bright spots of good practice and impact that have emerged.

Throughout this turbulent period, we have sought to focus our efforts on how best to ensure education continues and recovers. Around the world, our researchers and consultants have fed into leading global institutions to build up the evidence base on education recovery, and we have harnessed the learning from our research and our programmes to make a real difference to the lives of individuals around the world. In Rwanda, we have helped to guide successful back-to-school campaigns, while in Kenya we have helped thousands of vulnerable girls continue learning and return to school. In England, we have supported teachers as they focus on learning recovery – including those whose training was disrupted by the school closures of 2020. We have also reached 165,000 people through our world-leading employability and careers services, including through launching several initiatives across the country, supporting thousands of people into work.

Meanwhile, we launched a number of exciting new programmes – from support for early career teachers in England to teacher development in Zimbabwe and Sierra Leone – and we have worked closely with partner organisations and ministries of education to improve learning outcomes for students.

Over the past year, we're delighted to have reached 3.55 million learners and 174,000 educators worldwide – over 1,000,000 more learners and almost 80,000 more educators than in 2019/20. In some cases, this increase has been driven by a pivot from face-to-face to virtual delivery models, which we have taken care to ensure are of the same high quality that we are known for by our partners, clients and beneficiaries. We measure the direct impact that our work has on our beneficiaries, but we believe that by investing in system change and strengthening, we are impacting upon even more people in the communities and systems we serve.

I am incredibly proud of what Education Development Trust has continued to achieve in another remarkable year. This includes within our organisation, where we have further increased our focus on inclusion and diversity. Inclusion is, as of this year, formally one of our organisational values, due to our conviction of its importance to our work, our clients and beneficiaries, and our staff. Of course, none of this would be possible without the excellent work of our people around the world, so I am delighted that our staff surveys reflect high rates of satisfaction from the people who make all this happen. I'd like to express my heartfelt thanks to them for their expertise, enthusiasm and dedication, as well as to our excellent partners and stakeholders for their support.

As the world continues to recover from the pandemic and we look to the wider challenges facing education systems today, the commitment of governments and organisations like ours to positive change will be more important than ever. At Education Development Trust, we will continue to champion our mission – improving education to transform lives around the world – and we look forward to building on the impact we have had this year as we look to the future.



Ilse Howling
Chair of Trustees, Education Development Trust

1 OBJECTIVES AND ACTIVITIES IN 2020/21

1.1 VISION, PURPOSE AND VALUES

Our principal objective, as defined in our Articles of Association, is *to advance education for the public benefit*.

Our **vision**: A world where everyone's life is transformed through excellent education.

Our **purpose**: We strive to change education for good around the world, grounding our work in research and evidence of what works. We support leaders to raise standards, improve school performance, develop great teachers and open career pathways – transforming lives and futures.

Our **values**: We believe in the power of education to help individuals fulfil their potential and benefit society. Our values embody how we go about making our contribution.

- **Excellence** in learning outcomes, our people, our solutions and our delivery
- **Integrity** in the way we build trust in and bring purpose to our work
- **Accountability** through rigorous and transparent assessment of our performance
- **Collaboration** by working together across teams and in partnership with clients and customers to build capacity
- **Inclusion** both by encouraging diversity in our organisation and by serving those for whom education can have the most transformative impact

1.2 ORGANISATIONAL OBJECTIVES 2020/21

In 2020/21, the final year of our three-year strategic plan, we aimed to progress the following objectives. Achievements during the period under review are summarised against each objective.

- **Staff Morale and Ways of Working**: We developed new flexible ways of working that maximised the opportunities for greater global working, reducing travel and office costs as well as our carbon footprint. For more on staff morale and wellbeing: page 18.
- **Inclusion and Diversity**: We developed a clear and compelling vision and strategy for inclusion and diversity with clear deliverables and accountabilities. We implemented initiatives to achieve greater inclusion and diversity. For more on inclusion and diversity: page 18.
- **Employability & Careers**: The impact of Covid-19 challenges, including several lockdowns in the UK, prevented us from achieving our careers targets. However, the adaptations and extraordinary efforts of careers staff limited the downsides. We also secured a significant amount of new business through the European Social Fund. For more on careers: page 15.
- **UK Independent Schools**: The schools successfully managed Covid outbreaks throughout the year, and pupil achievement and progress remained strong. The schools modestly outperformed the budget set for the year. For more on schools: page 17.
- **New Business**: Despite the context and challenges, we won £93m of new business during the year with an average win rate of 91% by value. We outperformed our new business targets on most of our metrics and most encouragingly, our forward-looking indicators have been significantly exceeded, leaving us in a strong position for 2021/22.
- **Future Strategic Growth**: We further integrated our planning and delivery, ensuring that business development is grounded in evidence, innovation in propositions and solutions. We enhanced our external profile and reputation for thought leadership, and quality in design, delivery and impact through hosting of summits and events bringing together leaders and decision-makers in the field of education. For more on events and engagement: page 17.

1.3 PUBLIC BENEFIT

Trustees have also given careful consideration to the Charity Commission's general guidance on public benefit and are satisfied that all of our work is for the public benefit. Our educational performance is summarised in the Strategic Report, and particularly in section 2.4.

2 STRATEGIC REPORT

2.1 STRATEGY

This was the final year of our three-year strategy for 2018–21. The strategy articulates our intent to be world-leading in the design and delivery of high-impact, large-scale education change programmes and identifies the key areas for action for the three years starting in 2018/19. In October 2021 we published our new three-year strategy for 2021-24.

2.2 WHO WE ARE AND WHAT WE DO

We are a business with a charitable status and a strong social purpose. We provide millions of people, mostly children, with greater opportunities to learn and thrive. We are a learning organisation – grounding our programmes in an extensive research programme, which we share freely around the world to help other organisations and governments learn about what works in education. We are a global organisation, providing consultancy around the world and delivering major programmes from four regional hubs, in the UK, United Arab Emirates (UAE), Kenya and Brunei. We make global best practice local.

In our varied work around the world, we have a rich and diverse portfolio of projects and clients – but across all our work, we have a distinctive approach grounded in local capacity and sustainability. We don't 'helicopter' in to try to improve education systems, nor do we create parallel structures that we believe can better the mainstream system. Instead, we work with governments and other funders to improve education systems and attainment from the inside.

We partner with these key actors to support policymakers in driving up standards, unleashing the potential in the education workforce, and enhancing opportunities for the most marginalised children and young people, including through tackling systemic barriers to girls' education. We strengthen teacher training and systems of qualification and support school leaders to train and retain staff, helping them to develop a leadership culture through a school.

We build capacity to guide children and young people as they consider their future career options and we support those who are out of work in finding new ways back into education and fulfilment through national and regional careers advice and guidance services. In all the ways that we work, the common denominator is our commitment to sustainability – by building capabilities, educational champions and culture shifts that continue to deliver benefits to communities and children beyond the length of our programmes and interventions.

2.3 HOW WE WORK

We are organised in three operating activities. We deliver programmes at scale ('Education Services'); we conduct research and provide education consultancy services ('Research and Consultancy'); and we manage private schools ('Independent Schools').

We combine global research and our longstanding expertise with regional knowledge to inform education policy and practice and deliver programmes around the world. Through our work and expertise – which spans from early years education right through to post-school careers – we seek to strengthen education systems, transform teaching and learning, ensure effective transitions into work, and contribute to global responses to key education challenges.

We have been improving education around the world for over 50 years. We develop evidence-informed solutions – drawing on our continually refreshed body of research – to bring about real change, raise educational standards, and support global efforts to address learning crises and reduce inequalities of opportunity.

2.4 EDUCATIONAL IMPACT

Highlights – our reach and impact

In 2020/21, we reached 3.55 million learners – 1.2 million more than in 2019/20. This includes 1.7 million female learners and 1.1 million disadvantaged learners.

We reached 174,000 educators – a growth of 80% on 2019/20 – including 9,000 school leaders, 162,000 teachers and 1,000 coaches.

We reached 9,400 schools and other educational settings – a growth of 50% year-on-year. This included 2,900 additional schools and a substantial increase in the number of non-governmental organisations and local providers of education services that we work with.

We engaged with 6,600 system leaders at local, national and international levels – almost a tenfold increase since 2019/20. This includes:

- 3,463 representatives of international organisations and other decision-makers.
- 2,780 individuals in local or regional authorities.
- 384 officials from national ministries of education.

We reached 73,000 adult learners and jobseekers through our employability and careers portfolio.

We launched ten new programmes across the UK, Europe and Sub-Saharan Africa (SSA) – in areas as diverse as employability, pupil behaviour management, teacher professional development and blended learning.

Middle East and Asia

Jordan

- Our partnership with UNICEF Learning Bridges supported 825,000 school pupils in catch-up learning and provided professional development opportunities for 45,000 teachers.
- Our Connected Learning Centre (CLC) partnered with the Queen Rania Training Academy to design online professional development resources which were accessed by over 50,000 teachers.

Lebanon

- Our Alexandria Schools Trust programme reached 4,300 Syrian refugee children (up from 1,500 in 2019/20) and increased its reach to the local teachers who teach these refugee children by 40%.

Brunei

- Our 200 teachers worked directly in classrooms with over 17,000 students.
- We worked with 450 Bruneian teachers to help develop their skills and practice.

United Kingdom

UK programmes

- 92,600 young people benefited from our careers and enrichment services in school and community settings. We also supported 2,300 educators through our careers programmes.
- Across all of our programmes in the UK, we supported over 17,000 education practitioners.
- Throughout the pandemic, we have developed an extensive selection of resources to assist remote and blended learning, delivered remote professional development for education practitioners, and facilitated virtual communities of practice for schools.
- We have launched three new programmes in English schools in partnership with the UK Department for Education (DfE): Behaviour Hubs, the Early Career Professional Development Programme and the National Professional Qualifications.

Employability and Careers

- While Covid-related restrictions meant that our reach through the National Careers Service (funded by the Education and Skills Funding Agency) declined by nearly 20%, we still reached 73,000 adult learners and jobseekers.
- This decline was also partially offset by a sturdy growth in our school careers services and projects supporting employers – with four new programmes launched to support employability in regions across England.

Europe

- Our CLC offset restrictions on face-to-face delivery by offering resources, events and training opportunities online, directly engaging over 9,000 learners and 2,000 educators in the UK and European partner countries (Denmark, Sweden, Finland, Norway, Belgium and the Netherlands).

Sub-Saharan Africa

Ethiopia

- Our Technical Assistance to Reinforce General Education Quality Improvement Programme for Equity (TARGET) programme, funded by the UK Foreign, Commonwealth and Development Office (FCDO) helped to upskill nearly 2,500 system leaders in data and delivery, and trained over 500 school supervisors and professional development coaches in leadership supervision.
- We also delivered a professional development pilot programme to 600 school leaders in over 500 low-performing schools, with a potential to improve teaching and learning for more than 158,000 learners.

Rwanda

- We have been accelerating system-level reforms, upskilling almost 500 system leaders, more than 3,200 school leaders, and 34,000 teachers.
- Following the success of our work in Primary grades 1 to 3, the Ministry of Education has now expanded the scope of our work into grades 4 and 5.
- We have assisted the Ministry of Education with their Covid-19 response strategy and Girls' Education Policy, helping to ensure both successful back-to-school campaigns and girls' continued access to learning.

Kenya

- We helped to improve learning outcomes and transitions for 59,500 disadvantaged girls.
- We created an emergency plan to support the engagement of vulnerable girls with distance learning, reaching 76% of the girls in our Girls' Education Challenge programme, funded by FCDO, with tutorials and teacher feedback.
- 94% of girls in our programme returned to school on reopening – 10 percentage points more than the national average.

Sierra Leone

- We launched a new programme, funded by UNICEF, designed to improve early grade reading and mathematics by strengthening teacher training, through which we aim to reach 11,000 teachers by 2023.

Zimbabwe

- We began delivering the teacher professional development component of the TEACH (Teacher Effectiveness and Equitable Access for All Children) programme, funded by FCDO, designed to strengthen the national education system and improve learning outcomes.

How we are improving school systems at scale

Assisting ministries of education

We have worked with ministries to build delivery and improvement capacity across school systems for 30 years, and we continue to offer world-class, multi-disciplinary consultancy and change

management expertise. We consistently deliver for our clients and partners – including ministries of education around the world.

In Rwanda, we support the Ministry of Education to improve the quality of English and mathematics teaching at lower primary school level through our Building Learning Foundations (BLF) programme, funded by FCDO. This year, BLF has further increased its traction with the educational authorities, designing and delivering Rwanda's Covid-19 response strategy, which focused on remote learning. As a result, 5,224 English and Maths subject leaders received a training and support package (compared to a target of 3,400) and 2,014 primary teachers received training in English language teaching (exceeding a target of 1,850). BLF scored an 'A' in its annual review by FCDO for the fourth year running. We also supported the production of guidelines for the Rwanda Education Board on catch-up programmes as schools reopened.

Similarly, in Kenya, our GEC programme was awarded an 'A' rating and a 'Green' RAG rating in the fund manager's annual assessment. Particular strengths highlighted included the project team's understanding of the needs of the girls in the programme, and their success in enabling girls to continue learning during school closures.

Meanwhile, in Ethiopia, through our TARGET programme, we have supported the Ministry of Education with technical aspects of its General Education Quality Improvement Programme for Equity programme. 17 specialist workshops were held to support the government in educational planning, programming and evaluation, including the National Consultative Workshop for Senior Education Leaders to Strengthen Education Delivery Systems for Better Performance in July 2021. This attracted almost 100 participants, including three State Ministers of General Education, Director Generals and Directors from the Ministry of Education, Education Bureau Heads and Deputy Heads of twelve regional boards, as well as representatives from FCDO and the World Bank.

In Jordan, we have provided capacity building and quality assurance support to the Ministry of Education through our Learning Bridges programme, impacting a million learners across the country. The programme was considered essential to enabling large numbers of students, especially disadvantaged students, to continue their learning during Covid-19-related school closures.

In addition, we continued to deliver for the Ministry of Education in Brunei, where we recruit, orientate and manage specialist English teachers. Recruitment to the programme has remained high, filling 100% of posts in the last year (against a target of 90%). Moreover, between January and June 2021, 97% of formal lesson observations achieved a rating of 'Good' or above. As a result, our contract with the Ministry of Education has once again been renewed, this time to 2023. The team in Brunei also helped the Ministry to build the capacity of 1,500 local educators in English language skills through a series of workshops and cascade models.

In the UK, we have continued to provide significant support to the DfE in England. This year, we have been awarded Lead Provider status for the Early Career Framework and National Professional Qualifications, while we have also been selected to deliver the Behaviour Hubs programme and been awarded an expansion of the Early Years Professional Development Programme.

Delivering in the midst of Covid-19

In the UK, we used adaptive online models to enable continued school-to-school collaboration through our Schools Partnership Programme (SPP), reaching 1,750 schools across England, compared to 892 schools in 2019/20. This increase is due to our re-engagement with 'alumni schools' that have previously completed the programme to offer them additional support. We also

continued to deliver our careers services remotely where necessary, reaching 73,000 jobseekers and adult learners. Although this is a decrease of approximately 20% compared with 2019/20, we believe the impact of the work remains highly significant, impacting both exceptionally vulnerable individuals and those whose lives and careers had been upended by the pandemic.

Meanwhile, we ran remote communities of practice in Rwanda, Kenya and Lebanon to help teachers continue their professional development and support them through the disruption of school closures. We also developed remote learning materials for students in many parts of the world – from remote careers education in England, to radio lessons in Rwanda, to paper-based materials for vulnerable girls in Kenya and adaptable (high-tech to no-tech) materials in Jordan.

Driving improvements in teacher professional development

Teaching quality is the single biggest driver of student learning outcomes within a school environment – so it is hugely important to ensure that teacher professional development (PD) programmes are effective. This is a core part of our work around the world, and we believe teacher PD will be an area of increasing importance – with even greater demand – in the context of Covid-19 recovery. We have made an outstanding impact in this area, reaching almost 174,000 practitioners across our programmes. This is 80% more practitioners than we reached in 2019/20, in part due to virtual delivery methods which enabled economies of scale, and in part due to schools reopening, enabling us to resume delivery.

Rwanda: supporting teachers through school reopening with communities of practice

In Rwanda, our work has enabled over 30,000 teachers to receive orientation on remedial education and catch-up programmes, following the reopening of schools in early 2021. We also facilitated the continuation of teaching training and support throughout school closures through communities of practice, many of which continued virtually, using videoconferencing and/or WhatsApp. These offered important opportunities for teachers to discuss the practicalities of working through the pandemic, preparing for schools reopening, and learning recovery, as well as helping teachers to develop their skills and practice in key areas. 91% of teachers involved felt these groups had enabled them to identify ways to better support learners to address lost learning. Moreover, our Teachers Learning Together study found that teaching improved for all teachers involved in communities of practice, despite the school closures of 2021.

“[The] collaboration helped me much ... It helped me to make teaching aids, preparing a lesson, and speaking English.”

Teacher, Gisagara district, Rwanda

UK: supporting early career teachers and early years professionals

In the UK, our Future Teaching Scholars (FTS) continue to thrive despite the ongoing challenges. An assessment of teaching quality this year showed that by the end of their first term of teaching, Scholars were already performing in line with the performance expected of a teacher at the end of their initial teacher training – placing them approximately one or two terms ahead of their peers. 100% of the cohort who obtained qualified teacher status were offered and accepted a teaching post (against a target of 95%). This reflects the results of the programme in 2019/20, despite the disruption of the pandemic.

“It was so inspirational listening to them talk about their continued passion for teaching, how much they love FTS... and how committed they are to teaching for the long term now.”

Emily Giubertoni, Bishop Challoner Regional Training Centre Coordinator, UK

We launched our DfE-funded Early Career Professional Development Programme this year, which enables early career teachers to reflect on their own practice, supported through mentoring, learning networks and tailored training opportunities – with a view to developing teachers’ feelings

of self-efficacy, resilience and purpose, and thereby increasing their likelihood of staying in the profession. Since launching training in November 2020, 1,273 early career teachers and 1,107 in-school mentors have attended multiple training events and been provided with high-quality professional development materials. The training helped teachers to feel enthused and confident about classroom teaching and behaviour management: 93% of them agreed or strongly agreed that it was useful for them to share ideas with other early career teachers; 98% felt they gained an understanding of the roles that working and long-term memory play in learning; and 99% felt they had gained a clear understanding of non-intrusive behaviour management strategies which could be tried in their own classrooms.

“The course was very well run and the facilitators were very organised, professional and friendly.”
Participant, Early Career Professional Development Course

Acknowledging this success, we were also selected to become a Lead Provider for the DfE’s reformed National Professional Qualifications for teachers and school leaders, in which we will combine our extensive experience of delivering teacher and leader professional development on a national scale with the best sector expertise and insights from internationally recognised experts in professional learning.

We also deployed the expertise of our employability and careers team to provide professional development opportunities for 1,700 educators in 700 schools, helping them to develop the knowledge and insights needed to guide their students in their future careers decisions.

The Connected Learning Centre: supporting teachers in computing and technology

The CLC has continued to punch above its weight with a worldwide impact, providing successful curriculum support and Continuing Professional Development (CPD) workshops in computing and technology to enhance learning. 50,000 teachers in the Middle East took CLC’s course on effective use of technology in the classroom through the IBM-funded BlendEd programme, assisting teachers with blended learning. For this, the team held 12 live CPD events, released 22 self-paced courses, and shared over 100 videos and over 200 blended learning resources.

“It has inspired me to create more dynamic resources and cascade today’s skills and knowledge to my colleagues.”
BlendEd course attendee

In the UK, CLC has directly worked with 194 schools and educational settings, 8,855 pupils and 1,882 teachers. The average teacher rating for our workshops and CPD courses was 4.48/5, a very slight decrease since last year (4.78/5), largely due to reliance on more challenging remote delivery methods. However, 95% of teachers felt that the work they had done with CLC would improve their teaching practice, and 90% felt confident that it would bring positive impact to pupils.

Lebanon: supporting refugee teachers

Through Alexandria Schools Trust, we work with local non-governmental organisations in Lebanon to improve English-language proficiency of teachers working in non-formal education settings – predominantly teaching Syrian refugee children. Where possible we identify, train and deploy teachers who are themselves refugees. Despite the challenges of the pandemic and a severe economic crisis in Lebanon, this year the programme achieved its highest ever number of attendees – 140 teachers and 36 school leaders – and the strongest teacher feedback to date. Every teacher on the course reported being either satisfied or very satisfied with the support they received. 89% had improved their confidence in listening and speaking English and 84% believed it had improved their reading and writing skills. This impact has been verified by an assessment of the English-speaking skills of a sample of trainees at the beginning and end of the course: 60% of this sample demonstrated improvement in their English-speaking skills.

Jordan, Sierra Leone and Zimbabwe: new programmes of support for teachers

As part of our Learning Bridges programme in Jordan, launched in 2020 in partnership with UNICEF, we developed a remote learning professional development course for teachers, which has been completed by 45,000 teachers to date.

In Sierra Leone, we launched a new programme in partnership with local organisation, EducAid, in July 2021, designed to improve early grade reading and mathematics by strengthening teacher training. The programme contributes to the Global Partnership for Education's support for Sierra Leone, overseen by UNICEF, and will provide professional development for over 11,000 teachers between 2021 and 2023.

We also began delivery of a major new contract in Zimbabwe in the summer of 2021 – delivering the teacher professional development component of the TEACH programme, making a vital contribution to the programme's strengthening of the education system through nationwide teacher professional development.

Supporting leadership for learning

We have an evidence-informed model to develop highly effective educational leadership at all levels, empowering them to lead learning and drive up standards in schools and beyond.

Ethiopia: school leadership training for equitable school improvement

We rolled out a pilot of the National School Leadership Training (NSLT) and School Leaders Continuous Professional Development (SLCPD) programmes, using our distinctive evidence-based training model to improve the skills of school leaders in community engagement, inclusion, teaching and learning, and school improvement. The NSLT training programme has so far reached 80 principals and vice principals in secondary schools while the SLCPD programme has trained almost 500 school leaders in Ethiopia's emerging regions. This early engagement is helping to improve teaching quality among 8,500 teachers and consequently the learning experiences of 158,000 children – most of whom are disadvantaged and vulnerable learners, such as girls in pastoralist communities.

All schools in the pilot have also hosted professional learning communities for school leaders from different schools, who have commented on how these communities have helped them to collaboratively find solutions to problems, see new practices in action which they can replicate in their own schools, and identify the performance level of their own school and ways to improve it – as well as boosting morale. The training model is based on evidence of what works in educator professional development, which clearly demonstrates the advantages of collaborative learning.

"I have changed my attitude, began to love my career, and decided to continue in my position. This is really the result of the new training which not only supports me to like my job, but also saved my career."

School Leader, Sidama region

As a learning organisation, we are investing in researching the impact of the pilot with the 80 school leaders, tracking impact on instructional leadership skills and on school professionals. The results of the pilot are being used to plan for the programme's scale up.

Rwanda: promoting leadership for learning

The BLF programme supports leaders of learning, high-performing headteachers who are given a role to run professional learning communities (PLCs) and coach peer headteachers in school improvement. As a result of the programme, 98% of headteachers met the benchmark for key school leadership standards that promote learning – up from 66% in March 2020, and compared to a target of 65%.

Leaders of learning have been pivotal in organising Rwanda's response to the Covid-19 crisis at school level, including the government's flagship back-to-school campaign in January 2021. The PLCs provided a flexible structure to convene headteachers in problem-solving sessions to discuss how to get children back to school. For example, in the PLCs, all headteachers were requested to identify vulnerable children, discuss the hardest-to-reach cases, and to start engaging parents through SMS and visits where possible. The leaders of learning also made use of social media, mobile technology and online platforms to connect headteachers. Despite the crisis, 100% of the headteachers we work with attended at least one PLC in the 2020/21 academic year, exceeding the target of 90%, and 95% attended at least five sessions. This marks an increase from 94% attendance in 2020 and just 49% in 2018 and testifies to the effectiveness of these groups in helping school leaders to develop their skills, their confidence and their schools.

*"It is what we learn, discuss and share in PLCs which guides us in our school to lead learning."
David, Headteacher*

UK: supporting leaders through school-to-school collaboration

Our Schools Partnership Programme (SPP) has continued to provide coaching and support to senior and middle leaders within clusters of schools, helping them to engage in a continuous cycle of self- and peer-review and school-to-school support and improvement. Despite the disruptions of the pandemic, SPP still managed to deliver to 70% of schools its Education Endowment Fund cohort in the Autumn term of 2020, and to run well-received and well-attended sessions for its National Partnerships schools. It also developed new resources, including virtual peer reviews and focused enquiry frameworks to enable schools to continue their SPP engagement through new modalities and platforms.

*"The schools in the Berkshire Alliance of Special Schools partnership that have been involved in SPP have had a much more honest and open approach to discussing risk assessment, sharing documents and making decisions during this time and this is down to the culture developed through SPP."
Headteacher, Berkshire*

The collaborative approach of the SPP has proved vital in continuing to build schools' resilience to the difficult circumstances surrounding the pandemic. As a result, the SPP Affiliate Alumni programme launched for schools to continue SPP when they have completed the core programme to further its impact and support, and the SPP model has been expanded to multi-academy trusts (MATs) to support even more education leaders.

*"This sort of collaboration, in a space can that often be competitive, has been transformative for our trusts, our schools, our staff and our own development. If every MAT leader had this kind of opportunity, there's no telling how much the system could gain. As we look to rebuild from Covid, valuing collaboration over competition is surely an area of policy worth exploring."
Helen Rowland and Andy Yarrow, Schools Week*

Leading thinking on the role of the middle tier in education leadership

We are conducting a programme of research, in partnership with IIEP-UNESCO, into the potential of instructional leaders at the so-called 'middle tier' of education systems: the layer between schools and state-level institutions. In January 2021, we published our first report from this programme, in collaboration with IIEP-UNESCO and the Education Commission: a review of the international evidence on the potential of the middle tier to support education system reform, while the final report, featuring five in-depth global case studies, is set to publish in 2022.

Using accountability for school and system improvement

Accountability, quality assurance and school inspections have long been at the centre of our work in the Middle East, although there has been significant disruption to our work in this area as a result of school closures throughout the pandemic. While such closures have enabled us to innovate – for example, designing remote inspection services to ensure quality teaching during periods of closure – much of our usual work has been put on hold due to lack of access to the schools we work with. However, as the world moves towards recovery from the pandemic, we plan to adapt and scale our recent innovations for the post-Covid-19 context, making effective use of technology to support efficient accountability processes across education settings and supporting education leaders – both local and national – in accessing data and insights to inform their decision-making.

More broadly, we also ensure that accountability – as one of our key organisational values – is embedded in all our programmes. For example, in Ethiopia, our TARGET team has been working closely with the School Improvement Programme Directorate to conduct inspections of 150 low-performing schools.

We also strive to ensure accountability through rigorous and transparent assessment of our own performance, and we are continuing to invest in monitoring and evaluation to ensure that we deliver the best possible outcomes for our clients and beneficiaries.

Supporting girls' education in challenging contexts

We know that girls' education is one of the key challenges of our times. We are working to both strengthen systems to enable more girls to learn the skills they need to thrive through completing a full course of quality education and make important contributions to the global evidence base on girls' education. This year, this has included a number of key reports for clients such as FCDO and the EdTech Hub.

Rwanda: supporting girls' return to school and developing strategies to improve gender equity

The BLF programme's multi-level approach to improving Rwanda's education system includes its strategies to improve gender equity. As well as finding ways to increase numbers of female school leaders, the programme equips them to increase both girls' access to schooling and their performance at school. With this in mind, this year, BLF provided technical assistance to the Ministry of Education on the revision of its Girls' Education Policy, highlighting the following strategic priorities:

- Embedding gender-responsive culture and practices throughout its own programme implementation and governance.
- Strengthening the education system to respond to gender and safeguarding issues.
- Supporting girls' access to useful information, education and communication materials.
- Advocating for gender-equitable and inclusive processes at school and institutional levels.

In addition, the BLF team has worked with the Ministry of Education to ensure support for girls returning to school after the Covid-19-related closures – especially where girls have faced early marriage or pregnancy. BLF is supporting PLCs for headteachers, many of whom are facing such issues. One headteacher described how he encouraged a pregnant student's family to send her back to school, and supported her at school so that she did not miss out on learning. The sharing of this story in the PLCs motivated other school leaders to follow up on similar cases in their own schools.

Kenya: supporting girls' education amid Covid-19

Our Girls' Education Challenge (GEC) programme in Kenya, supports the transitions of girls from primary education to secondary education or vocational pathways. It continues to demonstrate

success, with consistently higher rates of transition among girls in the programme (88%) than the national average (80%), but these gains were threatened by prolonged school closures amid the pandemic.

We created an emergency plan, featuring girls' reading camps, provision of paper-based resources and an enhanced role for community health volunteers (CHVs) to support the engagement of vulnerable girls with remote learning. As a result, the programme still reached 76% of the girls participating through tutorials and feedback and continued tracking 90% of participants. A study in January 2021 found that girls in the programme had an excellent return rate following school closures (94%), ten percentage points higher than the average return rate of vulnerable adolescent girls (84%) in urban and rural areas in Kenya. Girls had an 88% attendance rate – up from 86% prior to the closure period – and the study also found that girls in the programme displayed no overall learning loss despite school closures.

As a learning organisation committed to ongoing research and development, we invested in capturing key innovations developed by our GEC team during the pandemic. This included research on the enhanced role of the CHVs. The innovative model and key learnings from the team were published in a research report in autumn 2020, and we have been active in sharing and disseminating insights from this innovation with the wider global community, including a webinar with the Education Commission. They also made a major contribution to a series of 'lessons learned' workshops on the Covid-19 response, run by the GEC management team.

Community-assisted learning: mobilising reading camps and community health volunteers

In Kenya, we organised reading camps as part of the measures to engage with learning during school closures. The camps were facilitated by teachers, coaches and mentors and were accessed by 35% of girls – more than any other mode of out-of-school learning in rural (arid and semi-arid) areas. The team also created and provided paper-based resources to support home learning without access to technology (accessed by 31%). Both reading camps and paper-based resources seem to have had an effect on mitigating learning loss. The average test scores of girls accessing reading camps and using paper-based learning were 8% higher for SeGRA (language skills) and 18% higher for SeGMA (mathematics), compared to girls who accessed neither.

Meanwhile, we also continued to mobilise 500 CHVs to connect girls with education during school closures, visiting 11,543 households, directly reaching 16,076 learners and indirectly reaching 31,384 girls (e.g. through calls and texts). CHVs were also trained in monitoring and addressing gender-based violence. Their role in supporting education has now been absorbed into their regular work as community volunteers.

Expanding the evidence base for policy and practice

Our research and consultancy teams have continued to provide high-quality usable outputs for a range of key clients, including UNICEF, FCDO, Norad, the Queen Rania Foundation, and the EdTech Hub.

Our consultancy projects reach a large number of beneficiaries: this year, we reached 897,000 learners and 45,000 educators through our consultancy projects alone. Through these projects, we also worked with 3,300 system leaders, 123 policymakers and 20 education organisations globally. We continue to innovate and adapt in our work to ensure the best results for our clients and beneficiaries: this year, in 70% of cases, our consultants were able to go beyond established methods or take innovative approaches, while in 100% of projects, clients felt that we were able to adapt methods and outputs in response to new data, insights or priorities. All of our clients said they were likely to use our consultancy or research services again.

*“Excellent quality of work. Great insights. Well written.”
The EdTech Hub.*

*“Only Education Development Trust do research in this way... They are a good partner for doing research and giving best practice to others.”
Rwanda Basic Education Board.*

Beyond our consultancy work, in 2020/21, we published 11 research pieces and evaluations of our own programmes. Five of these share findings and best practice around recovering from the pandemic (such as assessing learning loss and supporting students to catch up), while others share insights into the role of evidence in the improvement of school systems, teacher management in refugee settings, and new evidence on effective school leadership.

FCDO continues to be a key partner and this year, we have produced research on issues including girls' education, climate change, budget cuts and lessons learned from Covid-19.

Our Learning Bridges Global Knowledge Report, which consolidated global best practices in education responses to the pandemic, was presented at three UNICEF-hosted workshops attended by over 40 UN agencies, donor groups and staff from every UNICEF Ministry of Education office in the Middle East and North Africa region.

Providing high-quality employability and careers information

Our employability and careers portfolio continues to grow, with three new programmes launching in the 2020/21 period.

New programmes to support employability

We launched the Making a Difference employability programme in the south of England in October 2020, which helped 231 economically inactive people into work in the reporting period, despite the pandemic context. 96% of programme participants reported being very satisfied and would recommend the programme to a friend. The programme has since been expanded to cover the north of England, with a view to helping thousands more economically inactive individuals to move into work. The team has also established an engaging and helpful online presence to help reach as many potential clients as possible, resulting in a 50% increase in self-referrals to the programme.

“Having [my advisor] to chat to was a real boost, she was really knowledgeable and very sympathetic to my situation. Our conversations allowed me a safe space to discuss how I felt and share my fears. Being on the Making a Difference programme has really helped me, and I would recommend it to other people.”

Participant, Making a Difference programme

Our North East Ambition programme also launched this year, to support small and medium-sized enterprises (SMEs) based in the North East of England, ensuring that local businesses are taking advantage of the opportunities available to them to develop and upskill their workforce. Since launching in April 2021, it has engaged 82 SMEs, 59% of which are micro-enterprises which stand to benefit the most from direct support.

We have also been selected to deliver a new employability programme in the South West of England, Reskilling Cornwall, to support those who have been affected by the economic impacts of the pandemic. All of our new contracts link directly to tackling economic inequality and helping communities bounce back from the effects of Covid-19.

Continued excellent service in our careers programming

The fantastic achievements of the employability and careers team have once again been recognised, this time through being granted the status of licenced awarding body for the Quality in Careers Standard across the UK. With this license, we are now one of just 12 providers able to award schools and colleges who have demonstrated that they have a robust programme of careers and employability education.

The pandemic context and requirements for social distancing meant that our careers programmes needed to adapt to new modes of delivery. This has led to a significant drop in customer numbers for the 2020/21 period for the National Careers Service and a number of our local partnerships (e.g. with Job Centres) being put on hold as we delivered services remotely. Nevertheless, we still reached 71,970 individuals with high-quality impartial careers information, advice and guidance that provided them with relevant information and clear steps to advance personal career planning and development, and we are continuing to reassess our strategic partnerships following the lifting of Covid-19 restrictions.

Despite the decline in customer numbers, we continue to generate excellent satisfaction rates among our customers. The National Careers Service (North) garnered a 99% customer satisfaction rate, and 98% would recommend the service to a friend.

Our Careers Clusters programme is being delivered to 23 schools and colleges in London and reached almost 1,800 young people and over 130 teachers in 2020/21. Though the pandemic context has made work placements for young people more challenging to procure, the Careers Clusters team have continued to engage employers through virtual placements where necessary – resulting in nearly 750 virtual placements. This service has a 100% satisfaction rate from beneficiaries, as well as strong endorsement from employers: 89% reported that the activities had successfully raised awareness among students of their specific industries.

Case study: helping young people back into education and training

One student we worked with through our tracking services contract in Hammersmith had been out of education and employment since completing Year 11 at school, and was suffering from poor mental health due to his situation and family circumstances. Our adviser regularly followed up with him, and noticed his interest in music, so connected him to a course being run by a local theatre, which he successfully applied for – and was subsequently offered a place at a specialist film college.

Meanwhile, we worked directly with 91 schools and colleges this year in our school-traded careers services – the largest reach to date – and 41 schools and colleges through our tracking services, the largest number of educational establishments ever reached by our employability and careers team. Student feedback has been very strong, with 98% rating the services as ‘good’ or excellent’, and 93% reporting that they have more clarity on the actions needed for them to achieve their career aspirations.

Finally, our Apprenticeship Support and Knowledge (ASK) programme for schools also reached almost 60,000 students (up from 44,530 last year), despite incredibly challenging and rapidly changing circumstances. This included a variety of innovative virtual apprenticeships. The programme also exceeded its targets for reaching parents (6,482 against a target of 5,250) and teachers (902 against a target of 750), and 93% of customers said they would recommend the service.

Putting our knowledge into practice: our independent schools

In addition to our varied and impactful work in the state school sector, detailed throughout this report, we put our knowledge of what makes excellent education into practice in our ownership and management of our independent schools – Danesfield Manor School, Oakfield Preparatory School and St Andrew’s School in the UK and the International School of Cape Town in South Africa.

Our schools continue to demonstrate excellent achievements. This year, St Andrew’s came 44th in the Sunday Times Parent Power Top 100 Independent Prep Schools list, based on its Key Stage 2 SATs results. At Oakfield, 98% of Reception pupils achieved a ‘Good’ level of development in the Early Years Profile, while Year 6 pupils received a total of 87 offers and 17 scholarships in their 11+ assessments for independent and state secondary schools. Outside of statistical performance, the schools continue to demonstrate a range of other factors which make them stand out – from excellent pastoral care and inspirational teaching to facilities designed to nurture pupils and their interests. Oakfield, for example, has furthered the development of art and STEM subjects among its pupils with newly refurbished specialist teaching rooms, while pupils at Danesfield have benefitted from access to its Forest School site to help look after their mental wellbeing.

The impacts of UK national lockdowns and school closures were inevitably felt by our schools, but all rose to the challenges of remote delivery. 90% of parents at St Andrew’s, 92% of parents at Danesfield and 96% of parents at Oakfield felt positively about the remote teaching their children received. On reopening, Danesfield was visited by the National Health Service, who produced a report on how well the school managed Covid-19-related safety measures, stating it is: ‘very well maintained to an exceptional high standard throughout. They have gone above and beyond in their protocols, procedures and risk assessments – the detail in all the planning is absolutely incredible.’

Furthering our impact: events and engagement

Throughout 2020/21, we worked hard to extend the reach of our work, sharing our research, insights and commentary with our partners, a wide range of like-minded organisations, whose readers and members have therefore had much greater exposure to our work. This has helped our ideas to go further and have greater influence upon decision-makers. It has also been a step-change year in engagement via events. Whilst in 2019/20, we took part in a number of conferences with high volumes of guests, the effects of Covid-19 taking us to purely virtual events have allowed us to more directly engage with policymakers, donors, and others in the global education community in 2020/21. Not only has this enabled us to reach a wider audience geographically, but we have also reached over 670 participants directly – an increase in direct engagements despite the lack of physical conferences.

We have also achieved greater coverage in the press, particularly in the UK, with commentary published on careers, employability, early years provision and school-to-school collaboration. We have increased our social media audience by 17%, reaching 1,400 more followers on Twitter and 13,000 more on LinkedIn than in 2019/20. We have also increased visits to our website by 48%, with 146,500 visits, compared to 98,800 in the previous year.

We have been proud to collaborate with a range of organisations, including INEE, UKFIET, BETT, the Education Commission, IIEP-UNESCO, the EdTech Hub, the British Council, the Institute of Development Studies and the Global Schools Forum, helping to reach more individuals with our knowledge and expertise. We have leveraged these partnerships in a variety of ways, creating multiple engagement points to raise the profile of our work: from events and webinars, to blogs, commentaries and published research.

We have presented our work at several high-profile conferences and events in the global education sphere, including the UNESCO World Teachers' Day event 2020 and the RISE conference. What is more – we organised and hosted a side event for the Global Education Summit, 'High-impact domestic financing: evidence, equity, efficiency', in partnership with the British Council and FCDO.

Our own Global Dialogue event in February 2021 brought together leading experts from across the world to consider key promising practices for a post-pandemic renewal of learning. Panellists included the Ministers of Education for Rwanda, Kenya and Ethiopia, as well as senior representatives from the EdTech Hub, Dubai Cares, FCDO, the World Bank, USAID, the Varkey Foundation, the Global Partnership for Education, UNESCO and the Luminos Fund. More than 90 organisations were represented in the audience.

Our commitment to inclusion and diversity

Inclusion is now a key value for our organisation, and we are keenly aware of the importance of inclusion and diversity in all the work that we do. We believe that our programmes and interventions are the most powerful, though not the only, tool that we have to make a difference to the lives of those in disadvantaged groups.

This year, the BLF programme in Rwanda has continued to make steps towards greater inclusion by equipping teachers and parents to carry out – and hold schools accountable for – inclusive practices. By the end of March, 481 teachers had been trained to become Inclusion Education Focal Teachers (IEFTs), equipped to support children with special needs after school reopening. We are now in discussions with the World Bank on the wider rollout of this initiative.

Inclusion features heavily in many of our other programmes. In Ethiopia, inclusion is a key pillar of our TARGET programme, and our school leader training specifically highlights issues of inclusion and diversity. Meanwhile, our employability and careers team organised employer activities in UK SEND schools, and CLC's TechPathways programme developed an Unconscious Bias Toolkit. This was designed to enable teachers to identify and challenge unconscious bias and help reduce the barriers preventing underrepresented groups from pursuing careers in the digital sector, and embedded in all CLC's events and courses.

Within our organisation, our Inclusion and Diversity Taskforce, formed in 2020, launched a three-year Inclusion and Diversity Strategy, with the full backing of the leadership team and Board of Trustees. The strategy was informed by analysis of diversity data and a dedicated inclusion and diversity survey for all staff. It focuses on four strategic themes: voice and inclusivity, recruitment and promotion, global teams, and positive influencing of clients and programmes. Progress has already been made against its ambitious targets and all staff have undertaken compulsory unconscious bias training. We have also added 'inclusion' as an organisational value to ensure its prominence in our corporate strategy.

Looking after our people: staff morale and wellbeing

None of the work that we do around the world would be possible without the hard work and commitment of our staff – and supporting them remains a key priority for us. Steps taken during the pandemic to support our employees' wellbeing – including provision of wellbeing-focused guidance for staff and line managers, the development of wellbeing and mental health resources on our Learning Hub, signposting to key providers of support and advice and regular wellbeing bulletin emails – received a unanimously positive response.

Our staff survey, conducted in March 2021, showed that 85% of respondents felt 'very satisfied' or 'satisfied' with Education Development Trust as a place to work, giving the organisation an

overall satisfaction score of +82 – a two-point improvement on December 2020 and a 17-point improvement on August 2019.

Regular employee ‘pulse’ surveys have also provided insights into our people’s perception of Education Development Trust as a place to work. The latest survey, conducted in the summer of 2021, showed improvements in scores for safeguarding, colleagues’ commitment to equality, inclusion and diversity, pay, whether staff feel comfortable offering their opinions, and critically – whether our people enjoy their jobs. This is highly encouraging, but staff wellbeing remains a strategic priority for the organisation, forming a key part of our corporate strategy for 2021-24.

Looking Ahead

“We can be very proud of everything we have achieved in 2020/21 – not least the ways in which we have reached over a million more learners than last year. This excellent achievement – along with the many others detailed in this report – provides us with an ever-stronger foundation to make even more impact in the future.

In the years to come, and as the world recovers from the ongoing impact of the pandemic, we will continue to raise standards across education systems, improve school performance and so transform lives through our work. We will also continue to invest in our public research portfolio – a key part of our charitable purpose – which has an essential role to play in furthering the global evidence base to help solve critical issues in education. As we say in our corporate strategy for the next three years, we will take the best of what we have learned in these uncertain times, and apply it in our ways of working, our programmes, our consultancy and our research, so that we can continue to build more resilient, effective and equitable education systems around the world. I have no doubt that our brilliant, dedicated teams, and those who will join us in the coming year, will be equal to this important task.

As we move forward towards these goals, the importance of collaboration cannot be overstated. We remain deeply committed to our learning partnerships with governments, research organisations, delivery partners and others to further our respective learning and the impact that this can have on learners and educators around the world.

We look forward to another year in which we can make a real difference to the lives of people around the world, as we continue to work towards our vision of a world in which all lives are transformed by education.”

Patrick Brazier, Chief Executive

2.5 SAFEGUARDING

Safeguarding remains a central priority at Education Development Trust. It is our legal and moral duty to ensure the protection of all those who come into contact with us through the course of our work. Our robust safeguarding policies encompass our work worldwide and we are committed to ensuring that all our beneficiaries receive the same level of protection and care by our vigilant and dedicated people.

Throughout 2020/21, we carried out a cycle of online training for all business areas reinforcing the eLearning that was developed and implemented in 2019/20. The training enabled an increasingly vigilant approach to safeguarding throughout the organisation demonstrated by prompt reporting of concerns and positive feedback by staff that they felt safe and confident about how to raise concerns.

The Global Safeguarding Community of Practice met bi-monthly, enabling all designated safeguarding leads and programme safeguarding officers across the organisation to share

knowledge and best practice. The forum is also an opportunity for participants to reflect on the training they receive from the organisation and contribute to policy reviews, ensuring that the safeguarding policies are effective in practice and appropriately adapted for the different contexts we operate in.

Each business area has implemented a continuous improvement plan and undertaken activities to strengthen safeguarding in their respective business areas and contexts ensuring compliance with the Global Safeguarding Policy and reporting procedures. Safeguarding provisions have been strengthened and embedded in associated policies to ensure that a consistent approach is applied to maintaining the safety of staff and beneficiaries.

All reportable serious incidents during this period were promptly reported to regulatory and statutory authorities and managed in line with our safeguarding policy and procedures. They were all brought to a satisfactory conclusion with the support and endorsement of statutory agencies involved.

Safeguarding has been aligned with both the inclusion and diversity and staff wellbeing strategies, establishing a unified approach to these interrelated issues.

2.6 STAKEHOLDER ENGAGEMENT

Our key stakeholders include our clients and funders, partners, employees, suppliers, school pupils and their parents or carers, programme participants, and communities on which we rely or that we affect. The interests of key stakeholder groups are ascertained, considered and discussed by the Board in the course of making key decisions.

One of the key decisions taken by the Board of Trustees during the year that demonstrates how we understand and engage with stakeholders and consider the external impact of our activities was the development and approval of the 2021-24 Strategy. The Board was consulted by the Executive on the development of the strategy throughout the year, leading up to final approval in September 2021. Through all stages of the process, trustees held meaningful discussions about the likely consequences of the strategy in the long term and the impact on stakeholders. The trustees considered the impact on staff in key decisions, especially safeguarding, protecting jobs and staff engagement and wellbeing. Trustees see our regular staff survey results, including quantitative and qualitative findings, and these have been used to inform their assessment of the strategy in terms of staff wellbeing.

This year, the Executive commissioned, at the request of trustees, a further feedback loop from clients, partners and suppliers, which resulted in the first global reputation survey being undertaken. Trustees have deliberated the findings and recommendations and are using these to inform their feedback on our strategy and implementation plans.

In the review of our organisational vision, purpose and values, we sought to develop statements that would be inspiring and interesting to potential clients, partners and staff, and aligned to our charitable objects and public benefit status. The market strategy, which formed the basis of the strategy, considered the views and interests of a range of funders and clients across our geographical markets. In developing the independent schools' strategy, trustees considered the impact on staff and parents / carers with children at our schools. In developing the inclusion and diversity strategy, trustees heard direct feedback from staff through the Inclusion and Diversity Taskforce and considered the impact of the strategy on staff, effective performance and our place within society. In the development of our propositions, trustees had regard to the wider agenda, including the UN Sustainable Development Goals and the UN Global Compact, and the need to foster relationships with key funders and programme participants.

2.7 FINANCIAL OVERVIEW

Education Development Trust is an international organisation with approximately 1,100 staff worldwide, income of £67m, net assets of £30m and group reserves of £16m.

Our income is generated by winning education-related contracts from governments and public or private bodies. Our business model is built on the principle of full cost recovery: any activity must recover all its attributable cost. This enables us to be financially sustainable and generate sufficient funds to invest in our sustainability through research and development, innovation and business development, brand building, enabling infrastructure – and in particular our public research.

The year-on-year decrease in income of £4.6m was due to the ongoing impact of Covid-19. Lockdowns in the UK affected our national careers service and teacher professional development programmes. Internationally, inspections in the Middle East continued to be cancelled or postponed and we experienced implementation delays in Sub-Saharan Africa due to travel restrictions and school closures. We did not achieve our income or net income targets for the year, but the impact of the income shortfall on net income and reserves was largely mitigated resulting in positive net income before investment, pension and exchange gains and losses, and a year-on-year increase in Charity and Group reserves.

The Group results for the period show net income before investment, pension and exchange gains and losses of £18,000 (2019/20: £1.0m net expenditure). Total income is £67 million, a decrease of £4.6 million from 2019/20. After gains on investments of £1.4m (2019/20: £0.2m losses), actuarial gains on defined benefit pension schemes of £0.9m (2019/20: £0.3m losses) and exchange losses on conversion of subsidiaries of £0.1m (2019/20: £1.2m), and after eliminating the net surplus attributable to minority interests of £0.1 million (2019/20: net deficit eliminated £0.1m) the net increase in funds for the year is £2.1 million (2019/20: £2.6m decrease).

The total assets less current liabilities of the Group amount to £30.8 million (2019/20: £30.1m). The net assets of the Group are £29.6 million (2019/20: £27.6m). For the Charity, net assets of £21.8 million are reported (2019/20: £19.2m). After accounting for actuarial gains, the defined benefit pension scheme accounting balance is an asset of £0.7 million (2019/20: liability of £0.1 million).

The Charity and its subsidiaries do not rely on the contribution of unpaid general volunteers and are not dependent on donations in kind or any other intangible income not evaluated or explained in the accounts.

2.8 RESERVES POLICY

Free reserves are defined as unrestricted financial investments plus working capital. They exclude restricted and designated funds, tangible fixed assets and defined benefit pension assets/liabilities; and include minority interests (for the Group). It is the policy of the Board to hold adequate reserves for the following purposes:

- To manage foreseeable working capital requirements.
- To absorb a risk-based assessment of the impact of trading volatility.
- To make reasonable allowance for other risks on a contingency basis.
- To finance investment in the strategic development of the Charity.

As a charity whose expenditure is driven by contractual delivery requirements, the level of reserves we are able to hold is dependent on our ability to generate a net surplus from our trading activities. In the long run we regulate the level of reserves and remain sustainable by optimising those

surpluses and investing amounts not planned to cover minimum working capital and risk requirements in strategic development and / or charitable activities.

The Board of Trustees reviews the reserves policy each year to ensure it remains fit for purpose. The Board reviews actual and planned reserves levels at least twice a year, as part of long-term financial planning, to ensure the level of funds in reserves will remain adequate. The level of reserves required for each purpose fluctuates dynamically in line with changes in composition and performance of our portfolio of contracts and changes to the nature and assessment of the risks we face. Accordingly, our monitoring approach is designed to ensure that throughout our planning horizon reserves will remain adequate and that we have plans to deploy reserves appropriately.

We have monitored solvency using a range of scenarios to stress test cash and reserves up to the date of signing the report. On the basis of this testing and the evident strength of the balance sheet, while an amount of uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern.

On 31 August 2021 free reserves were £9.6 million for the Charity (2019/20: £8.0m) and £16.3 million for the Group (2019/20: £15.4m). These amounts compare with budget figures set at the beginning of the financial year of £8.8m and £16.1m respectively. They are in line with our dynamic financial planning, and so were at a level that is adequate to meet continuously evolving requirements. The increase in Charity reserves during the year was driven by dividends from subsidiaries and investment gains.

2.9 INVESTMENT POLICY AND RETURNS

Our investment policy is to align with our reserves policy by balancing the portfolio between capital maintenance with low- to medium-risk returns over the medium term. We manage investment risk by pooling financial investments in two tiers. Tier 1 aims to represent the general funds minimum reserves requirement and is held in cash and cash equivalents. Tier 2 aims to represent the balance of financial resources in general and restricted funds and is held in balanced investment funds.

The Board of Trustees has wide investment powers and has delegated responsibility for the management of the portfolio, within the agreed risk profile, to selected investment managers. Our policy has an ethical component under which, while having regard to the requirements of charity law to maximise returns, we seek to avoid investing in activities contradictory to our objectives. Trustees periodically review implementation of the policy in consultation with the investment managers. The financial performance component of return on investment is measured against benchmark weighted indices. Historic performance against benchmarks is shown in the following table.

Investment manager	1 Year		3 Years		5 Years	
	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark
Newton (to 31/08/21)	23.2%	19.5%	10.3%	7.7%	10.2%	8.2%
HSBC (to 31/08/21)	15.1%	18.3%	5.0%	7.0%	5.7%	7.2%

2.10 ENERGY AND CARBON REPORTING

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 require us to disclose our annual UK energy use, greenhouse gas (GHG) emissions, energy efficiency measures undertaken and an energy efficiency ratio.

Energy Use and Carbon Emissions Disclosure

Primary Statement for 2020/21

	2020/21 Emissions (tCO ₂ e)	2019/20 Emissions (tCO ₂ e)	% Change
Electricity	98.56	98.05	1%
Gas	143.69	148.36	-3%
Transport Fuels	6.98	74.83	-91%
Gross Annual Total	249.23	321.24	-22%
Intensity Metric (Headcount)	662	636	4%
Total tCO₂e/head	0.38	0.51	-25%
Qualifying Green Tariffs	78.77	9.24	752%
Net Annual Total	170.45	312.01	-45%

These emissions translate to Scope 1, 2 and 3 emissions as follows:

GHG Emissions	2020/21 Emissions (tCO ₂ e)	2019/20 Emissions (tCO ₂ e)	% Change
Scope 1*	144.69	149.78	-3%
Scope 2 (location based)	98.56	98.05	1%
Scope 2 (market based)	19.79	88.82	-78%
Scope 3	5.98	73.41	-92%
Total (location based)	249.23	321.24	-22%
Total (market based)	170.46	312.01	-45%

* Transport fuel consumption and mains gas included, no fugitive emissions recorded

This is the second year of GHG reporting and is aligned with the 2020/21 financial year. The first year's report in 2019/20 forms the baseline year. The baseline year was formed during the Covid-19 pandemic and as such comparisons to this and future years may be skewed. We may re-baseline once operations are less volatile.

We have not developed any carbon targets for the current reporting period. However, over the past 12 months development of a carbon reduction plan to achieve carbon net-zero by 2050 has been underway. The intensity metric chosen is employee numbers (taken as a monthly average). This was chosen as the most suitable metric as the organisation has both schools and offices within the UK.

We have no qualifying carbon offsets during this financial period. Within the UK, all directly sourced electricity that the organisation procures is from REGO backed or 100% Carbon offset (Kyoto Protocol). This has reduced gross emissions from the consumption of purchased electricity via a qualifying green electricity tariff by 80%, equating to a carbon saving of 78.8 tonnes of CO₂e for this financial year.

Energy Efficiency Narrative

This year's reporting period has been significantly impacted by the Covid-19 situation which has reduced occupation of buildings and company transport significantly since March 2020. The Covid-19 situation has also impacted on energy efficiency measures that the organisation had sought to implement during this financial year. However, over the reporting period, the organisation has undertaken the following principal actions which have had a direct impact on the energy efficiency of the organisation:

- Established a monthly data reporting process for fuel consumption within the UK and SSA.
- Continued to work with the energy provider on the roll-out of smart meters within the UK.
- Established hybrid working for UK office-based employees.
- Continued with the roll out of LED lighting at Oakfield Preparatory School

The surveys and associated reports completed as part of Phase 2 Energy Savings Opportunities Scheme should provide a route map for which energy conservation measures can be implemented cost effectively. To reduce energy consumption, cost and carbon emissions, we will continue our existing good practices and implement further energy conservation measures in the next 12-month period, and as the changing Covid-19 situation allows.

2.11 FUNDRAISING

Section 162a of the Charities Act 2011 requires us to make a statement on fundraising activities. We do not undertake fundraising activities. Therefore:

- We do not use professional fundraisers or 'commercial participators' to solicit donations.
- We are not subject to any fundraising regulatory scheme or relevant codes of practice.
- We have not received any complaints in relation to fundraising.
- We do not require procedures to monitor fundraising activities.

2.12 PRINCIPAL RISKS

The top corporate risks facing the Group, and associated measures for managing those, are:

Risk identified	Further managing actions
Building capacity to match success in business growth	Continued focus on staff wellbeing alongside retention and recruitment
Adapting Employability and Careers work to post-Covid world	Continuous re-engineering of delivery model
Major safeguarding incident	Continuous focus on safeguarding monitoring and enhancement
IT security breach	Continue to develop and implement the IT Security and Disaster Recovery Action Plans
Evolving threats from Covid-19	Continuous monitoring and agile response

2.13 FINANCIAL RISKS

The following sets out the risk management principles applied to certain types of financial risks.

Liquidity

The Group retains sufficient cash funds to meet the day-to-day needs of the organisation and invests its remaining reserves in longer-term investments to maximise returns. The Group's financing objective is to locate funds that are surplus to operational requirements in the Trust (the parent entity). Subsidiaries provide regular financing plans and proposals for repatriation of surplus funds for approval by the Trust.

Financial market

The Group's exposure to market risk arises primarily from the Group's fixed asset investments: an investment portfolio of stocks and shares managed by two asset management companies and investment properties. The Group's policy for the investment portfolio is to ensure the investment portfolio is spread between equities and bonds, both in the UK and overseas, and is invested ethically. There are no investments in unquoted stocks, derivatives or unregulated collective investment schemes. The investment managers are also limited on how much they can invest in any one foreign currency or country.

Credit

The Group is mainly exposed to credit risk from credit sales. A significant amount of income is derived from major institutional, government and donor funding agencies and so the associated

credit risk is modest. However, where it works for private sector clients it assesses the credit risk of new customers and factors the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Foreign exchange

Due to the international nature of its activities, the Group's reported reserves, net assets and gearing are all affected by foreign exchange movements. By default, currency exposures are minimised by denominating transactions in GBP and / or denominating cash in- and out-flows in the same currency. Net exposures are identified, and appropriate management approaches are put in place on a case-by-case basis. The Group does not currently have any currency derivative instruments in place.

Procurement

Third-party expenditure is governed by a procurement policy and purchases of goods and services of more than a defined amount are subject to a tender process and contracts are put in place.

2.14 OPERATIONAL PLAN 2021/22

As we enter into a new 3-year strategic period (2021-24), our ambition is to be world-leading in the design and delivery of high-impact, large-scale educational change programmes, transforming even more lives through the power of education and careers advice and guidance – delivering more and delivering better. Covid-19 continues to cause considerable uncertainty and disruption across our programmes. To meet this challenge, we will be agile in our planning, and focused in our prioritisation.

Over the 3 years, we will work with education ministries to make education systems better, support school leaders to enhance school performance at scale, work with individuals to improve their career prospects, and contribute to the body of global evidence and insight into what works in education – and how, as a global community, we can reduce inequities in education around the world. Internally, as we emerge from the pandemic, we will take the best of what we have learnt from the crisis, and feature more adaptive working, closer collaboration with clients, geographically agnostic team-working, and more focus on our wellbeing.

In 2021/22, the first year of our strategy, we aim to be a more inclusive employer and have a more diverse workforce. Maintaining high levels of staff morale remains critical, particularly during this forthcoming period as we emerge from the pandemic – staff engagement and retention in times of growth in a highly competitive market will be a priority. We seek to consolidate the growth of our UK education contracts, using an agile approach to allocation of support and resourcing to mobilise new contracts and rapidly scale up delivery. We will strengthen our use of technology, increasing our capacity, setting out a technology roadmap to add maximum value, and establishing principles, process and ultimately a culture of good technology management. We aim to diversify our income by building a resilient, balanced portfolio of clients and income streams, with funders of high potential value representing an increasing share of revenue – Girls Education and Evidence into Policy & Practice will represent an increasing proportion of income and capability growth.

3 STRUCTURE, GOVERNANCE AND MANAGEMENT

3.1 STRUCTURE

Education Development Trust is a charity registered in England and Wales and has international and UK trading subsidiaries. We deliver education programmes to governments and donor agencies, provide education reform consultancy services, run a small group of independent (private) schools and invest in a programme of education research.

In Brunei, CfBT Education Services (B) Sdn Bhd, a majority-owned subsidiary, is engaged in the supplying of education system reform services and English language teachers to the Sultanate's public school system. The principal activities of the EDT Middle East Educational Consultancy LLC, registered in Abu Dhabi, are to provide educational consultancy and support for schools. During 2020/21, active trading subsidiary companies operated in the UK, India, Malaysia and South Africa. During the year, the subsidiary companies in India were divested from the Group, and two subsidiaries were dissolved: CfBT Education Services (Malaysia) Sdn Bhd and Monkton House Kings College (Cardiff) Educational Trust Limited. Since year end we have entered into an arrangement to sell our shares in Waverley School (Waverley Way) Limited over a period of 2 years.

3.2 GOVERNANCE

Education Development Trust was incorporated on 31 December 1965 and received charitable status on 20 February 1976. The Charity is governed by its Articles of Association, last amended in May 2021.

Board structure

The Board of Trustees meets every two months to determine strategy and policies and review performance. It is responsible for the approval of budgets, financial statements and new investments, delegating specific responsibilities to its committees. Details of the trustees who served throughout the year (except as noted) are set out in Section 4.

There are four permanent committees of the Board of Trustees which report to the Board on their meetings and activities.

- The **Audit and Finance Committee** meets four times a year as a minimum. The committee provides an independent oversight of the Group's systems of internal control, risk management and compliance. It also monitors the Group's financial policies and financial management.
- The **Education Impact Committee** meets three times a year to review the educational impact of the organisation's activities. It also has the remit to commission educational research.
- The **People, Culture and Remuneration Committee** meets three times a year. It has responsibility for reviewing people and culture matters across the organisation, including approaches to employee engagement, staff morale and wellbeing, corporate talent and development initiatives and inclusion. It is also responsible for determining the remuneration and benefits strategy for the Executive, commissioning external salary benchmarking data on a bi-annual basis.
- The **Corporate Safeguarding Committee** meets four times a year. It provides strategic direction and policy for the Trust in relation to safeguarding children, young adults and other direct and indirect beneficiaries globally. It also provides the Board of Trustees with assurance and evidence that we are meeting the applicable core regulations and exercising a duty of care. The Corporate Safeguarding Committee is advised immediately of any emerging safeguarding cases by the Corporate Safeguarding Adviser through our Chief Executive and is kept informed throughout the case management process.

Each of these committees is comprised of trustees and is attended by executive directors and senior members of staff, as required.

There are two membership committees. The members of these committees, the majority of which must be members who are not also trustees, are appointed by the President:

- The **Nominations Committee** meets twice a year to identify, nominate and make recommendations on the recruitment and appointment of trustees and members.
- The **Trustee Remuneration Committee**, meets as required (at least once a year) to review Board performance and provide independent oversight of the remuneration of the Board.

Current trustee membership of Board committees is indicated against each trustee's name, as listed in Section 4.

Appointment and role of trustees

Applications for new trustees are sought by public advertisement including the internet, through external advisers and through personal contact. The Nominations Committee interviews all potential trustees and successful applicants are put forward for election by the membership of the charitable company. Trustees serve up to two terms of four years. All new trustees are supported through an induction process, which includes meetings with the Chief Executive, Corporate Governance team and operational Directors, as well as written induction materials and relevant training. Trustees are subject to a performance management process where individual training needs are identified, and the Board carries out a self-evaluation periodically and in line with best practice. Trustees are also encouraged to engage with our operational activities through visits to programmes or knowledge-sharing events.

Trustee indemnity insurance

Trustee indemnity insurance provides insurance cover for charity trustees against claims which may arise from their legitimate actions as trustees. As a matter of law, charities require authority to purchase this type of insurance. In the case of Education Development Trust, that authority is obtained from our Articles of Association.

Charity Governance Code

The Charity continues to review and apply the principles of the Charity Governance Code. The Board undertook a self-evaluation process in June 2021 which was structured around the principles of the Code. The results are feeding into an updated Board development plan to enhance the work already underway to strengthen the following priority areas:

- Enhancing the strategic focus of trustees and their understanding of the Charity and its context, through a tailored induction, training and engagement programme (virtual and face to face). This includes trustee participation in online staff and stakeholder events, and field visits. (Principle 5: Board effectiveness).
- Improving Board diversity through: recruitment; oversight of the Inclusion and Diversity (I&D) strategy including the adoption of Inclusion as a new fifth organisational value; and incorporating I&D into the remit of the People, Culture and Remuneration Committee. (Principle 6: Equality, diversity and inclusion).
- Mapping the Charity's stakeholder network and developing a stakeholder stewardship programme, to include periodical reviews of external stakeholder views and feedback through formal surveys and informal events with trustees. (Principle 7: Openness and accountability).

UN Global Compact

We support the ten principles of the UN Global Compact with respect to human rights, labour, environment and anti-corruption. Through our Letter of Commitment and recently submitted Communication on Engagement, we have pledged to participate in and engage with the UN Global Compact by ensuring that its principles form part of our strategy, culture and day-to-day operations. Our Letter of Commitment and Communication on Engagement are both available on unglobalcompact.org.

3.3 RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Board of Trustees is also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In considering its responsibilities, the Board has had regard to the Charity Governance Code.

Charity and company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. As noted above, in preparing those financial statements, the Board of Trustees is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable 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 Charity will continue in business.

The Board of Trustees has overall responsibility for keeping proper accounting records that show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Companies Act 2006.

Financial statements are published on the Charity's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Board of Trustees is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

3.4 MANAGEMENT

During the period, the activity of the Charity was organised in three operational areas:

- Education Services: This activity brings together all our large-scale international and UK programmes. The key components of this area are: Middle East and Asia region; Sub-Saharan Africa region; UK Contracts; and Employability and Careers. The Middle East and Asia region

- also manages the Alexandria Schools Trust restricted fund.
- Research and Consultancy: This activity incorporates our consultancy business and our research.
- Independent Schools: This area includes our four independent (private) schools: three in the UK and one in South Africa. Since year end we transferred one of the UK schools, Danesfield Manor, to another proprietor and entered into an arrangement to sell our shares in Waverley School (Waverley Way) Limited over a period of 2 years.

3.5 STAFF

During the period under review, we employed an average of approximately 1,100 staff worldwide. We take a proactive position on employee engagement, talent management and personal development opportunities and differentiate ourselves as an 'employer of choice' within relevant recruitment markets.

We are committed to providing equality of opportunity for all and have developed a clear and compelling vision for inclusion and diversity which is a strategic priority with clear deliverables and accountabilities. Following the rollout of an all-employee inclusion and diversity survey, the information was used to inform the development of our inclusion and diversity strategy which was launched in April 2021. The Inclusion and Diversity Taskforce has been developing a portfolio of initiatives with the organisation, including building stronger diversity data globally, creating a more inclusive recruitment process and planning the rollout of Special Interest Groups across the organisation.

We have become a Disability Confident Committed employer which reinforces our full commitment to undertaking activities that make a real difference to people with disabilities. This includes giving full and fair consideration to applications for employment made by people with disabilities in line with our inclusion and diversity strategy, having regard to their aptitudes and abilities; continuing the employment of, and arranging training for employees who have become disabled while employed; and focusing on the training, career development and promotion of people with disabilities.

We deploy a wide range of methods to engage and communicate with employees globally on both a small and large scale, maximising our online capability. This has become even more important during the global pandemic when staff feedback has been sought via regular employee engagement 'pulse' surveys. In the last pulse survey of the year, we received an overall satisfaction score of +76% (82% positive less 6% negative). Whilst we have continued to see above-average levels of engagement from staff globally, wellbeing continues to be a key strategic priority and investment in this area will continue into 2021/22.

3.6 RISK MANAGEMENT AND INTERNAL CONTROL

Our Board of Trustees has responsibility for ensuring the appropriate financial and non-financial controls are in place to provide reasonable, but not absolute, assurance against inappropriate use of resources and against the risk of errors or fraud. It also supports the achievement of the organisation's policies, aims and objectives.

Risk management

The Audit and Finance Committee oversees our risk management framework on behalf of the trustees. Due to the complexity of the organisation, the Board considers risk tolerance in relation to specific areas of sensitivity, rather than setting a generic risk tolerance framework. In our risk management policy, we have set risk tolerance levels for safeguarding risk (very low) compliance risk (low), security risk (medium), and commercial risk (medium).

We operate a formal risk management process which is incorporated within our system of internal control. This is integrated into the organisation, with clear risk ownership at every level to enable management of the risk profile. Operating at all levels of the organisation from individual programmes up to Group level, exposure to risk is regularly reviewed and escalated. Exposures are assessed before and after existing controls, and where these are regarded as inadequate further measures are devised and implemented.

Risks are escalated to the appropriate organisational level based on their scope and significance. Risk management is considered at business review meetings. Reports are made to the Audit and Finance Committee which reviews and provides further challenge. The Board receives reports on strategic risks three times per year.

Internal control

The Audit and Finance Committee provides independent oversight of the effectiveness of the systems of internal control and is responsible for reviewing and approving the annual internal audit programme, reviewing the key findings of the internal audit reports as well as monitoring the implementation of accepted recommendations. The committee also meets at least twice a year with the external auditors, both with and without management, to discuss the annual statutory audit and any internal control weaknesses identified in the management letter.

The key components of our internal control and risk management environment include:

- A three-year strategic plan approved by the Board of Trustees against which performance is monitored.
- An annual plan and budget approved by the Board of Trustees.
- Consideration of the financial results of the Group by the Board of Trustees and executive management based on monthly management reports with variances to budget and/or forecast.
- Consideration of organisational performance – educational impact, contractual delivery, financial performance and risk management – through business review meetings.
- Delegation of authority and segregation of duties.
- Processes for identifying and managing compliance with relevant legislation and with the requirements of regulatory bodies.
- Operational policies and procedures for staff, including policies on safeguarding, whistleblowing, health and safety, and serious incident reporting.
- An outsourced internal audit function which is responsible for a rolling programme of risk-based audits designed to review the effectiveness of internal control processes across the Group and to provide recommendations to strengthen the control environment, the results of which are reported to management and the Audit and Finance Committee. The programme was suspended in March 2020 due to Covid-19 and resumed in March 2021.

In particular, we are committed to safeguarding and have zero tolerance for any form of harm, abuse, neglect or exploitation of beneficiaries, staff and all who come into contact with the Trust. This accountability rests with the trustees, who have delegated operational responsibility through the Executive and the Corporate Safeguarding Committee.

The Trustees' Annual Report and Strategic Report was approved by the Board of Trustees on 24 March 2022 and signed on its behalf by:



Ilse Howling
Chair
24 March 2022

4 REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

4.1 CHARITY DETAILS

Name	Education Development Trust
Registered Charity	Charity Number 270901
Private Company Limited by Guarantee	Company Number 867944
Country of incorporation	England and Wales
Registered & Principal Office	Highbridge House, 16–18 Duke Street, Reading RG1 4RU
Website	www.educationdevelopmenttrust.com
Email	enquiries@educationdevelopmenttrust.com
Telephone	0118 902 1000

4.2 TRUSTEES

The following trustees served throughout the period to which this report relates unless otherwise indicated. Current membership of Board sub-committees is also indicated.

Ilse Howling – Chair; Chair of Nominations Committee; People, Culture and Remuneration Committee

Tanya Barron – Audit and Finance Committee; People, Culture and Remuneration Committee

Christine Gilbert – Chair of Corporate Safeguarding Committee; Education Impact Committee; People, Culture and Remuneration Committee

Julia Grant – Audit and Finance Committee

Nimal Hemelge – from January 2022

Yetunde Hofmann – until December 2020

Robert Humphreys – Chair of Audit and Finance Committee

Joy Hutcheon – Chair of People, Culture and Remuneration Committee; Audit and Finance Committee; Nominations Committee

Angela McFarlane – Chair of Education Impact Committee

Jonathan Simons – Education Impact Committee

Muchemi Wambugu – from January 2022

4.3 MEMBERS

Currently Education Development Trust has 34 members. The members take an active role in our work and share their educational experience and expertise for the benefit of the Trust. The membership appoints the trustees and is responsible for reviewing the work of the Trust, principally at the Annual General Meeting.

4.4 PRESIDENT AND VICE PRESIDENT

Throughout the period, Sir Jim Rose and Sara Hodson acted as President and Vice President respectively. Both were appointed on 30 April 2015 and re-appointed on 21 May 2020 for a second term of five years.

4.5 EXECUTIVE

The Executive is responsible for the operational management of the organisation and, through the Chief Executive, reports to the Board of Trustees or its committees.

Patrick Brazier (Chief Executive)

Tony McAleavy (Education Director)

Cheryl McGeachie (Marketing and Public Affairs Director)

Bob Miles (Finance and Corporate Services Director; Company Secretary)

Anna Searle (Education Services Director)

4.6 BANKERS AND PROFESSIONAL ADVISERS

Bankers	Lloyds Bank Plc 24 Broad Street Reading RG1 2BT	Auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick, West Sussex RH6 0PA
Investment Managers	Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA		HSBC Private Bank (UK) Limited 8 Cork Street London W1S 3LJ
Legal Advisers	Clarkslegal LLP 5th Floor, Thames Tower Station Road Reading RG1 1LX		Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
	Coupe Bradbury Solicitors Bath Street Chambers 7 Bath Street Lytham FY8 5ES		
Legal Advisers (International)	Eversheds Sutherland One Wood Street London EC2V 7WS		

5 INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF EDUCATION DEVELOPMENT TRUST

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of Education Development Trust ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 August 2021 which comprise the consolidated statement of financial activities, the statement of financial activities – charity only, the consolidated and charity balance sheets, the consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related 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 Group and the Parent Charitable 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: The Chair's Report

and The Trustees' Report (incorporating the Strategic Report). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Responsibilities of the Board of Trustees' statement, 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 determines 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 Group's and the Parent 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 Group or the Parent 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was 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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, Charities Act 2011 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection, health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Contract and tuition fee income revenue recognition, supplier payments and overseas expenditure.

Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Audit and Finance Committee and Senior Management Team, review of minutes of meetings of those charged with governance
- reviewing correspondence with HMRC
- audit testing a sample of overseas expenditure and UK expenditure, ensuring these have been made in accordance respective authority limits, agreements and internal control procedures
- challenging assumptions made by management in their significant accounting estimates in particular in relation to defined benefit pension scheme actuarial assumptions and provisions for bad debts

- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements
- reviewing Serious Incident Reports submitted to the Charity Commission, other correspondence with the Charity Commission and performed an assessment of any Whistleblowing matters
- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 August 2021; and
- performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

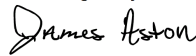
As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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James Aston MBE (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

Date: 28 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

6 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2021

	Notes	General Fund £'000	Restricted Funds £'000	Year to 31 August 2021 Total £'000	Year to 31 August 2020 Total £'000
INCOME					
<u>Income from investments</u>	1d				
Dividends receivable		78	124	202	235
Rental income		328	-	328	376
Interest income		41	-	41	72
<u>Income from charitable activities</u>	1d				
Education Services		53,396	165	53,561	57,176
Research and Consultancy		2,706	-	2,706	3,079
Independent Schools		9,720	-	9,720	10,220
Total income	2a	66,269	289	66,558	71,158
EXPENDITURE					
<u>Expenditure on raising funds</u>	1e				
Investment manager's fees		13	21	34	35
Other costs		327	-	327	375
<u>Expenditure on charitable activities</u>	1e				
Education Services		52,947	135	53,082	56,243
Research and Consultancy		2,445	140	2,585	3,333
Independent Schools		10,512	-	10,512	12,124
Total expenditure	5	66,244	296	66,540	72,110
Total income less total expenditure		25	(7)	18	(952)
Net gain / (loss) on investments	8	536	849	1,385	(152)
Net income / (expenditure)	2b	561	842	1,403	(1,104)
Other recognised gains and losses					
Actuarial gain / (loss) on defined benefit pension schemes	14	909	-	909	(340)
Exchange loss on conversion of subsidiaries		(109)	-	(109)	(1,177)
Total recognised gains / (losses) for current period		800	-	800	(1,517)
Net movement in funds before minority interest		1,361	842	2,203	(2,621)
(Less) / Add: Minority interest		(133)	-	(133)	57
Net movement in funds after minority interest		1,228	842	2,070	(2,564)
Balance brought forward at 1 September 2020		19,325	5,325	24,650	27,214
Balance carried forward at 31 August 2021		20,553	6,167	26,720	24,650

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

The notes on pages 41 to 63 form an integral part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY
For the year ended 31 August 2021

	Notes	General Fund £'000	Restricted Funds £'000	Year to 31 August 2021 Total £'000	Year to 31 August 2020 Total £'000
INCOME					
<u>Income from investments</u>					
	1d				
Dividends receivable		756	124	880	3,707
Rental income		326	-	326	374
Interest income		7	-	7	31
<u>Income from charitable activities</u>					
	1d				
Education Services		38,732	165	38,897	38,980
Research and Consultancy		2,707	-	2,707	3,083
Independent Schools		7,708	-	7,708	8,325
Total income		50,236	289	50,525	54,500
EXPENDITURE					
<u>Expenditure on raising funds</u>					
	1e				
Investment manager's fees		13	21	34	35
Other costs		327	-	327	375
<u>Expenditure on charitable activities</u>					
	1e				
Education Services		38,376	135	38,511	38,524
Research and Consultancy		2,527	140	2,667	3,443
Independent Schools		8,636	-	8,636	10,328
Total expenditure		49,879	296	50,175	52,705
Total income less total expenditure		357	(7)	350	1,795
Net gain / (loss) on investments	8	536	849	1,385	(152)
Net income		893	842	1,735	1,643
Other recognised gains and losses					
Actuarial gain / (loss) on defined benefit pension schemes	14	909	-	909	(340)
Total recognised gains / (losses)		909	-	909	(340)
Net movement in funds		1,802	842	2,644	1,303
Balance brought forward at 1 September 2020		13,876	5,322	19,198	17,895
Balance carried forward at 31 August 2021		15,678	6,164	21,842	19,198

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

The notes on pages 41 to 63 form an integral part of these financial statements.

BALANCE SHEETS
 As at 31 August 2021

	Notes	-----GROUP-----		-----CHARITY-----	
		As at 31/08/21 £'000	As at 31/08/20 £'000	As at 31/08/21 £'000	As at 31/08/20 £'000
FIXED ASSETS					
Tangible assets	1f, 7	6,480	6,975	5,191	5,765
Investments	1h, 8	9,979	8,627	9,979	8,627
Investments in Group undertakings	9	-	-	203	203
Total fixed assets		16,459	15,602	15,373	14,595
CURRENT ASSETS					
Debtors: Amounts falling due within one year	10	15,053	11,274	10,872	8,644
Cash at bank and in hand		24,532	20,146	18,844	12,096
		39,585	31,420	29,716	20,740
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	11	(25,280)	(16,959)	(22,146)	(13,698)
Net current assets		14,305	14,461	7,570	7,042
Total assets less current liabilities		30,764	30,063	22,943	21,637
Creditors: Amounts falling due after more than one year	11	(750)	(1,250)	(750)	(1,250)
Provision for liabilities and charges	13	(1,080)	(1,129)	(1,062)	(1,110)
Defined benefit pension schemes	14	711	(79)	711	(79)
NET ASSETS		29,645	27,605	21,842	19,198
CHARITABLE FUNDS					
General fund (excluding defined benefit pension schemes)		19,842	19,404	14,967	13,955
Restricted funds	12	6,167	5,325	6,164	5,322
SUB TOTAL FUNDS (excluding pension liabilities)		26,009	24,729	21,131	19,277
Defined benefit pension asset / (liability)	14	711	(79)	711	(79)
TOTAL FUNDS (excluding minority interest)		26,720	24,650	21,842	19,198
Minority interests		2,925	2,955	-	-
TOTAL FUNDS		29,645	27,605	21,842	19,198

The notes on pages 41 to 63 form an integral part of these financial statements.

The financial statements were approved by the Board and signed on its behalf by:



Ilse Howling
 Chair
 Dated: 24 March 2022

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 August 2021

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
<u>Cash flows from operating activities</u>		
Net income / (expenditure) for the year	1,403	(1,104)
Adjustments for:		
Depreciation on tangible fixed assets	1,797	2,197
Profit on sale of tangible fixed assets	(3)	(26)
(Increase) / decrease in debtors	(3,779)	7,567
Increase / (decrease) in creditors	7,821	(1,255)
(Decrease) / increase in provisions	(49)	296
Less dividends receivable	(202)	(235)
Less interest receivable	(41)	(72)
Post-retirement benefits adjustment	119	19
Dividends paid to minority interest	(163)	(2,414)
(Gain) / loss on investments	(1,385)	152
Exchange (gain) / loss on fixed assets	(144)	258
Exchange loss on conversion of cash	67	63
Exchange loss on conversion of opening reserves of foreign subsidiaries	(109)	(1,177)
Net cash generated from operating activities	5,332	4,269
<u>Cash flows from investing activities</u>		
Interest received	41	72
Dividends received from investments	202	235
Purchase of tangible fixed assets	(1,161)	(709)
Sale of tangible fixed assets	6	26
Purchase of fixed asset investments	(2,818)	(3,087)
Sale of fixed asset investments	2,903	4,777
Net cash (used in) / generated from investing activities	(827)	1,314
Net increase in cash and cash equivalents in the year	4,505	5,583
Cash and cash equivalents at the beginning of the year	20,140	14,620
Change in cash and cash equivalents due to exchange rate movements	(67)	(63)
Total cash and cash equivalents at the end of the year	24,578	20,140
<u>Cash and cash equivalents:</u>		
Cash at bank and in hand	24,532	20,146
Cash at / (due to) investments managers – money market deposits	46	(6)
Total cash and cash equivalents	24,578	20,140

The notes on pages 41 to 63 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

1. PRINCIPAL ACCOUNTING POLICIES

a. Basis of accounting and consolidation

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value. 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 (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounts of the Charity have been prepared on a going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in applying the Group's accounting policies (see note 1c).

In preparing the separate financial statements of the Charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been prepared for the Charity; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Charity because their remuneration is included in the totals for the Group as a whole.

All branches are consolidated fully within the Charity. The results and balance sheet of Education Development Trust and its subsidiaries have been consolidated on a line-by-line basis.

The Consolidated Statement of Financial Activities includes the financial activities of the Charity and its subsidiaries up to 31 August. The results of subsidiaries acquired or sold are included in the Consolidated Statement of Financial Activities from, or up to, the date control passes. Intra-group transactions are eliminated fully on consolidation.

On acquisition of subsidiaries, all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities and the resulting surpluses or deficits that arise after the Group has gained control of the subsidiary are charged to the post-acquisition Statement of Financial Activities.

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

A summary of the accounting policies, which have been applied consistently, is set out below.

b. Going Concern

Covid-19 has continued to impact our financial performance, but with limited impact on cash and reserves. We have monitored solvency using a range of scenarios to stress test cash and reserves up to the date of signing the report. On the basis of this testing and the evident strength of the balance sheet, while an amount of uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The trustees therefore consider it appropriate for the accounts to be prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021**1. PRINCIPAL ACCOUNTING POLICIES (continued)****c. Critical accounting judgements and estimations**

In preparing the financial statements, the trustees are required to make estimates and judgements. The items in the financial statements where these judgements and estimates have been made include:

(i) Actuarial assumptions in respect of defined benefit pension schemes – Actuarial valuations of defined benefit pension schemes are incorporated in the financial statements in accordance with FRS 102. The actuarial valuation process involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In applying FRS 102, advice is taken from independent qualified actuaries.

(ii) Pension scheme deficit reduction payments – There is a deficit reduction plan in place in respect of our membership of the Pension Trust's Growth Plan (see note 14). FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in several areas, including the selection of an appropriate discount rate.

(iii) Bad debts – The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

(iv) Accruals – The estimate for payables relates to the liabilities not settled at the year end. A review is performed on an individual creditor basis to estimate the amount that will be paid.

(v) Tangible Fixed Assets – A review is performed annually for indicators of impairment.

d. Income

In the Statement of Financial Activities, income is split between income received from investments and income received from charitable activities.

Income from investments includes dividend income, rental income and interest income, and is included in the Statement of Financial Activities on a receivable basis.

Income from charitable activities represents amounts receivable for goods and services provided in the UK and overseas, net of taxes levied on sales.

Income from charitable activities has been split under the three key activities identified to meet the Charity's objectives: Education Services, Research and Consultancy and Independent Schools.

Income is included in the Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified, and receipt is probable. Specifically:

- income from tuition and nursery fees is recognised to the extent that the related services have been provided; and
- income from contracts is recognised using the stage of completion method which is equivalent to the aggregate of related expenditure incurred plus a portion of estimated surplus. Anticipated losses on contracts are charged to the Statement of Financial Activities in their entirety when losses become evident.

Income received in advance of the performance of the service is treated as deferred income.

Any associated expenditure is accounted for according to the accruals concept.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

1. PRINCIPAL ACCOUNTING POLICIES (continued)

e. Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds includes charges made by the investment managers, Newton Investment Management Limited and HSBC Global Asset Management (UK) Limited for the Group's portfolio management.

Expenditure on charitable activities has been split under the three key activities identified namely: Education Services, Research and Consultancy and Independent Schools. Further detail of the work within each of these areas is detailed in the Trustees' Report.

Expenditure incurred by subsidiaries is deemed to be direct operating expenditure.

Support, development and governance cost are either directly attributable to charitable activities or where they are not directly attributable they are allocated to activities on a proportion of income basis.

Development expenses, which include marketing expenses, both those of a promotional nature and those specific to negotiating and obtaining future projects, are written off in the period in which the expenses are incurred.

Where input VAT is not recoverable on work undertaken by the Group it is treated as a cost of that project and reflected in the Statement of Financial Activities.

f. Tangible fixed assets

Tangible fixed assets are stated at cost, less depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Freehold land	Not depreciated
Freehold and long-term leasehold buildings	30 years or lease term, whichever is shorter
Building improvements	30 years or lease term, whichever is shorter
Freehold and leasehold improvements	10 years, lease term or remaining contract period, whichever is shorter
Office furniture and equipment	5 years
Motor vehicles	4 years
Enterprise Resource Planning (ERP) system	10 years
Other computer equipment, software and IT infrastructure	3-5 years

For office furniture, equipment and computer equipment purchased second-hand, the depreciation rate is 2 years straight-line.

Where assets are held for a specific contract, those assets are written off over the shorter of the estimated life of the asset and the underlying contract.

Where assets are purchased by the Group but are to be handed back to the funder at the end of the contract, ownership is deemed not to have transferred from the funder and the cost is expensed immediately.

The Group policy is not to capitalise items costing under £1,000. VAT is excluded in the cost of the capital item unless it is irrecoverable, in which case it is treated as part of the cost of that asset.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021**1. PRINCIPAL ACCOUNTING POLICIES (continued)****g. Impairment of fixed assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

h. Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Other fixed asset investments comprise investment portfolios. The valuations of the investment portfolios were performed by the Group's investment managers, Newton Investment Management Limited and HSBC Global Asset Management (UK) Limited. Gains and losses are recognised in net income/expenditure in the Statement of Financial Activities. All investment income is derived from quoted investments and recorded in the books of the Charity when received.

i. Financial instruments

The Charity only has financial assets and liabilities of a kind which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021**1. PRINCIPAL ACCOUNTING POLICIES (continued)****j. Pension scheme arrangements****(i) Defined contribution scheme**

The Charity and its subsidiaries operate defined contribution pension schemes whereby contributions are charged against revenue as they are made.

(ii) Defined benefit scheme

The Charity contributed to defined benefit pension schemes.

Pension assets and liabilities are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities.

Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the Statement of Financial Activities.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities.

The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members, is recognised in the Statement of Financial Activities within actuarial gains/losses on defined benefit pension schemes.

The resulting defined benefit asset or liability is presented separately on the face of the Balance Sheet. The Charity recognises assets for its defined benefit pension schemes to the extent that they are considered recoverable through reduced contributions in the future, or through refunds from the scheme.

k. Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

l. Operating leases

Rentals paid under leases are charged against income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021**1. PRINCIPAL ACCOUNTING POLICIES (continued)****m. Foreign currency translation****(i) Functional and presentation currency**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling, which is the Charity's and the Group's presentation currency.

(ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entity are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences that arise are recognised within 'Net income/expenditure' in the Statement of Financial Activities.

(iii) Translation of group entities

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to Sterling using the exchange rate ruling on the balance sheet date. Income and expenses are translated using an average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation of group companies are recognised within 'Other recognised gains/losses' in the Statement of Financial Activities.

n. Restricted funds

The Charity and Group reserves are allocated to two separate types or funds: restricted funds and unrestricted funds. Restricted funds are those relating to income which may only be used for specific purposes. All other funds, including designated funds, are unrestricted.

The trustees may approve the transfer of funds from unrestricted to restricted funds if operating losses would otherwise result in negative restricted funds being carried forward and it is not anticipated that future operating profits will cover those losses.

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2021

2. SEGMENTAL ANALYSIS

(a) Group income relating to operating activities	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
An analysis of Group turnover by geographical segment is given below:		
United Kingdom	28,574	30,092
South Asia and South East Asia	15,574	16,140
Middle East	759	4,125
Africa	21,527	20,462
Europe and other	124	339
	66,558	71,158

Within United Kingdom, income of £0.2m (2019/20: £1.0m) relates to the Coronavirus Job Retention Scheme.

Within Africa, income of £4.7m (2019/20: £5.0m) relates to the FCDO Girls' Education Challenge contract.

(b) Net income / (expenditure)

	£'000	£'000
An analysis of the net surplus / (deficit) by geographical segment is given below:		
United Kingdom	(1,863)	(4,564)
South Asia and South East Asia	1,596	1,787
Middle East	(233)	360
Africa	1,837	1,181
Europe and other	66	132
	1,403	(1,104)

3. STAFF AND TEACHER COSTS

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
Wages and salaries	33,037	32,847
Redundancy and termination payments	270	543
Social security costs	1,700	1,691
Pensions	1,454	1,536
Temporary staff	200	153
	36,661	36,770

Redundancy and termination payments were incurred as part of the ongoing evolution of the business and were accounted for in full in the year that the departure was agreed. The amount payable at 31 August 2021 was £49,311 (2020: £160,375) and is included within Creditors.

Details of the amount payable to defined contribution pension schemes in respect of staff are shown in pensions note 14a.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
3. STAFF AND TEACHER COSTS (continued)

Staff members whose total annual remuneration was in the ranges:	Year to 31 August 2021 No. of Staff	Year to 31 August 2020 No. of Staff
£60,000 – £69,999	22	16
£70,000 – £79,999	14	23
£80,000 – £89,999	4	4
£90,000 – £99,999	4	4
£110,000 – £119,999	3	2
£130,000 – £139,999	2	2
£140,000 – £149,999	2	2
£150,000 – £159,999	2	2
£160,000 – £169,999	-	1
£170,000 – £179,999	3	1
£180,000 – £189,999	-	1
£190,000 – £199,999	-	1
£240,000 – £249,999	-	1
	56	60

For certain roles involved in major programmes in specific overseas territories, total remuneration includes accommodation, travel, medical and life insurance, schooling, taxes and / or other relevant allowances.

The Chief Executive had total annual remuneration in the £170,000 – £179,999 range (2019/20: £180,000-£189,999 range).

Total employer pension contributions for the provision of money purchase schemes totalled £219,119 (2019/20: £229,162) for those staff whose total remuneration was more than £60,000.

	Year to 31 August 2021 No. of Staff	Year to 31 August 2020 No. of Staff
The number of staff whose remuneration was more than £60,000 to whom retirement benefits are accruing under:		
- money purchase schemes	37	41
- defined benefit schemes	2	3
The average monthly number of persons employed by the Group during the period was:	1,096	1,082

Key management personnel

The total employment benefits of the key management personnel was £775,463 (2019/20: £787,093) and total employer pension contributions for four people was £58,529 (2019/20; £51,507 for five people).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
4. NET INCOME / EXPENDITURE
is stated after charging / (crediting)

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
Auditors' remuneration:		
Group audit (Charity 2020/21: £50,000, 2019/20: £48,000)	55	53
Other	2	1
Audits of international subsidiaries	18	18
Depreciation (note 7)	1,797	2,197
Remuneration of the Board of Trustees (note 6)	120	123
Exchange differences	(15)	4
Governance costs	133	137
Operating lease rentals: Property	1,265	1,268
Profit on sale of tangible fixed assets	(3)	(26)

5. ANALYSIS OF TOTAL EXPENDITURE – GROUP

	Direct Staff Costs £'000	Support Staff Costs £'000	Materials Production and Training Delivery £'000	Premises £'000	Other Project Expenditure (including depreciation) £'000	Other Support Expenditure £'000	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
<u>Expenditure on charitable activities</u>								
Education Services	25,339	3,102	3,583	722	18,665	1,671	53,082	56,243
Research and Consultancy	1,338	157	137	8	861	84	2,585	3,333
Independent Schools	6,162	563	42	1,495	1,947	303	10,512	12,124
	32,839	3,822	3,762	2,225	21,473	2,058	66,179	71,700
Investment manager's fees	-	-	-	-	-	34	34	35
Other costs	-	-	-	-	-	327	327	375
Total expenditure	32,839	3,822	3,762	2,225	21,473	2,419	66,540	72,110

All direct expenditure is charged to the relevant charitable activity on an accruals basis.

Expenditure has been shown under the main categories and split between direct and indirect costs. Other project expenditure includes payments to education consultants and associates and other costs incurred in order to meet the Charity's contractual obligations. Other support expenditure includes central finance, human resources, information technology, marketing & communication and governance costs.

Support, governance and development expenditure which is not directly attributable to a charitable activity has been allocated based on the income of that activity as a proportion of the Group income. Governance costs are reported in note 4.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
6. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES

			Year to 31 August 2021	Year to 31 August 2020
Recipient	Nature		£	£
I Howling	Remuneration		25,000	25,000
R Humphreys	Remuneration		15,500	15,500
C Gilbert	Remuneration		15,500	11,774
A McFarlane	Remuneration		15,500	15,500
J Hutcheon	Remuneration		13,667	10,000
J Grant	Remuneration		10,000	10,000
Y Hofmann	Remuneration	to 31 December 2020	5,167	15,500
T Barron	Remuneration		10,000	10,000
J Simons	Remuneration	from 19 September 2019	10,000	10,000
			120,334	123,274

The trustees were appointed under clauses 14.1 and 14.2 of the Memorandum and Articles of Association.

Trustees are remunerated monthly based on their role as trustee. Trustees with additional responsibilities such as chair to a committee are remunerated at a higher level. The levels of remuneration were approved by the Charity Commission in 2014/15. Trustees do not receive pension contributions or other benefits.

Nature of expense	Number of Board Members		Year to	Year to
	2020/21	2019/20	31 August 2021	31 August 2020
			£	£
Travel expenses	2	6	871	585
Subsistence / meals / hospitality	9	9	192	1,477
Hotels / accommodation	-	6	-	1,905
Other expenses	-	9	-	593
			1,063	4,560

(c) Transactions with connected parties
(i) Subsidiary undertakings

The following management and other fees were charged by the Charity to its subsidiaries:

	Year to 31 August 2021	Year to 31 August 2020
	£'000	£'000
CfBT Education Services (B) Sdn Bhd	1,020	1,061
EDT Middle East Educational Consultancy LLC	39	311
International School of Cape Town (Pty) Ltd	8	10

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
6. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES (continued)

The following balances were owed to / (owed by) the Charity at the year-end date:

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
CfBT Education Services (B) Sdn Bhd	729	742
EDT Middle East Educational Consultancy LLC	(101)	(27)
International School of Cape Town (Pty) Ltd	898	797
League for the Exchange of Commonwealth Teachers	(4)	(7)
Waverley School (Waverley Way) Ltd	89	85

The above balances are repayable to the Charity; however, provisions have been made against balances where repayment is doubtful.

The Charity has a 20% shareholding in CfBT Education Services and Partners LLC, a company which provides support for educators in Oman. As the Charity does not have significant influence it is treated as a fixed asset investment. The balance outstanding from CfBT Education Services and Partners LLC of £1,395,000 at 31 August 2021 (2020: £1,394,000) is included within Trade Debtors.

(ii) Other connected parties

Education Development Trust appoints two trustees to the Board of Anthem Schools Trust which is therefore treated as a related party of the Charity. All transactions between the parties are made on an arms-length basis.

The related party transactions during the period to 31 August were:

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
Recovery of Anthem Schools Trust staff salary costs and expenses paid by Education Development Trust on behalf of Anthem Schools Trust	1	564
Charge for Education Development Trust services supporting Anthem Schools Trust	27	28
Services provided to Anthem Schools Trust Schools within normal Education Development Trust business	7	2
Services received from Anthem Schools Trust Schools as part of normal Education Development Trust business	4	18
Donation made by Education Development Trust to Anthem Schools Trust	-	27

Anthem Schools Trust owed £3 to Education Development Trust as at 31 August 2021 (2020: £56,053).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
7. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Long term Leasehold Property £'000	Leasehold Improvement £'000	Motor Vehicles £'000	Office Fixtures £'000	IT Systems & Computers £'000	Assets Under Construction £'000	Total £'000
Group								
Cost								
As at 1 September 2020	3,158	1,196	6,052	409	1,801	4,696	-	17,312
Additions	56	-	213	22	108	459	303	1,161
Disposals	-	-	(51)	(33)	(91)	(24)	-	(199)
Exchange adjustment	136	-	23	1	18	26	-	204
As at 31 August 2021	3,350	1,196	6,237	399	1,836	5,157	303	18,478
Depreciation								
As at 1 September 2020	926	906	3,723	351	1,315	3,116	-	10,337
Charge for year	257	40	441	45	218	796	-	1,797
Eliminated on disposal	-	-	(51)	(32)	(90)	(23)	-	(196)
Exchange adjustment	13	-	10	-	16	21	-	60
As at 31 August 2021	1,196	946	4,123	364	1,459	3,910	-	11,998
Net book value at 31 August 2021	2,154	250	2,114	35	377	1,247	303	6,480
Net book value at 31 August 2020	2,232	290	2,329	58	486	1,580	-	6,975
Charity								
Cost								
As at 1 September 2020		2,349	5,786	103	1,405	4,347	-	13,990
Additions		-	210	22	100	435	303	1,070
Disposals		-	-	-	(10)	-	-	(10)
Exchange adjustment		-	(1)	(3)	-	(1)	-	(5)
As at 31 August 2021		2,349	5,995	122	1,495	4,781	303	15,045
Depreciation								
As at 1 September 2020		758	3,571	93	956	2,847	-	8,225
Charge for year		257	434	7	201	744	-	1,643
Eliminated on disposal		-	-	-	(10)	-	-	(10)
Exchange adjustment		-	(1)	(1)	(1)	(1)	-	(4)
As at 31 August 2021		1,015	4,004	99	1,146	3,590	-	9,854
Net book value at 31 August 2021		1,334	1,991	23	349	1,191	303	5,191
Net book value at 31 August 2020		1,591	2,215	10	449	1,500	-	5,765

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2021

8. FIXED ASSET INVESTMENTS
Portfolio structure

	-----Group and Charity-----			
	-----31 August 2021-----		-----31 August 2020-----	
	%	£'000	%	£'000
Fixed income	12.7%	1,272	14.3%	1,230
Equities	31.2%	3,109	28.0%	2,418
Multi Asset Funds	51.1%	5,099	49.7%	4,290
Other	4.5%	453	8.1%	695
Cash held by / (due to) investment managers	0.5%	46	(0.1)%	(6)
Market value as at 31 August	100%	9,979	100%	8,627

Movement in market value of investments

	2020/21 £'000	2019/20 £'000
Opening market value as at 1 September	8,627	10,564
Additions	2,818	3,087
Disposals	(2,903)	(4,777)
Unrealised gains / (losses)	1,169	(330)
Realised gains	216	178
Increase / (decrease) in cash	52	(95)
Closing market value as at 31 August	9,979	8,627

Historical cost of investment portfolio

	-----Group and Charity-----	
	2021 £'000	2020 £'000
Costs as at 31 August	7,047	6,858

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
9. INVESTMENTS IN SUBSIDIARIES

The Charity holds investments in principal undertakings as follows:

	Country of Registration	Company / Charity No	% Holding of Issued Share Capital	Turnover £'000	Expenditure £'000	Net Assets/ (Liabilities) £'000
Education Services						
CfBT Education Services (B) Sdn Bhd	Brunei	n/a	55%	15,459	14,848	5,743
CfBT Multimedia Education Sdn Bhd	Malaysia	482193-M	100%	-	(20)	9
EDT Middle East Educational Consultancy LLC	Abu Dhabi	n/a	49%	277	691	1,704
League for the Exchange of Commonwealth Teachers	Great Britain	4294081 / 1089920	100%	-	-	3
Independent Schools						
International School of Cape Town (Pty) Ltd	South Africa	2002/026764/07 / n/a	100%	2,028	1,836	772
Waverley School (Waverley Way) Ltd	Great Britain	3181579 / n/a	100%	-	43	158

The Charity has a 49% shareholding in EDT Middle East Educational Consultancy LLC, a company which delivers education and training services in Abu Dhabi. The Charity has effective control of the subsidiary and as such the subsidiary is fully consolidated within the Group.

On 27th October 2020, a UK subsidiary of the Charity, Monkton House Kings College (Cardiff) Educational Trust Limited, was dissolved.

On 19th November 2020, the Charity disposed of two subsidiaries based in India, CfBT Education Services and CfBT Education Resource Management Private Ltd.

On 21st July 2021, a subsidiary of the Charity based in Malaysia, CfBT Education Services (Malaysia) Sdn Bhd, was dissolved.

On 18 February 2022, Education Development Trust entered into an arrangement to sell its shares in Waverley School (Waverley Way) Limited over a period of 2 years.

Transactions with subsidiaries are detailed in the related parties note 6c.

INVESTMENTS DURING THE YEAR

CHARITY	Subsidiary Investment Total £'000
Cost as at 1 September 2020 and 31 August 2021	203

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
10. DEBTORS

	Group		Charity	
	As at 31/08/21 £'000	As at 31/08/20 £'000	As at 31/08/21 £'000	As at 31/08/20 £'000
Amounts falling due within one year				
Trade debtors	7,546	4,964	4,941	3,464
Amounts owed by Group undertakings	-	-	1,716	1,624
Other debtors	2,313	2,133	593	864
Prepayments	688	773	511	605
Accrued income	4,506	3,404	3,111	2,087
	15,053	11,274	10,872	8,644

11. CREDITORS

	Group		Charity	
	As at 31/08/21 £'000	As at 31/08/20 £'000	As at 31/08/21 £'000	As at 31/08/20 £'000
Amounts falling due within one year				
Trade creditors	3,306	2,336	3,245	2,300
Amounts owed to Group undertakings	-	-	161	91
Monies held on behalf of third parties	743	738	743	737
Taxation and social security	695	713	463	476
Other creditors	9,159	2,718	7,368	858
Accruals	3,851	3,280	3,097	2,611
Deferred income	7,526	7,174	7,069	6,625
	25,280	16,959	22,146	13,698

Amounts falling due after more than one year

Deferred income	750	1,250	750	1,250
	750	1,250	750	1,250

	Group		Charity	
	As at 31/08/21 £'000	As at 31/08/20 £'000	As at 31/08/21 £'000	As at 31/08/20 £'000
Movement in deferred income				
Opening balance at 1 September	8,424	8,092	7,875	7,643
Utilised in the year	(7,074)	(6,753)	(6,525)	(6,304)
Income deferred in the year	6,926	7,085	6,469	6,536
Closing balance at 31 August	8,276	8,424	7,819	7,875

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
12. RESTRICTED FUNDS

	League for the Exchange of Commonwealth Teachers £'000	Restricted Grants £'000	Alexandria Schools Trust £'000	Total Restricted Funds £'000
Balance at 31 August 2019	6	-	5,433	5,439
Income	-	-	150	150
Expenditure	(3)	-	(164)	(167)
Net losses on investments	-	-	(97)	(97)
Balance at 31 August 2020	3	-	5,322	5,325
Income	-	165	124	289
Expenditure	-	(135)	(161)	(296)
Net gains on investments	-	-	849	849
Balance at 31 August 2021	3	30	6,134	6,167

Restricted Fund Balance Sheet as at 31 August 2021

Investments	-	-	6,140	6,140
Current Assets	3	30	-	33
Current Liabilities	-	-	(6)	(6)
Net Assets as at 31 August 2021	3	30	6,134	6,167

Restricted Fund Balance Sheet as at 31 August 2020

Investments	-	-	5,331	5,331
Current Assets	6	-	-	6
Current Liabilities	(3)	-	(9)	(12)
Net Assets as at 31 August 2020	3	-	5,322	5,325

The charitable objectives of the League for the Exchange of Commonwealth Teachers are narrower than those of Education Development Trust.

Restricted grants are used for specific purposes as stipulated by the donor.

The assets of Alexandria Schools Trust were transferred to Education Development Trust on 1 April 2014. As part of the transfer agreement the former trustees of Alexandria Schools Trust placed restrictions on the use of the funds and therefore the fund is still treated as restricted in the Charity.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
13. PROVISION FOR LIABILITIES AND CHARGES
GROUP

	Dilapidations	Tax	Other	Pension deficit reduction payments	Total
	£'000	£'000	£'000	£'000	£'000
As at 1 September 2020	1,006	16	28	79	1,129
Utilised during the year	(31)	-	-	(17)	(48)
Charge / (release) for the year	9	-	(10)	-	(1)
As at 31 August 2021	984	16	18	62	1,080

CHARITY

As at 1 September 2020	1,006	16	9	79	1,110
Utilised during the year	(31)	-	-	(17)	(48)
Charge / (release) for the year	9	-	(9)	-	-
As at 31 August 2021	984	16	-	62	1,062

Provisions due in over one year

Within the figures reported for both the Group and the Charity the following provisions are due after one year:

	Dilapidations	Tax	Other	Pension deficit reduction payments	Total
	£'000	£'000	£'000	£'000	£'000
Due after one year	964	-	-	44	1,008

The provision for dilapidations is a best estimate of the Group's liability as tenant for the repair and redecoration of leased buildings on termination of the leases. The timing of potential payments will be in line with the exit dates from leasehold properties.

The provision for pension deficit reduction payments relates to membership of the Pension Trust's Growth Plan. The £62,000 provision as at 31 August 2021 (2020: £79,000) shown above represents the present value of contributions payable by Education Development Trust that result from the terms of the deficit recovery plan.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

14. PENSIONS

The Group operates both defined contribution and defined benefit pension schemes. All pension liabilities and costs relate to unrestricted funds in the current and prior years.

a. Defined contribution schemes

The assets of these schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,003,961 (2019/20: £809,665). Contributions totalling £171,700 (2019/20: £176,021) were payable to the fund at the year end and are included in creditors.

The Group also contributed to the Teachers' Pension Scheme which is an unfunded, statutory, final salary scheme until August 2020. Under this scheme benefits are paid out of monies provided by Parliament and teachers' and employers' contributions are credited to the Exchequer. The pension cost charge represents contributions payable by the Group to the fund and amounted to £nil (2019/20: £270,389). Contributions totalling £nil (2019/20: £31,500) were payable to the fund at the year end and are included in creditors.

The Group also participates in the Pension Trust's Growth Plan. This is a funded, multi-employer scheme with defined benefit characteristics. As it is not possible to identify on a consistent basis the share of underlying assets and liabilities belonging to an individual employer, this scheme is treated as a defined contribution scheme. Contributions payable in the year, amounted to £16,969 (2019/20: £16,474). The results of the Growth Plan scheme valuation as at 30 September 2017 showed a deficit of £131.5m. A recovery plan has been established which aims to eliminate the funding deficit over a period of 5 years and 10 months from April 2019. The additional employer contributions required from Education Development Trust as part of this recovery plan are £0.02m per annum. In line with the requirements of the SORP and FRS 102, the present value of contributions payable under the terms of this recovery plan must be recognised as a liability and this is detailed at note 13 to the consolidated financial statements.

b. Defined benefit scheme

The Charity participates in a local government pension scheme (LGPS) operated by The London Pension Fund Authority providing benefits based on final pensionable salary. The Charity also participates in both the Prudential Platinum Pension and Federated Pension Plan which are multi-employer schemes. In both schemes the assets of each employer are kept entirely separate. The Charity is the principal employer of the Educational Exchanges Pension Scheme which is a closed scheme.

The pension cost of each scheme is determined on the advice of independent qualified actuaries. As required by FRS 102, the defined benefit liabilities have been measured using the projected unit method.

The assets of the defined benefit schemes are held separately from those of the Group.

Derivation of figures

The figures disclosed below have been derived by approximate methods from the latest full actuarial valuation of the funds. Each actuarial valuation was carried out by a qualified actuary independent of the plan's sponsoring employer. The latest actuarial valuations were carried out as at 31 March 2019 for the LGPS, as at 1 April 2018 for the Educational Exchanges Pension Scheme and as at 31 December 2020 for the Prudential Platinum scheme. The Federated Pension Plan was established on 1 October 2018 and an initial actuarial valuation was carried out as at this date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
14. PENSIONS (continued)
Derivation of figures (continued)

There is no provision for unitising the assets of a fund under the LGPS. The assets of each fund as a whole are allocated to participating bodies on a consistent and reasonable basis. The assumptions used in calculating defined benefit assets and liabilities are shown in the following table:

	2020/21	2019/20
<u>Assumptions</u>		
RPI	3.20%-3.50%	2.80%-3.25%
CPI	2.20%-3.10%	2.00%-2.70%
Salary increases per annum	2.70%-3.95%	2.50%-3.40%
Pensions increases per annum	2.20%-3.30%	2.00%-3.10%
Discount rate per annum	1.60%-1.70%	1.45%-1.80%

Mortality assumptions

Each fund uses assumptions appropriate to that fund. The LGPS uses Club Vita tables with a long cohort projection and 1.25% improvement. The Educational Exchanges Pension Scheme uses the PCA00 tables with a 1.25% improvement. The Prudential Platinum Scheme uses the S3PA tables, long cohort with a 1.25% improvement. The Federated Pension Plan uses the S2PA tables with a 1.25% improvement.

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
<u>Composition of assets and liabilities</u>		
Equities	6,035	5,364
Gilts	2,272	2,180
Other bonds / property	1,954	1,662
Cash / other	3,129	2,961
Plan assets at fair value	13,390	12,167
Present value of funded liabilities	(12,679)	(12,246)
Net asset / (liability)	711	(79)

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
<u>Reconciliation of the present value of liabilities</u>		
Opening present value of liabilities	12,246	11,165
Current service cost	236	296
Interest cost	188	197
Contributions by participants	33	35
Net benefits paid out	(312)	(312)
Actuarial losses	288	865
Closing present value of liabilities	12,679	12,246

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
14. PENSIONS (continued)

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
<u>Reconciliation of the fair value of assets</u>		
Opening fair value of assets	12,167	11,445
Interest income	185	202
Re-measurement gains:		
Return on scheme assets excluding interest income	1,197	619
Other actuarial losses	-	(94)
Contributions by employer	194	327
Contributions by participants	33	35
Net benefits paid out	(312)	(312)
Administration expenses	(74)	(55)
Closing fair value of assets	13,390	12,167

Amounts recognised in the balance sheet

Fair value of plan assets	13,390	12,167
Present value of plan liabilities	(12,679)	(12,246)
Net asset / (liability)	711	(79)

Return on assets

Actual return on assets	1,382	821
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Amount recognised in the SOFA

Current service cost	236	296
Administration expenses	74	55
Net interest expense / (income)	3	(5)
Expense recognised	313	346

Analysis of actuarial gain / (loss) recognised within the SOFA gains and losses category

	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
Actual return less interest income included in net interest income	1,197	619
Other actuarial losses on assets	-	(94)
Changes in assumptions underlying the present value of scheme liabilities	(288)	(865)
Total actuarial gains / (losses)	909	(340)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021
15. OPERATING LEASE COMMITMENTS

At 31 August there were annual commitments under non-cancellable operating leases expiring as follows:

	At 31 August 2021 £'000	At 31 August 2020 £'000
Land and buildings		
Group		
Within one year	2,491	2,546
Within two to five years	3,330	3,637
After five years	7,696	8,341
	13,517	14,524
Charity		
Within one year	825	898
Within two to five years	2,726	2,856
After five years	7,696	8,341
	11,247	12,095

The land and building lease commitment figure for both the Charity and the Group includes a total of £2.5m (2019/20: £2.9m) relating to properties which are sub-let to another organisation.

Future amounts receivable under non-cancellable subleases are as follows:

	At 31 August 2021 £'000	At 31 August 2020 £'000
Land and buildings		
Group and Charity		
Within one year	386	386
Within two to five years	1,592	1,578
After five years	568	969
	2,546	2,933

16. CONTINGENT LIABILITIES

	At 31 August 2021 £'000	At 31 August 2020 £'000
Guarantees		
CfBT Education Services (B) Sdn Bhd	480	1,070
EDT Middle East Educational Consultancy LLC	-	247
	480	1,317

The bank guarantees are issued in favour of clients and overseas government departments based on the above group entities' contractual obligations and would crystallise only on default of these obligations.

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2021

17. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	-----GROUP-----			-----CHARITY-----		
	General Fund £'000	Restricted Funds £'000	Total 2019/20 £'000	General Fund £'000	Restricted Funds £'000	Total 2019/20 £'000
INCOME						
<u>Income from investments</u>						
Dividends receivable	85	150	235	3,557	150	3,707
Rental income	376	-	376	374	-	374
Interest income	72	-	72	31	-	31
<u>Income from charitable activities</u>						
Education Services	57,176	-	57,176	38,980	-	38,980
Research and Consultancy	3,079	-	3,079	3,083	-	3,083
Independent Schools	10,220	-	10,220	8,325	-	8,325
Total income	71,008	150	71,158	54,350	150	54,500
EXPENDITURE						
<u>Expenditure on raising funds</u>						
Investment managers' fees	6	29	35	6	29	35
Other costs	375	-	375	375	-	375
<u>Expenditure on charitable activities</u>						
Education Services	56,240	3	56,243	38,524	-	38,524
Research and Consultancy	3,198	135	3,333	3,308	135	3,443
Independent Schools	12,124	-	12,124	10,328	-	10,328
Total expenditure	71,943	167	72,110	52,541	164	52,705
Total income less total expenditure	(935)	(17)	(952)	1,809	(14)	1,795
Net losses on investments	(55)	(97)	(152)	(55)	(97)	(152)
Net (expenditure) / income	(990)	(114)	(1,104)	1,754	(111)	1,643
<u>Other recognised gains and losses</u>						
Actuarial loss on defined benefit pension schemes	(340)	-	(340)	(340)	-	(340)
Exchange loss on conversion of subsidiaries	(1,177)	-	(1,177)	-	-	-
Total recognised losses for period	(1,517)	-	(1,517)	(340)	-	(340)
Net movement in funds before minority interest	(2,507)	(114)	(2,621)	1,414	(111)	1,303
Add: minority interest	57	-	57	-	-	-
Net movement in funds after minority interest	(2,450)	(114)	(2,564)	1,414	(111)	1,303
Balance brought forward at 1 Sept 2019	21,775	5,439	27,214	12,462	5,433	17,895
Balance carried forward at 31 Aug 2020	19,325	5,325	24,650	13,876	5,322	19,198

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

18. NON-ADJUSTING POST BALANCE SHEET EVENTS

On 1 December 2021, Education Development Trust transferred Danesfield Manor School to a new proprietor, for a nominal price.

On 18 February 2022, Education Development Trust entered into an arrangement to sell its shares in Waverley School (Waverley Way) Limited over a period of 2 years for a price of £1.75m.