

ANNUAL REPORT

2016-17

COMPANY NUMBER: 867944
CHARITY NUMBER: 270901



INTRODUCTION

The report and accounts for the 12 months ended 31 August 2017 have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', published by the Charity Commission in 2015.

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1 OBJECTIVES AND ACTIVITIES IN 2016/17

MISSION, VISION AND VALUES

The principal object of Education Development Trust, as defined in its Articles of Association, is *to advance education for the public benefit*. Our **mission** is to provide evidence-based sustainable solutions that transform lives through education. The priorities are to:

- carry out or commission educational *research*;
- advise and deliver on *system reform* and provide education *consultancy* services to governments and others;
- provide training and other *support for educators*, which enable them to improve the quality of teaching and learning;
- promote and assist *teaching* in educational or training establishments or other organisations throughout the world; and
- provide *counselling and guidance* to young people and adults.

Our organisational achievements set out in Section 2 are categorised using these five priorities as are the accounts that follow. Our educational performance is summarised in the Strategic Report.

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

We believe in the power of education to help individuals fulfil their potential and benefit society. In conducting our work, we seek to embody the following **values**:

- **excellence** in learning outcomes, our people and our solutions;
- **integrity** in the way we build trust and bring purpose to our work as an education charity;
- **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.

We seek to apply these values to all of our activities, to our interaction with our clients and to our relationship with our beneficiaries.

PUBLIC BENEFIT

Trustees have also given careful consideration to the Charity Commission's general guidance on public benefit and are satisfied that all the Trust's work is for the public benefit. The Strategic Report sets out our activity in more detail.

ORGANISATIONAL OBJECTIVES 2016/17

To maximise opportunities and our competitive advantage in 2016/17, we aimed to:

Education Services Group

- Complete the initial Girls Education Challenge programme in Kenya;
- Deliver the final 12 months of the Core Maths Support Programme in England;
- Achieve target Year 2 recruitment to the Future Teaching Scholars programme in England;
- Continue to improve outcomes on the National Careers Service contracts in England;
- Successfully deliver school inspections contracts in the United Arab Emirates;

- Complete inception and launch delivery of the Brunei Literacy and Numeracy programme;
- Ensure the Brunei English Language Teaching contract is fully resourced from April 2017.

Research and Consultancy Group

- Deliver all consultancy projects to a high standard;
- Deliver and publish a diverse portfolio of impactful research projects;
- Manage the Alexandria Schools Trust's high-impact English language work in the Middle East.

Independent Schools Group

- Further develop support for our existing portfolio of four independent schools;
- Explore opportunities to extend this portfolio internationally.

2 STRATEGIC REPORT

WHO WE ARE AND THE SERVICES WE PROVIDE

At Education Development Trust, we improve education. We work collaboratively with governments, groups of schools and other education partners, combining specialist education know-how with operational expertise to deliver at scale around the world – we design and manage systems and programmes that work effectively right across countries. As a values-driven organisation, we transfer our knowledge to local educationalists allowing us to embed lasting change wherever we work.

We are a not-for-profit organisation and invest annually in our programme of education research to help to improve education in low- to high-income countries. Our research underpins our work and it informs policymaking and supports practitioners around the world; it is all freely available on our website.

Established in 1968, we are a charity registered in England and Wales with international trading subsidiaries; all of our income is generated by selling our services.

RESEARCH

Education Development Trust seeks to be a knowledge-led organisation recognised for our capacity to design and deliver high quality solutions that are evidence-informed. In addition to providing services to clients based on the best available evidence, we also fund a programme of public domain education research. We typically produce research reports in partnership with like-minded organisations. Through the programme, we aim to increase public benefit and to contribute positively to the public profile of the Charity. The success of our research programme is measured by the following criteria:

- the technical quality of our research reports;
- the visibility and impact of our research publications;
- the extent to which we are seen as ‘thought leaders’ as a result of our research;
- the contribution of the research programme to the development of CfBT Schools Trust (CST), our family of independent schools and our operational delivery around the world.

All the research published in 2016/17 is available for free download along with the entire research portfolio at www.educationdevelopmenttrust.com/ourresearch.

HOW WE WORK

Education Development Trust does not raise funds via the public. Our revenue is generated by winning education-related contracts from governments and public or private bodies. What sets us apart is that any surpluses are reinvested into educational research and development. Our research programme is freely available and aims to improve educational practice on the ground while widening access to research in the UK and overseas.

We have continued to refine the robust and consistent financial model that underpins our operations, enabling us to:

- **invest in the future:** generate funds for research and development, innovation and business development, brand building, enabling infrastructure and maintaining appropriate reserves;
- **focus on quality:** maximise quality of resource to deliver impactful solutions;

- **be lean and flexible:** support activity in an efficient and effective way for the sole purpose of enabling delivery on the front line but with the ability to scale up and down as contracts begin and end;
- **have appropriate corporate overheads:** ensure our overheads are structured to deliver our legal obligations as well as essential core support capability that is vital to the successful running of a complex international charity.

EDUCATIONAL IMPACT AND KEY PERFORMANCE INDICATORS

In line with our mission to transform lives around the world by improving education we systematically evaluate the impact of our work to establish our effectiveness across our diverse portfolio of charitable activity. Whether we measure KPIs set by the client or establish our own measures, all of our programmes and the work we do has tailored metrics to establish that our work is having a positive impact on individuals and school systems. The next section provides an overview of our achievements and impact during the financial year.

ORGANISATIONAL ACHIEVEMENTS

1. RESEARCH

We invest annually in our programme of education research, all publicly available on our website. Our research supports both policymakers and practitioners alike and it underpins our work. From September 2016 to August 2017, we published 10 research reports:

Multilingual classrooms: opportunities and challenges for English medium instruction in low- and middle-income contexts

This research report considers the complex field of English medium instruction (EMI) policies in low- and middle-income countries. Its purpose is to provide insight and support to those responsible for setting policy or enacting it in complex language environments around the world.

The rapid improvement of government schools in England

This report looks at the experience of a group of schools in England who underwent dramatic improvement over a short period of time, tailored to an international audience. The headteachers who participated in the study clearly articulated the approach they had taken to improve their schools, with each having a theory about how to bring about change. The key messages from headteachers are that teaching quality is key and requires immediate action, strong leadership in making quick decisions is essential and two core responsibilities of headteachers should be monitoring and motivation.

Constructing schools in a recurrent armed conflict in Democratic Republic of Congo

This report is by the winner of our Tim Morris Award 2016, Cyril Brandt, investigating construction of schools in conflicted affected regions in the Democratic Republic of Congo

Language, literacy and learning in Tanzanian secondary schools

This report is by the winner of our Tim Morris Award 2015, Laela Adamson, investigating the teaching of English in Tanzanian secondary schools.

Disadvantaged girls in Kenyan schools

This report explores aspects of school and schooling that affect the participation and learning of marginalised girls in the arid and semi-arid lands (ASALs) of Turkana and the slums of Nairobi.

Research, report, review

This report showcases nine research studies conducted by two CfBT Education Trust academies: St Marks Church of England Academy and Oxford Spires Academy

Eastern and Southern Africa regional study on the fulfilment of the right to education of children with disabilities

This research investigates the fulfilment of the right to education of children with disabilities across 21 countries in Eastern and Southern Africa. This study adopted a mixed methods approach combining analysis of data derived from a desk study and that from a small-scale survey.

It also incorporated findings and analysis from the country studies conducted in the Comoros, Madagascar and Rwanda where three different research groups, consisting of international researchers and a national researcher, undertook fieldwork, including interviews and school visits

A study on children with disabilities and their right to education: The Union of Comoros: One of a series of three case studies conducted in Madagascar, Comoros and Rwanda into the right to education of children with disabilities

A study on children with disabilities and their right to education: Rwanda

The second in a series of three case studies conducted in Madagascar, Comoros and Rwanda into the right to education of children with disabilities

A study on children with disabilities and their right to education: Madagascar

The third in a series of three case studies conducted in Madagascar, Comoros and Rwanda into the right to education of children with disabilities.

Contract research

As well as investing our surplus into our own programme of education research, we also conduct research on behalf of others as commissions.

Teaching and Learning International Survey (TALIS) Video Study: Education Development Trust has continued to work with the Department for Education, the International Study Consortium and contractors from other participating countries to achieve the main aims of the OECD's TALIS 2018 Video Study for England. These are to observe and document the variety of mathematics teaching practices in secondary schools within and between countries; identify aspects of effective teaching, as identified in TALIS and other studies and examine the relationships between teaching practices, learning outcomes and other measures of teaching. The main activity was a large-scale pilot study that took place from 1 February to 31 May 2017 as well as getting recruitment of schools underway for the main study which will begin in the next financial year.

Key achievements:

In partnership with Oxford University, with support from London CLC, Education Development Trust has:

Worked with 12 secondary schools in England to film 12 different mathematics lessons

Collected classroom artefacts from 10 of the 12 participating teachers

Distributed and collected 15 pre- and/or post-lesson teacher surveys

Distributed and collected 200 pre- and 200 post-lesson student surveys

Pan-regional think tank partner for the Welsh consortia: Education Development Trust was named pan-regional educational think-tank partner for Wales following a successful bid by the research team. The team have been working with the four Welsh education consortia to support them in the development and coordination of research activities across the country.

Key achievements:

We held two strategy workshops to develop the consortium-wide research strategy

Developed a draft strategy paper that is to be finalised by the consortia

Developed research policy bulletins to be disseminated to schools during 2017/18

Conducted a bright-spots analysis of education in Wales

VVOB Rwanda: the Flemish Association for Development Cooperation and Technical Assistance commissioned Education Development Trust to carry out in-country research on the impact of VVOB's headteacher professional learning networks on teacher motivation in Rwanda. This fieldwork was carried out in July with the report submitted to VVOB Rwanda in August.

Key achievements:

Report published in August 2017

Findings presented by the head of VVOB at the UKFIET conference September 2017

2. SYSTEM REFORM AND CONSULTANCY

We work with governments and partners around the world to improve education on a national scale; we also provide immediate short-term technical assistance and specialist expertise through our consultancy division. Here is a flavour of our work during the financial year 2016/17:

Consultancy

Our dedicated consultancy team provides high level advice, research and consultancy to education systems in high- and middle-income country markets. We strengthened our consultancy offering by capturing and codifying some of our core methodologies including:

- Test and learn: teacher-led randomised control trials (RCTs) in the classroom – helping teachers take ownership of the research on “what works” in improving learning outcomes.
- Tools and approaches to help schools in the UK improve collaborative working and strengthen local systems (at school, cluster and locality level) to deliver high quality education for all pupils;
- High impact approaches to teacher coaching to improve maths and English pedagogy, that address some of the major challenges of traditional approaches to teacher professional development;
- An approach to school system leadership, that enables school leaders to learn from each other and consistently improve their practice.

We built and delivered a portfolio of around 15 consultancy contracts in the UK and internationally, including:

- Strategic support to Liverpool, Haringey, Cumbria and Essex to conceptualise, establish or strengthen locally-led education improvement systems, drawing from our in-house tools and approaches;
- Beginning a neuroscience-informed teacher-led RCT to test the validity of learnings from neuroscience to inform teacher practice in the classroom

Key achievements:

More than 200 schools are now using our cluster accountability tool and more than 70 schools provisionally signed up to the Haringey Education Partnership

Working with the Khyber Pakhtunkhwa provincial government in Pakistan to design a new school inspection agency to measure teaching and learning quality for the first time across 28,000 schools

Literacy and Numeracy Coaching Programme, Brunei Darussalam

We designed the Literacy and Numeracy Coaching Programme (LNCP) in Brunei to achieve high quality English and mathematics teaching; ensure all students are highly numerate and literate in English and as a system empowered to deliver sustained improvements in literacy and numeracy. The programme is designed to reform pedagogical practice and ensure that all Brunei schools have high quality teachers to drive increases in student learning outcomes.

The programme has three phases: inception from September 2016 to 31 December 2016; implementation from January 2017 until June 2019 and a sustainable phase which will commence in July 2019.

The programme recruits, trains and deploys international coaches in every government and Ministry of Religious Affairs (MoRA) school as well as identifies, trains and accredits local teachers as coaches. Working closely with ministry staff, cluster headteachers and the Brunei Darussalam Teacher Academy, we are constantly transferring knowledge to ensure the sustainability of our work.

Key achievements:

Developing and implementing the Teaching for English Literacy Mastery framework

Developing and implementing the Teaching for Mathematics Mastery framework.

Measuring teacher performance: interim results show significant progress made from April 2017 to July 2017 with an average improvement of 31.9 percentage points

Measuring student performance: interim results over the same period saw a 13.8 percentage point increase in those gaining grades A-C in English and 12.6 percentage point increase those gaining grades A-C in maths in government schools; in MoRA schools this was a 27.9 percentage point increase in English and a 33.1 percentage point increase in maths.

Building learning foundations, Rwanda

Our UK-government-funded Building Learning Foundations (BLF) programme aims to improve the quality of teaching and leadership in Rwanda's primary schools. Focussing on improving English literacy and numeracy, the programme will ensure that children have the required foundational skills to make successful progress through the system; this will contribute to reducing the repetition and dropout of boys and girls in upper primary grades.

The programme is anchored on three pillars: building the capacity of teachers, enhancing school leadership and strengthening the country's education system. A further key element of the programme is the reinforcement of inclusive education practices for children with special educational needs (SEN) including those with disabilities.

Designed by Education Development Trust, we are delivering the programme in partnership with the British Council and VSO.

Key achievements:

Managing a period of rapid and intensive mobilisation including finalising programme design and recruiting and training programme staff

Wasichana Wote Wasome, Girls Education Challenge Project, Kenya

Our first programme as part of the DFID-funded Girls' Education Challenge came to an end in March 2017. The programme, Wasichana Wote Wasome ('let all girls learn' in Swahili) successfully increased the access, retention and learning outcomes of marginalised girls in arid and semi-arid lands (ASALs) and the urban slums of Kenya. In the programme's concluding 7 months, there was a strong focus on collating, evaluating and disseminating the impact of the programme. We launched our research report, *Disadvantaged girls in Kenyan schools*; the report provides a detailed, qualitative analysis of the practices and experience of education of 128 girls and offers recommendations for policymakers in reaching marginalised girls.

Findings from the programme's end line evaluation were disseminated to key government and NGO stakeholders at a workshop in Nairobi on 6 March 2017.

Key achievements:

89,000 girls in communities supported by the programme enrolled in primary schools

9,426 girls supported to enrol/re-enter primary school

15,770 back-to-school kits deployed (113%)

6,723 families have benefitted from cash transfers

5,430 teachers trained in pedagogy

7% improvement of the mean score from baseline values in intervention schools

3% additional improvement in mean score in intervention schools against comparison schools

Wasichana Wetu Wafaulu, Girls Education Challenge Project, Kenya

We mobilised our follow-on programme, Wasichana Wetu Wafaulu ('let all girls succeed' in Swahili) in April 2017. This programme is a holistic 6-year project specifically designed to remove cultural and social-economic barriers that have prevented or made it extremely difficult for primary school girls in ASALs and urban slums to transition to secondary school.

Key achievements:

Project staff and partners trained on child protection and safeguarding as well as on our monitoring and evaluation framework

Project field officers trained on community engagement

Elmidoon Enhanced Action (ELENA), Somalia

We worked with the Somali Ministry of Education, Culture and Higher Education on essential system strengthening. Elmidoon ('seeking knowledge' in Somali) Enhanced Action programme is funded by the European Commission and our work means that the ministry can deliver on its promise of quality, equitable and affordable education for all Somali children, youth and adults that will lead to continuing education or employable skills. Concluding in August 2017, we worked with the ministry to build capacity and strengthen structural systems, specifically on strategic planning and policy implementation; standards-based quality assurance and regulation of education providers; education management information systems (EMIS) planning and delivery; institutional strengthening through better human resource management; organisational development and financial management systems.

Key achievements:

We supported negotiations, development and signing of Memorandum of Understanding (MoU) between the federal and five state ministries of education on harmonisation and coordination of education planning and governance between the levels

Trained 12 Ministry of Education officials on EMIS data collection

Trained 70 state-level Ministry of Education officials on education management and leadership;

Trained 34 education providers on observation of education standards, curriculum delivery, evaluation and certification

Trained 52 higher education ministry officials on education governance and administration

Trained ten faculty of education staff at Somali National University on pedagogy and education management.

System leadership, Kenya and India

Our pioneering system leadership model has transformed outcomes in schools in two pilots in Nairobi and Mumbai. Based on international best practice, our model harnesses the expertise of successful school principals to increase the leadership and teaching capacity of all schools in order to raise standards across the board. Our system leadership model identifies 'system leaders' and works with them to teach them how to bring about rapid and sustainable improvement in other schools. High- and low-performing schools of similar profiles are paired together and the two school leaders agree a measurable target for improvement, based on the theme of 'instructional leadership' and improved quality of teaching and learning. The leaders meet regularly for coaching, support and challenge against the school improvement target. We funded and carried out a pilot, pairing 80 low-cost private schools with a mentor school in Nairobi, Kenya and Mumbai, India.

Key achievements:

Both the mentors and mentees showed great progress in use of data and evidence as well as monitoring teaching and giving feedback

Better record keeping among the mentees also stood out portraying value for evidence

Improvements were made in physical infrastructure (e.g. classrooms, fence) resulting in an improved learning environment

Greater and improved use by teachers of schemes of work, lesson plans and timetables resulting in higher quality teaching and improved student outcomes.

Abu Dhabi Educational Council (ADEC) inspections, Abu Dhabi

We completed our 2-year contract with the Abu Dhabi Educational Council (ADEC) to inspect both private and government schools in August 2017. Alongside the inspections work itself, a key deliverable was the completion of thematic research reports in line with the UAE 2021 vision. Between April and June 2017, the team completed two thematic research reports for ADEC across both private and government schools: *An evaluation of student support systems to raise students' achievement in Abu Dhabi schools, especially in mathematics and science* and *Should English taught in Abu Dhabi government schools be taught as a first or second language?* Following the

presentation of the research findings, ADEC will now teach English in government schools as a second language with the provision of additional support.

Another key deliverable was the delivery of training and accreditation for the Inspector Emiratisation programme. Our team trained four cohorts of local Emirati inspectors totalling 87 people.

Key achievements:

231 school inspections

The deployment and mentoring for 60 ADEC inspector trainees

Training for 9 ADEC co-lead inspectors

170 thematic research days

Two research reports

Knowledge and Human Development Authority (KHDA) associate inspections, Dubai

KHDA's primary focus is on education across the private sector, given the increasing percentage of UAE nationals entering private education. Through this work, we actively support school improvement through inspection, and we are further supporting the development of a locally based inspection force. For the period from October 2016 to March 2017, we provided KHDA with qualified inspectors for the inspection of private schools in Dubai in the academic year 2017/18.

Key achievements:

3,137 inspections throughout the year

Evaluating government schools, Dubai and the Northern Emirates

We began our programme to evaluate government schools on behalf of the Ministry of Education in April 2017. The programme's remit is to collect evidence which provides the Ministry of Education with a base line regarding the effectiveness of their schools. Equally, we were tasked with helping schools to understand how they can apply the UAE Unified Framework for school improvement and we supported them in understanding and meeting given targets.

Key achievements:

Recruiting and training consultants with the required skills and expertise

Evaluating 79 schools during the first 6-week block

Accreditation of international schools

Our own accreditation process for international schools, the International School Quality Mark, offers a partnership model for schools. We offer continued advice and support post inspection and accreditation while the accreditation itself demonstrates to parents and pupils that the school has been judged by independent evaluators as meeting rigorous quality standards.

British schools overseas can volunteer to be inspected according to standards determined by the UK Department for Education that are monitored and quality assured by Ofsted. Education Development Trust has been approved by the Department for Education as an inspectorate to carry out inspections of British schools overseas.

Key achievements:

We carried out 5 ISQM inspections and 19 ISQM school improvement visits

We carried out 10 BSO inspections

Strengthening and decentralising Education Management Information System (EMIS), Libya

We developed an education management information system (EMIS) application for both pre-tertiary education and technical and vocational education and training (TVET) in Libya for UNICEF. The project has two main objectives: to develop awareness, capacity building and best practices for the use of data, indicators and analytical analysis in education policy development, planning and operation in Libya; to equip the Libyan Ministry of Education and TVET authorities with a basic EMIS application along with a 3-5 years plan for further development that can be used as a tool for education data collection and indicators provision. The initial population of the EMIS application

will initially target data collection and indication calculation for schools and TVET institutes in the Greater Tripoli area; rollout across Libya in phase two is projected for 2018.

Key achievements:

A review of the teachers' development project 2014 was concluded bringing the data and recommendations of the project up to date following the changes that have taken place in Libya between 2014 and 2017

A comprehensive situation analysis on the use of data and indicators by ministry and TVET authorities was performed

28 officials trained in October 2017

Framework contracts

We continued to deliver expert and immediate short-term technical assistance through our key role as partner on four framework contracts for DFID, the European Commission, the Norwegian aid agency (Norad) and UNICEF. As education experts, we deploy key consultants and personnel, often at very short notice, to anywhere in the world. Our work can be at any stage of the project lifecycle from design and implementation to monitoring and evaluation.

Key achievements:

A global study for UNICEF to scope out areas for future support and provide guidance for country offices on evidence-based interventions to provide education for secondary age adolescents looking at equity, gender and skills

An education sector analysis for the government of Rwanda, reviewing progress in the sector over the last five years and challenges remaining and then the development of the education sector strategic plan of the next 7 years

Analysing data and drafting with Norad their Education Results Report 2013-16 which looked at the impact of Norwegian aid to education over the last 3 years.

3. SUPPORT FOR EDUCATORS

Schools Partnership Programme (SPP), UK

With more than 800 schools engaged with our model, the Schools Partnership Programme is the market leader in peer review and collaborative school improvement in the UK. Our influential presence in the education system and emerging positive evidence-base for the programme led to Education Endowment Foundation awarding us a grant to support a further 300 schools to participate in an evaluated SPP project from early 2018. In June 2017, we authored and published an impact report which demonstrated that SPP schools are improving faster than the national average (based on a comparison between their current and baseline Ofsted grade). Additionally, we have built a powerful collection of impact studies at cluster and school level, illustrating the impact on pupil outcomes, leadership development and culture for collaboration as a result of SPP. We have continued to raise our credibility as thought leaders in collaborative improvement by engaging with internationally recognised thinkers – such as Michael Fullan and Vivianne Robinson – by hosting our second Global Dialogue debate in November 2016 which brought together more than 400 leaders from across three continents through an online debate.

Key achievements:

More than 300 new schools joined

More than 350 leaders trained

Impact report launched in June 2017 presenting findings to date on the impact of peer review

Education Endowment Foundation awarding a grant to support a further 300 schools to participate an evaluated SPP project

London Connected Learning Centre, England

Our tech hub in London is all about learning with technology. London Connected Learning Centre's aims are to improve the quality of teaching of computing in primary schools; to help senior leadership teams make effective decisions on the strategic planning of ICT; to support schools in

their responsibilities around online safety; and to raise awareness across all staff of the potential impact technology can have in improving both teaching and learning when used well.

In addition to ongoing services and support to schools and other organisations, London CLC has increased its reputation in the field of educational technology during the academic year 2016-17 through public speaking, research, and corporate social responsibility projects. The publication of the Education Endowment Foundation (EEF) ReflectEd metacognition research demonstrated a positive effect size and has resulted in the EEF providing funding for a more extensive second phase trial. We have developed a robust business growth plan to be implemented in 2017-18.

Key achievements:

Provided services to more than 100 different clients including 44 schools with partnership service level agreements for curriculum support, 12 schools purchasing technical support services, 64 other schools purchasing one-off services, two London local authorities, one Danish University, Southbank University, Into Film, Tower Bridge education department, three Dutch municipalities, IBM, the Royal Opera House and Education Development Trust internal commissions.

100% of school partner clients reported being satisfied with our service

99.25% of teachers worked with reported that our professional development activities were good or excellent and improved their quality of teaching practice

99.5% of pupils rated our activities as good or excellent and reported that their skills and understanding had improved as a result

100% of adult learners taking part in our digital skills programmes reported that they had improved their digital skills competency

Public speaking engagements included MozFest, Dutch and Danish education conferences, the Lambeth headteacher conference and a keynote to East of England schools conference about digital and culture for Arts Council England.

London CLC was an official associate partner with Tate Modern Tate Exchange project and continued its partnership with IBM delivering the 10th IBM Robo Challenge for pupils and the IBM computing teachers' summer schools.

Future Teaching Scholars, England

We continued to deliver the Future Teaching Scholars programme, funded by the National College for Teaching and Leadership. The programme successfully attracts the highest quality A-level students to select a maths and physics degree and pursue a teaching career in those subjects. The programme offers a unique completely new school-led route into teaching complete with Masters-level accreditation via Durham University. Delivery is undertaken to a large extent by a recently expanded group of regional training centres, a network of 13 outstanding teaching schools linked to SCITTs.

Key achievements:

106 scholars recruited to the programme to commence in September 2017 bringing the total number on the programme to 171

Gender balance of scholars is 56% female to 44% male

10% of scholars in the second cohort are drawn from the 12 Opportunity Areas in England, areas identified by the DfE as being social mobility 'coldspots'

96% of scholars are satisfied or more than satisfied with the training and support the programme offers them

138 expressions of interest have been received in relation to cohort three recruitment for academic year 2018/19

Core Maths Support Programme, England

Our work delivering the Core Maths Support Programme (CMSP), funded by the Department for Education, concluded in July 2017. The programme focussed on the introduction of a new suite of post-16 qualifications, Core Maths, as part of the UK government's plan to increase the number of students who continue to study maths after GCSE. Core Maths qualifications place real-life

problem solving at their heart and the Core Maths Support Programme ensured that schools and teachers knew about the new qualifications and how to teach them.

Key achievements:

2,163 teachers have benefitted from professional development support

95.3% of teachers trained believed that there had been a positive impact on their skills and knowledge with regards to Core Maths

5,354 students sat the Core Maths examination in 2017 with a pass rate of 84%

677 centres are known to be offering or planning to offer Core Maths

45 UK universities have now endorsed Core Maths, with 23 of the 24 Russell Group universities providing individual statements of support

Inspiring Leadership conference 2017, England

Education Development Trust co-hosted Inspiring Leadership in June 2017 bringing together some 1,300 school leaders and aspiring leaders from the UK and beyond. The conference gave delegates the opportunity to hear from a range of inspirational speakers – from educationalists to business leaders and including our own CEO, Steve Munby – as well as to join specialist masterclasses and workshops tailored to their own needs. We organise the conference in partnership with the Association of School and College Leaders (ASCL) and the National Association of Head Teachers (NAHT).

Global Learning Programme (GLP), Wales

We continued to deliver this DFID-funded programme helping teachers to integrate development and global issues into effective teaching and learning at Key Stages 2 and 3 ensuring that pupils are equipped to make a positive contribution to a globalised world. We give expert training to the schools to deliver the global learning curriculum; schools use this context to develop the numeracy and literacy skills of the pupils, while also running an effective network and improving leadership skills. Such was the success of the programme's work this year that it has been extended to July 2018. This year, Welsh Government officials and the Estyn Inspectorate participated actively in the GLP-W summer conference while the GLP-W team provided training for Welsh Government Pioneer schools. Welsh Government now requests key statistics from GLP-W to report on progress towards the Well-being of Future Generations (Wales) Act.

Key achievements:

666 schools are engaged with the programme (49 GLP-W lead schools; 445 network schools and 172 schools participating in other ways

A total of 246,326 – 53% of all pupils on roll in Wales – are involved with GLP-W

GLP-W is now more inclusive and representative of schools in Wales with 50% of lead schools and 49% of network schools are located in rural areas, 33% of lead schools and 27% of network schools in areas of high social deprivation, and 23% of lead schools and 31% of network schools are Welsh-medium; a successful special schools network was also established this year.

English language teaching, India

We worked with corporate social responsibility funding to deliver a series of English language teaching programmes in India:

English Language Enhancement Programme (ELEP), India

Funded by Tata Trusts, we worked to improve proficiency in English for primary pupils and from grades 8 to 10. The programme beneficiaries include 150 para teachers and 6,348 students across 113 schools in Khunti district of Jharkhand.

Key achievements:

An overall improvement in the performance of students and para teachers in listening, speaking, reading, writing skills and grammar.

An increase in the performance percentage of beneficiaries scoring above 60% across these skills.

Enhancing Proficiency in English Language (EPEL), India

Our EPEL programme focuses on teacher professional development and support with educational materials to improve English language proficiency. Again funded by Tata Trusts, EPEL works with some 127 teachers and 17,498 students across 100 schools in the Yadgir district of Karnataka.

Key achievements:

Overall gains in mean scores: listening 57%; speaking 47%; reading 44% and writing 39% as compared to the baseline assessment

Overall, gains in mean scores were as follows: listening 57%; speaking 47%; reading 44%; and writing 39% more as compared to the baseline assessment

Teacher assessment showed an improvement of teacher performance following the adoption of various teaching methods and resources

Enhancing Proficiency in English Program (EPEP), India

Our EPEP programme is funded by HSBC Software Development India and aims to improve the quality of English language teaching and learning in the project schools. The programme provides a systematic approach to help around 5,000 students from 20 low-fee private schools in Hyderabad.

Key achievements:

Learning outcomes saw the following increases in performance: listening skills overall growth of 16%; speaking skills overall growth of 30%; reading skills overall growth of 23%; writing skills overall growth of 22%; grammar skills overall growth of 19%

English language teaching, Middle East

Following the merger with Alexandria Schools Trust in 2014, Education Development Trust uses the restricted fund to fulfil the former charity's mission: to promote and maintain teaching of the English language and culture in the Middle East. We work to enhance the existing skillsets of local teachers and school leaders in the teaching of English and subjects taught in the medium of English using these charitable funds.

During the period from 1 September 2016 to 31 August 2017, we delivered two new pilot projects in Egypt: the Cambridge Certificate in English Language Teaching – Primary (CELT-P) which runs from October 2016 to December 2017 as a pilot to teachers of English from National Institute schools and a pilot middle leadership development project in partnership with UCL Institute of Education. In April 2017, following the introduction of a new NGO law that would make it difficult to operate without a local office, the decision was made to pause our operations in Egypt.

Our current focus is on using the ringfenced funds in countries hosting large numbers of Syrian refugees. Since January 2017, we have been working with the Queen Rania Teacher Academy to strengthen the capacity of English language teachers working with Syrian refugee children in Jordanian public schools.

Key achievements:

In Egypt, we trained 4 Egyptian teachers to deliver the CELT-P programme; they in turn trained 21 of their peers. We upskilled and trained eight middle leaders in Alexandria who set up and facilitated teacher learning communities. Overall, some 30 teachers of English benefited from the pilot.

In Jordan, we worked with 10 supervisors of English from the Ministry of Education to reach 131 teachers from 62 schools. Around 15,000 refugee students were impacted by this programme.

Oman

Education Development Trust's work in Oman is carried out through CfBT Education Services and Partners and this year, we have been consolidating our position in Oman. We are also currently in the process of diversifying our client base, and in addition to the Ministry of Education, we now have a number of proposals under consideration with the Ministry of Manpower, Ministry of Higher Education as well as a number of key corporate employers within the Sultanate. Since July 2017, the ownership of the limited liability company has been adjusted so that Education Development

Trust now holds 20% of the shares; we will continue to provide relevant services in line with our mission of transforming lives by improving education.

Key achievements:

Re-established the British Training Institute as a provider of English language teaching (ELT) programmes and soft skills training in Muscat

Provided educational expertise to the Curriculum, Training and Supervision departments of the Ministry of Education

Provided leadership support to the Specialized Centre for Professional Teacher Training

4. TEACHING

English language teaching, Brunei Darussalam

Our English language teaching (ELT) contract with the Ministry of Education of Brunei was awarded in 1985 with 15 teachers and has expanded since. In the financial year 2016/17, we recruited and managed 200 qualified and experienced expatriate English teachers and provided ongoing quality support and assurance. Our teachers work with more than 20,000 students across Brunei, and are stationed in more than 80% of Brunei government schools, working directly or indirectly with more than 90% of Brunei's school-age learners.

Our teachers are managed by CfBT Brunei while reporting to their heads of department and school principals. We operate a comprehensive and total performance management system with ongoing and rigorous quality assurance measures and we work in alignment with MoE clusters to support teachers in all schools throughout the academic year.

Key achievements:

Achieved 94% recruitment average against contract KPI of 80%

Achieved 97% of teachers performing at levels 4-5 on Brunei Teaching Standards (BTS) against contract KPI of 85%

200 performance evaluations and annual performance reviews undertaken

Approximately 800 school visits to teachers

St Andrew's School

This year has been a year of successes and firsts for St. Andrew's School. We introduced new curriculum experiences including forest school sessions for our Year 3 classes, an international day to celebrate all of the nationalities at St. Andrew's and the opportunity to sing at Bluewater for our junior choir. We had a great year for sport: our cross-country team won the county competition for the second year running and we were also placed second in the Medway Mini Youth Games Series, a county-wide competition involving 10 different sports tournaments with over 50 schools competing. Also, our netball team were named the best team in the whole of Kent, after winning the Kent School Games.

Key achievements:

Our best 11+ results to date: the whole of Year 6 entered the exam (40 pupils) and 39 passed.

KS2 SATs results: 95% for reading and writing; 98% maths; 100% spelling, punctuation and grammar

Ranked 33rd in *The Times* list of the top 100 preparatory schools – our highest ever ranking

Danesfield Manor School

Danesfield Manor had another good year, with all pupils gaining a place at the senior school of their choosing and in terms of school roll this year we welcomed the most pupils we have ever had, with waiting lists for Early Years, Years 1, 2 and 3. For the second year running we had swimmers representing the school at the ISA national swimming gala at the Olympic pool in London, returning with a bronze and a gold medal.

Key achievements:

70% of pupils achieve at or above expected level across all three subjects (reading, writing, mathematics) in SATs

Ranked 25th in *The Times* list of the top 100 preparatory schools – the highest placed non-selective preparatory school in Surrey.

Oakfield Preparatory School

Oakfield performed well both academically and otherwise this year. Musically, awards were secured in the Beckenham and Croydon Festivals in the first year of entering formal competitions; the jazz band were awarded honours certificate and won their class and both choirs achieved honours certificates in the Croydon Festival. Similarly, against seasoned opposition in the Bromley Festival, the jazz band again achieved honours certificate and came first. The guitar ensemble came second with honours certificate and both senior and junior orchestras won their classes and achieved honours and cups. For music and drama, this was our most successful year ever: 100% passed their exams at various levels and in a variety of disciplines; a high proportion of children achieved distinction in their London Academy of Music and Dramatic Art (LAMDA) exams and one Year 6 pupil scored 100% in his Level 2 exam. When it came to sport, Oakfield's football competes at the highest level winning all our matches to reach the final at the National Finals. In hockey, both the boys' and girls' teams enjoyed success at a national level and we have some brilliant cross-country runners who compete and achieve top placings.

Key achievements:

At KS1, 85% of pupils were above national average for reading and 79% for maths

At KS2, 89% of pupils were above national average for reading and 79% for maths

International School of Cape Town

Our school, at the foot of Table Mountain in South Africa, had another very good year with excellent academic results and myriad cultural and sporting achievements. Two students were selected to represent Cape Town at the International Science Fair in Johannesburg where they won a special award and silver medal while ISCT representation at the Institute of IT Professionals' computer Olympiads resulted in gold, silver and bronze medals. Another two students were selected to represent Western Province at the South African Mathematics Team – both in the A team. For Early Years and Key Stage 1, the focus has been on embedding IT into the curriculum as well as creating a well-rounded programme of activities at this foundation stage balancing physical, musical, scientific and artistic development

Key achievements:

55% A* and A grades at A level

98% A-D grades at AS level – our best ever

39% A* and A grades at IGCSE

88% A*-C grades at IGCSE

CfBT Schools Trust

Education Development Trust is the principal sponsor of CfBT Schools Trust, a multi-academy trust, which is a group of 16 academies in England. CfBT Schools Trust's annual report can be found here: www.cfbtschoolstrust.com/information

5. COUNSELLING AND GUIDANCE

National Careers Service, North East, England

In February 2017, our delivery of the National Careers Service in the north east of England was judged by Ofsted to be 'outstanding'. Under our management, this government service provides access to independent, professional advice on careers, skills and training in north-east England. We support adults by providing career guidance to raise aspirations, improve self-awareness and gain skills to progress their career and support their social mobility. This service is delivered by a network of more than 70 qualified careers advisers in around 200 locations. In addition, the service is delivered in seven prisons across the region to support rehabilitation and provide careers advice to move individuals into positive outcomes on release; more than 10,000 one-to-one customer interviews within those custody establishments were delivered.

Key achievements:

Delivery judged to be 'outstanding' by Ofsted

More than 40,000 adult customers supported which resulted in more than 13,000 of them entering sustainable employment or into further learning

94% of customers said they would recommend the service to a friend

90% of customers strongly agreed that they got information about the jobs market that was helpful and relevant after seeing a careers adviser

2,000 customers supported through our rapid response service for those facing threat of redundancy or newly redundant with 759 of those securing employment or entering into further learning

95% of schools in the north east engaged in work-related learning work, Supporting Inspiration, and more than 3,000 employers on our database

National Careers Service, South Central, England

We continued to deliver the National Careers Service in the south-central region of England. Our network of more than 80 qualified careers advisers work in around 200 locations and in addition, the service is delivered in nine prisons across the region to support rehabilitation and provide careers advice to move individuals into positive outcomes on release.

In January 2017, our service was judged by Ofsted to be 'good'; this was the first time this new contract and new area had been inspected.

Key achievements:

More than 29,000 customers seen across the south-central region, supported into more than 10,000 job or learning outcomes

58% of responding customers moved into employment (including voluntary) and 60% into a learning opportunity (latest Ipsos Mori customer satisfaction data)

9,500 customers supported in a custody setting with over 600 job and learning outcomes gained
90% of our customers rated the service as helpful and useful; 88% felt clearer about their next steps and 86% were satisfied with the service overall

Youth careers guidance, England

Education Development Trust provided careers services direct to more than 60 schools in London and surrounds, providing expert careers advice and guidance to young people aged predominantly 13-19. We also provided additional support to schools to work towards careers quality kite marks and support with curriculum design to ensure the curriculum links to the wider world of work and students gain skills that support their career plans.

Key achievements:

More than 11,000 students supported by Education Development Trust in the academic year 2016-2017

96.7% rated our services as good or excellent

99.4% reported they felt clearer about their future plans after an intervention from one of our careers advisers

Work-related learning, England

We work directly with schools in London to set up work placements and other work-related learning activity. We set up work placements, careers fairs and provide linkages between young people, schools and the business community and we currently have 3,500 employers on our database. We achieved the Fair Train Gold standard for our work-related activities in May 2017 and started offering the HND adult contract as a first of its kind this year.

Key achievements:

1,784 student placements provided

We worked with 788 employers

Destination tracking services, England

We have successfully provided tracking services to the London boroughs of Hounslow as well as Hammersmith and Fulham. We have tracked the destinations of more than 24,000 young people over the last 12 months and, for Hammersmith and Fulham, we have provided tracking services to reduce the number of people Not in Education, Employment or Training (NEET).

Key achievements:

Reducing NEET in Hammersmith and Fulham year on year reducing it to 1.7% below the London and national average

Reducing the number of young people without a known destination year on year to below the London and national average while increasing participation rates in education or training

Services, education and training (Dorset), England

Successfully gained a new contract in Dorset to work with adults who are economically inactive to support and mentor them through careers advice and support into work or learning outcomes. The contract started at the end of July 2017 and we will be working with 400 adults over the next year to help them progress.

Key achievements:

We have supported more than 60 schools and 8,700 young people in total.

Until 30 June 2017, counselling and guidance activity was primarily conducted by a subsidiary charity, CfBT Advice and Guidance Ltd. On that date, the subsidiary entered administration and the Trust bought its trade and assets from the Administrators. The National Careers Service, which comprises over 95% of this activity, is being restructured and retendered by the Education and Skills Funding Agency; and the Trust is considering its approach to seeking continued involvement through the bid process.

FINANCIAL OVERVIEW

Almost all of the Charity's income and that of its subsidiary companies is derived from contracts, which it manages on behalf of its clients, or services it provides directly to learners. The Charity and its subsidiaries are not dependent on the services of unpaid volunteers or on donations in kind or any other intangible income not evaluated or explained in the accounts.

The results of Education Development Trust's subsidiary companies are incorporated on a line-by-line basis in the Consolidated Statement of Financial Activities and in the Group Balance Sheet. The results and net assets/liabilities of the subsidiary companies are set out in Note 10.

The results for the 12-month period show net income, before disposals and gains on investments, of £1.1 million (2015/16: £1.2m). Total income is £68 million, a reduction of £0.8 million from 2015/16. After other recognised gains of £2.9 million (2015/16: £9.2m losses) and after deducting minority interests of £0.8 million (2015/16: £0.8m) the net increase in funds for the year is £24.2 million (2015/16: £7.7m decrease).

The reported net surplus includes £21 million arising from the administration of the Trust's former subsidiary charity, CfBT Advice and Guidance Ltd, being the book value of the net liabilities deconsolidated from the Group accounts as at the date of the administration.

After accounting for actuarial gains of £2.6 million, the defined benefit pension scheme accounting liabilities have reduced to £0.4 million, following the deconsolidation of CfBT Advice and Guidance Ltd and its pension liabilities.

The total assets less current liabilities of the Group amount to £32.1 million (2015/16: £31.9m). The net assets of the Group are £30.9 million (2015/16: £6.2m). For the Charity, net assets of £18.3 million are reported (2015/16: £15.4m).

RESERVES POLICY

The Board of Trustees reviews the reserves of the Charity each year to determine the level of funds required to invest in future developments, to be distributed by way of educational research, and to be retained to manage volatility and risk. The Board has determined that the Group should maintain free reserves of 3 months minimum of salary costs. Free reserves are the unrestricted, undesignated funds not tied up in fixed assets, i.e. the working capital of the Group supported by the investment portfolio. Free reserves exclude the defined benefit pension scheme accounting liabilities but include minority interests.

On 31 August 2017 free reserves were £4.8 million for the Charity and £16.6 million for the Group. These reserves represent 3½ months' salary costs of the Charity and 5½ months' salary costs of the Group, which is compliant with the current policy. During 2017/18, the Trustees are reviewing the approach to reserves planning and management.

The restricted funds of the Group relate to Kings Monkton School, the League for the Exchange of Commonwealth Teachers and Alexandria Schools Trust.

INVESTMENT POLICY AND RETURNS

Education Development Trust's policy is for its investments to provide growth in income and capital prudently over the long term. It invests its reserves through selected investment managers, and operates an ethical investment policy. Under the terms of that policy and having regard to the requirements of charity law to maximise returns, Education Development Trust seeks to avoid investments in activities that the Trustees consider to be contradictory to its aims and objectives. Trustees periodically review implementation of this policy through consultation with the investment managers.

As permitted in the Charity's Memorandum of Association, the Board of Trustees has wide investment powers and has delegated responsibility for the management of its investment portfolio, within an agreed risk profile, to investment managers. To assess whether its policy is being successfully pursued, the Board of Trustees sets the investment managers the task of achieving a total rate of return each year that exceeds benchmark weighted indices. In the 12 months to 31 August 2017, the portfolio showed a total return of 10.5% (20/15/16: 14.9%). Historic performance against benchmarks is shown in the table below.

	1 Year		3 Years		5 Years	
	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark
Newton (to 31/12/17)	11.5%	10.2%	9.5%	10.5%	10.8%	10.8%
HSBC (to 31/12/17)	8.7%	10.4%	9.2%	10.3%	10.0%	9.6%

FUNDRAISING

All the Charity's income is derived from providing services. The Charity does not solicit donations from the public.

PRINCIPAL RISKS

In 2016/17 the top corporate risks identified and associated managing actions were:

Risk identified	Managing actions
Occurrence of a serious child safeguarding incident through failure to implement appropriate checks and measures and follow clear procedures	<ul style="list-style-type: none"> • Implementation and review of safeguarding policies and procedures (overseen by the Corporate Safeguarding Committee) • Annual safeguarding audit, report and action plan
Safety and security of staff working in unstable or volatile environments is compromised due to lack of appropriate processes being in place to safeguard our people	<ul style="list-style-type: none"> • Local duty of care policies and procedures • Review of corporate policy
Failure to manage the retention and motivation of key people, particularly during periods of change	<ul style="list-style-type: none"> • Talent management process • Staff reward and recognition strategy
The difficult economic climate and/or changes in client strategic direction impacts Education Development Trust's ability to retain or secure long-term sustainable contracts and/or achieve a sustainable financial model	<ul style="list-style-type: none"> • Active client relationship management with dedicated account managers and account plans • Investment in business development team and new business growth processes • Review of reserves policy
Failure to develop new products and business opportunities impacts Education Development Trust's ability to gain significant market presence in key propositions and markets and deliver to new business targets	<ul style="list-style-type: none"> • Development of intellectual property and consultancy offer • New business growth processes • Regular updates to business plans
Poor financial or educational performance damages Education Development Trust's reputation and ability to secure new work	<ul style="list-style-type: none"> • Rigorous review and sign-off on bids and new business • Continued focus on the effective delivery of current contracts • Annual budget process and regular forecasts • Cash flow forecasting and management process • Monthly financial reviews
Defined benefit pension financing requirements which might exceed financial plans or threaten the viability of certain operations	<ul style="list-style-type: none"> • Project to restructure pension debts.

FINANCIAL RISKS

The following sets out the specific principles in relation 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.

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 an asset management company and investment properties. The Group's policy for the investment portfolio is to limit the amount the investment managers can invest in any one company and 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. The day-to-day transactions of overseas subsidiaries are carried out in local currencies with, wherever possible, both income and expenditure being in the currency of that location. Net exposures are identified and appropriate management strategies put in place on a case-by-case basis. The Group does not currently have any currency derivative instruments in place.

Procurement

All third-party expenditure is governed by a procurement policy and any purchases over a defined amount are subject to a tender process and contracts are put in place.

OPERATIONAL PLAN 2017/18

The following sets out some of the key operational objectives for 2017/18.

Education Services Group:

- Continue to win large contracts in each region, and deliver high impact results.
- Diversify our client base in each region.
- Develop new education services based on research & development.
- Further enhance evidence-led, adaptive project and programme management capability, linked to our impact framework.
- Develop a clear approach to key strategic partnerships in each region.
- Develop an approach to new geographical markets.

Research and Consultancy Group:

- Deliver high quality and proposition-led growth in our consultancy activities globally.
- Consolidate our positioning as providers of distinctive education reform consultancy.
- Broaden our client base.
- Test new geographical markets.
- Enhance collaboration with and support to Education Services Group.

Independent Schools Group:

- Continue to support our schools with investment, high-quality local resource and responsive central services – to promote growth and outstanding outcomes for our students.
- Develop a pipeline of opportunities for new international school operations.

In addition, we will refresh our strategy and develop a 3-year plan for the period 2018-21.

3 STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE

Education Development Trust is a charity registered in England and Wales and includes 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 schools and invest in a programme of education research.

In Brunei, CfBT Education Services (B) Sdn Bhd, a majority-owned subsidiary, is principally engaged in the supplying of English language teachers to the Sultanate's public schools. The principal activities of the EDT Middle East Educational Consultancy LLC, registered in Abu Dhabi, are to provide educational consultancy and support for schools. Active trading subsidiary companies also operate in India, Malaysia and South Africa.

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 July 2017.

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 three 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 **Executive Remuneration Committee** meets twice a year. It has responsibility for benchmarking and determining the remuneration and benefits strategy for executive management and for overseeing the remuneration strategy for all employees in the Group. The committee is provided with Hay Group UK benchmarking data in order to review the salary and total reward packages for the executive including any new appointees in role. This comprehensive data covers both the public and industrial and service sectors and provides a useful indicator of salary progression within the diverse market in which Education Development Trust operates. The Hay Group Job Evaluation System is in operation across the organisation so that the relative 'worth' of all roles can be assessed and used to determine an appropriate level of total remuneration. This data is supplemented by other market intelligence drawn from specialist search consultants and sector specific sources.

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 sub-committees is indicated against each Trustee's name, as listed in Section 4. Some trustee portfolio holders chair significant subsidiaries.

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 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 the Trust's Articles of Association.

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. 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; and
- 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 them to ensure that the financial statements comply with the Companies Act 2006.

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.

MANAGEMENT

In 2016/17 the operational activity of the business was restructured into three groups.

- **Education Services** – this group brings together all of our large-scale international and UK programmes. The key components of this group are:
 - South-east Asia region
 - Middle East, North Africa and India region
 - Sub-Saharan Africa region
 - UK
- **Independent Schools** – the group includes our four independent schools: three in the UK and one in South Africa.
- **Research and Consultancy** – this group incorporates our consultancy business and our research activity, and also manages the Alexandria Schools Trust restricted fund.

STAFF

During the period under review, Education Development Trust employed more than 1,040 staff worldwide on average. They are responsible for teaching, research, counselling and guidance services, consultancy and supporting educators.

During the year, we have provided training for employees at all levels. We believe in providing training and development for educators and managers, and in extending opportunities impartially to all. All our employment decisions, policies and practices are made without regard to an individual's gender, race, colour, religion, creed, sexual preference or national origin. We support the employment of disabled people wherever possible and are an Equal Opportunities Employer.

Education Development Trust consults and informs staff through a variety of methods including: internal newsletters, intranet, individual and group meetings, CEO and other corporate communications and formal communications to areas of the business affected by organisational change.

RISK MANAGEMENT AND INTERNAL CONTROL

Education Development Trust's 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.

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

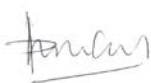
with the external auditors, both with and without management, to discuss the annual statutory audit and any internal control weaknesses identified in the management letter.

The key components of Education Development Trust's 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;
- regular consideration of organisational performance – educational impact, contractual delivery, financial performance and risk management – through Quarterly 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; and
- 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 Audit and Finance Committee oversees the Trust's risk management framework on behalf of the Trustees. Due to the complexity of the organisation the Board considers risk appetite in relation to specific areas of particular sensitivity, such as working in dangerous environments and safeguarding in international environments, rather than setting a generic risk appetite framework. Education Development Trust operates a formal risk management process which is incorporated within its 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 a key agenda item at quarterly business review meetings, which are attended by all senior managers and the Leadership Team. Reports are made to the Audit and Finance Committee who review and provide further challenge. The Board receives reports on strategic risks on a quarterly basis.

The Trustees' Annual Report and Strategic Report was approved by the Board of Trustees on 8 March 2018 and signed on its behalf by:



Philip Graf
Chairman
8 March 2018

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

CHARITY DETAILS

Name	Education Development Trust
Registered Charity	Charity Number 270901
Company Limited by Guarantee	Company Number 867944
Registered & Principal Office	Highbridge House, 16-18 Duke Street, Reading RG1 4RU
Website	www.educationdevelopmenttrust.com
Email	enquiries@educationdevelopmenttrust.com
Telephone	0118 902 1000
Fax	0118 902 1410

TRUSTEES

Service by 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).

Philip Graf CBE – (Chairman, Nominations Committee, Executive Remuneration Committee)

Philip Wood – (Audit Committee, Executive Remuneration Committee, Education Impact Committee) until July 2017

Dr Tim Walsh – (Education Impact Committee, Executive Remuneration Committee, Audit Committee) until April 2017

Alison Macleod – (Nominations Committee, Chair of Executive Remuneration Committee)

David Hawker – (Chair of Education Impact Committee)

Dr Peter Rawlinson – (Audit and Finance Committee)

Christine Gilbert – (Education Impact Committee)

Robert Humphreys – (Chair of Audit and Finance Committee)

Jonathan Owen – (Audit and Finance Committee)

Julia Grant – (Audit and Finance Committee and Executive Remuneration Committee) from July 2017

Angela McFarlane – (Education Impact Committee) from July 2017

MEMBERS

As at 31 August 2017, Education Development Trust had 35 Members. The Members take an active role in Education Development Trust's work and share their educational experience and expertise for the benefit of the Trust. The Membership appoint the Trustees and is responsible for reviewing the work of the Trust, principally at the Annual General Meeting.

PRESIDENT AND VICE PRESIDENT

Throughout the period, Sir Jim Rose and Sara Hodson acted as President and Vice President respectively (both were appointed 30 April 2015).

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:

Steve Munby (Chief Executive) until August 2017
 Patrick Brazier (Chief Executive) from August 2017
 Bob Miles (Finance and Corporate Services Director; Company Secretary)
 Tony McAleavy (Research and Consultancy Director)
 Patrick Brazier (Education Services Director) until August 2017
 Darren Coxon (Independent Schools Director) from September 2016
 Anna Searle (Education Services Director) from October 2017

BANKERS AND PROFESSIONAL ADVISERS

Bankers	Lloyds Bank Plc 24 Broad Street Reading RG1 2BT	Auditors	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 Global Asset Management 78 St James's Street London SW1A 1HL
Legal Advisers	Clarkslegal LLP One Forbury Square The Forbury Reading RG1 3EB		Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA		
Legal Advisers (International)	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ DX 774 Lon/City	Legal Advisers (Pensions)	Charles Russell Speechlys LLP 5 Fleet Place, London EC4M 7RD

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

Opinion

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 2017 which comprise the consolidated statement of financial activities, the Group and Charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2017 and of the Group's incoming resources and application of resources and the Parent Charitable Company'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.

Basis for opinion

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

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The other information comprise the Trustees Annual Report and Strategic Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' 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 Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 Trustee's 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 Trustees' responsibilities 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

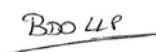
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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.

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.



James Aston (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
Date: 12 March 2018

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

6 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2017

		General Fund	Restricted Funds	Year to 31 August 2017 Total £'000	Year to 31 August 2016 Total £'000
INCOME					
<u>Income from investments</u>	1c				
Dividends receivable		102	175	277	305
Rental income		405	-	405	400
Interest income		49	-	49	63
<u>Income from charitable activities</u>	1c				
Teaching		33,144	-	33,144	29,405
System reform and consultancy		16,642	-	16,642	19,385
Counselling and guidance		10,320	-	10,320	10,162
Support for educators		7,183	-	7,183	9,125
Total income	2a	67,845	175	68,020	68,845
EXPENDITURE					
<u>Expenditure on raising funds</u>					
Investment manager's fees	1d	-	42	42	48
<u>Expenditure on charitable activities</u>	1d				
Teaching		32,148	-	32,148	28,739
Research		188	-	188	225
System reform and consultancy		16,934	30	16,964	19,554
Counselling and guidance		10,211	-	10,211	10,016
Support for educators		6,985	404	7,389	9,075
Total expenditure	5	66,466	476	66,942	67,657
Total income less total expenditure		1,379	(301)	1,078	1,188
Disposal of subsidiaries	10	20,262	-	20,262	-
Net gains on investments	9	351	404	755	1,118
Net income	2b	21,992	103	22,095	2,306
Other recognised gains and losses					
Actuarial gain / (loss) on defined benefit pension schemes	15	2,119	484	2,603	(11,031)
Exchange gain on conversion of international subsidiaries		285	-	285	1,828
Total recognised gains / (losses) for current period		2,404	484	2,888	(9,203)
Net movement in funds before minority interest		24,396	587	24,983	(6,897)
Less: Minority interest		(798)	-	(798)	(797)
Net movement in funds after minority interest		23,598	587	24,185	(7,694)
Balance brought forward at 1 September 2016		(2,391)	5,141	2,750	10,444
Balance carried forward at 31 August 2017		21,207	5,728	26,935	2,750

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

All income and expenditure is derived from continuing activities.

STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY
For the year ended 31 August 2017

				Year to 31 August 2017	Year to 31 August 2016
	Notes	General Fund £'000	Restricted Funds £'000	Total £'000	Total £'000
INCOME					
<u>Income from investments</u>					
Dividends receivable	1c	1,089	175	1,264	1,100
Rental income		404	-	404	399
Interest income		7	-	7	30
<u>Income from charitable activities</u>					
Teaching	1c	10,359	-	10,359	10,700
System reform and consultancy		11,990	-	11,990	13,799
Counselling and guidance		2,995	-	2,995	1,746
Support for educators		6,268	-	6,268	7,695
Total income		33,112	175	33,287	35,469
EXPENDITURE					
<u>Expenditure on raising funds</u>					
Investment manager's fees	1d	-	42	42	48
<u>Expenditure on charitable activities</u>					
Teaching	1d	10,617	-	10,617	10,087
Research		188	-	188	225
System reform and consultancy		12,874	-	12,874	14,589
Counselling and guidance		2,838	-	2,838	1,390
Support for educators		6,363	404	6,767	8,984
Total expenditure		32,880	446	33,326	35,323
Total income less total expenditure		232	(271)	(39)	146
Net gains on investments	9	351	404	755	1,118
Net income		583	133	716	1,264
Other recognised gains and losses					
Actuarial gain / (loss) on defined benefit pension schemes		2,119	-	2,119	(907)
Total recognised gains / (losses)		2,119	-	2,119	(907)
Net movement in funds		2,702	133	2,835	357
Balance brought forward at 1 September 2016		9,734	5,708	15,442	15,085
Balance carried forward at 31 August 2017		12,436	5,841	18,277	15,442

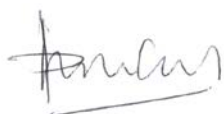
The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

BALANCE SHEETS
As at 31 August 2017

	Notes	-----GROUP-----		-----CHARITY-----	
		As at 31/08/17	As at 31/08/16	As at 31/08/17	As at 31/08/16
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	1f, 8	8,858	9,198	6,797	7,297
Investments	1h, 9	9,589	10,117	9,589	10,117
Investments in Group undertakings	10	-	-	1,088	1,088
Total fixed assets		18,447	19,315	17,474	18,502
CURRENT ASSETS					
Debtors:					
Amounts falling due within one year	11	17,174	14,028	9,742	8,018
Cash at bank and in hand		15,927	14,623	5,938	4,399
		33,101	28,651	15,680	12,417
CURRENT LIABILITIES					
Creditors:					
Amounts falling due within one year	12	(19,418)	(16,066)	(13,800)	(11,939)
Net current assets		13,683	12,585	1,880	478
Total assets less current liabilities		32,130	31,900	19,354	18,980
Provision for liabilities and charges	14	(842)	(1,085)	(819)	(959)
Defined benefit pension schemes	15	(378)	(24,600)	(258)	(2,579)
NET ASSETS		30,910	6,215	18,277	15,442
CHARITABLE FUNDS					
General fund (excluding pension liabilities)		21,465	21,559	12,694	12,313
Restricted Funds	13	5,848	5,791	5,841	5,708
SUB TOTAL FUNDS (excluding pension liabilities)		27,313	27,350	18,535	18,021
Defined benefit pension liability – general fund	15	(258)	(23,950)	(258)	(2,579)
Defined benefit pension liability – restricted funds	15	(120)	(650)	-	-
TOTAL FUNDS (excluding Minority Interest)		26,935	2,750	18,277	15,442
Minority interests		3,975	3,465	-	-
TOTAL FUNDS		30,910	6,215	18,277	15,442

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



Philip Graf
Chairman
Dated: 8 March 2018

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 August 2017

	Year to 31 August 2017	Year to 31 August 2016
	£'000	£'000
<u>Cash flows from operating activities</u>		
Net income for the year	22,095	2,306
Adjustments for:		
Depreciation on tangible fixed assets	1,023	1,216
Goodwill impairment	5	-
Profit on sale of tangible fixed assets	(15)	(112)
Disposal of subsidiaries	(20,262)	-
(Increase) / decrease in debtors	(4,550)	3,160
Increase / (decrease) in creditors	3,640	(2,380)
Decrease in provisions	(125)	(774)
Less dividends receivable	(277)	(305)
Less interest receivable	(49)	(63)
Post-retirement benefits adjustment	(242)	352
Dividends paid to minority interest	(409)	(229)
Gains on investments	(755)	(1,118)
Exchange loss on fixed assets	(185)	(96)
Exchange gain on minority interest	4	25
Exchange gain on conversion of cash	(1)	(60)
Exchange gain on conversion of opening reserves of foreign subsidiaries	285	1,828
Net cash generated from operating activities	182	3,750
<u>Cash flows from investing activities</u>		
Interest received	49	63
Dividends received from investments	277	305
Purchase of tangible fixed assets	(516)	(1,664)
Sale of tangible fixed assets	33	549
Purchase of fixed asset investments	(3,207)	(1,479)
Sale of fixed asset investments	4,406	1,590
Goodwill on purchase of assets	(5)	-
Net cash generated from / (used in) investing activities	1,037	(636)
Net increase in cash and cash equivalents in the year	1,219	3,114
Cash and cash equivalents at the beginning of the year	14,779	11,605
Change in cash and cash equivalents due to exchange rate movements	1	60
Total cash and cash equivalents at the end of the year	15,999	14,779
<u>Cash and cash equivalents:</u>		
Cash at bank and in hand	15,927	14,623
Cash at investments managers – money market deposits	72	156
Total cash and cash equivalents	15,999	14,779

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017**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 2015) – (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 1b).

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

- No cash flow statement has been prepared for the parent charity; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent 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. Where the acquisition is akin to a gift (for example, the Group is given control of another entity with net assets and a sound business plan) the fair value of the assets and liabilities acquired are treated as a donation, in line with accounting policy 1e below. All other acquisitions are accounted for in accordance with policy 1e below. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017**1. PRINCIPAL ACCOUNTING POLICIES (continued)****b. 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 Education Development Trust's membership of the Pension Trust's Growth Plan (see note 15). 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 collected.

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

c. 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.

The income has been split under the five key activities identified to meet the Charity's objectives: Teaching, Research, Counselling and Guidance, System Reform and Consultancy and Support for Educators.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

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.
- 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.

Donations are recognised at their open market value in the period in which they are receivable as incoming resources where the benefit to the Charity can be reliably measured. Where the donation relates to a fixed asset, it is independently assessed to obtain the depreciated replacement cost and the asset is included in the appropriate fixed asset category and depreciated over the remaining useful economic life in accordance with the Group policy.

d. Expenditure

Within the Statement of Financial Activities, expenditure is split between expenditure on raising funds and expenditure on charitable activities.

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 five key activities identified namely: Teaching, Research, Counselling and Guidance, System Reform and Consultancy and Support for Educators. 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. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a fair basis. All other indirect expenditure (including central support, development and governance costs) is allocated based on the proportion of incoming resources of that activity as a percentage of the Group incoming resources.

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.

e. Intangible fixed assets

Intangible fixed assets represent goodwill arising on acquisitions less accumulated amortisation and any accumulated impairment losses. Goodwill arising on an acquisition of a subsidiary is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the Statement of Financial Activities over the trustees' estimate of its useful economic life which ranges from 5 to 10 years.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

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 property	Buildings over a period of 30 years or expected remaining useful life whichever is the shorter. Land is not depreciated
Long-term leasehold property	Buildings over a period of 30 years or expected remaining useful life whichever is the shorter. Land is depreciated over the life of the lease.
Freehold improvements	10%
Leasehold improvements	Over lease term or remaining contract period, whichever is shorter
Office furniture and equipment	20%
Motor vehicles	25%
Enterprise Resource Planning (ERP) system	10%
Other computer equipment, software and IT infrastructure	20% to 33%

For office furniture, equipment and computer equipment purchased second-hand, the depreciation rate is 50% 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.

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

Tangible fixed assets transferred to the Group for no consideration are reflected within fixed assets at the point of transfer. The assets are independently valued and included in the statements at depreciated replacement cost which equates to fair value and then depreciated according to the Group policy.

g. Impairment of fixed assets and goodwill

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017**1. PRINCIPAL ACCOUNTING POLICIES (continued)****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.

j. Pension scheme arrangements**(i) Defined contribution scheme**

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

(ii) Defined benefit scheme

The parent charity and two of its subsidiaries 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 SOFA.

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 consolidated 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 so accrued at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017**1. PRINCIPAL ACCOUNTING POLICIES (continued)****i. Operating leases**

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

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 in profit or loss, 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. Awards and grants

Resources expended are accounted for when commitments are made to grant recipients.

o. Restricted funds

The Charity's 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 2017
2. SEGMENTAL ANALYSIS

(a) Group income relating to operating activities	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
An analysis of Group turnover by geographical segment is given below:		
United Kingdom	27,716	32,125
South Asia and South East Asia	23,407	19,609
Middle East	7,242	8,062
Africa	9,063	8,690
Europe and other	592	359
	68,020	68,845

Within Africa income of £5.5m (2015/16: £6m) relates to the DFID Girls Education Challenge Kenya contract. In addition, £0k (2015/16: £243k) of income relates to a sub contract under the DFID Girls Education Challenge in Somalia.

(b) Net income

	£'000	£'000
An analysis of surplus / (deficit) by geographical segment is given below:		
United Kingdom	17,834	(1,155)
South Asia and South East Asia	3,272	2,229
Middle East	240	781
Africa	355	259
Europe and other	394	192
	22,095	2,306

3. STAFF AND TEACHER COSTS

	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
Wages and salaries	32,595	32,518
Redundancy, termination or ex gratia payment	280	443
Social security costs	1,496	1,590
Pensions	1,071	1,090
Temporary staff	246	332
Seconded staff	(8)	109
	35,680	36,082

Redundancy, termination and ex gratia payments were incurred as part of the ongoing development of the business.

Details of the amount payable to defined contribution pension schemes in respect of staff are detailed in pensions note 15a.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
3. STAFF AND TEACHER COSTS (continued)

Staff members whose total annual remuneration was in the ranges:	Year to 31 August 2017 No. of Staff	Year to 31 August 2016 No. of Staff
£60,000 – £69,999	13	13
£70,000 – £79,999	8	6
£80,000 – £89,999	7	5
£90,000 – £99,999	-	3
£100,000 – £109,999	2	2
£110,000 – £119,999	-	3
£120,000 – £129,999	-	4
£130,000 – £139,999	5	-
£160,000 – £169,999	1	1
£170,000 - £179,999	1	1
£180,000 - £189,999	1	-
	38	38

Total employer pension contributions for the provision of money purchase schemes totalled £135,907 (2015/16: £161,635) for those staff whose total remuneration was over £60,000.

	Year to 31 August 2017 No. of Staff	Year to 31 August 2016 No. of Staff
The number of staff whose remuneration was over £60,000 to whom retirement benefits are accruing under:		
- money purchase schemes	21	20
- defined benefit schemes	2	5
By activity, the average monthly number of persons employed by the Group during the period was:		
Delivery staff	923	989
Services staff	171	178
	1,104	1,167

Key Management Personnel

The total employment benefits of the key management personnel were £704,590 (2015/16: £672,167) and total employer pension contributions for 5 people totalled £55,237 (2015/16; £84,156 for 5 people).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

4. NET INCOME / EXPENDITURE is stated after charging / (crediting)	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
Auditors' remuneration:		
Audit (Charity 2016/17: £38,225, 2015/16: £37,260)	55	72
Tax Advice	-	10
Other	1	2
Depreciation (note 8)	1,023	1,216
Goodwill impairment (note 7)	5	-
Remuneration of the Board of Trustees (note 6)	125	133
Exchange differences	105	117
Governance costs	199	218
Operating lease rentals:		
Hire of plant and machinery	3	35
Property	1,181	1,456
Vehicles	-	5
Gain on sale of tangible fixed assets	(15)	(112)

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 2017 £'000	Year to 31 August 2016 £'000
<u>Expenditure on charitable activities</u>								
Teaching	19,522	1,672	20	1,682	8,087	1,165	32,148	28,739
Research	127	-	42	-	19	-	188	225
System reform and consultancy	2,915	842	10	-	12,612	585	16,964	19,554
Counselling and guidance	6,244	926	140	227	2,029	645	10,211	10,016
Support for educators	3,012	420	684	75	2,904	294	7,389	9,075
	31,820	3,860	896	1,984	25,651	2,689	66,900	67,609
Investment manager's fees	-	-	-	-	-	42	42	48
Total expenditure	31,820	3,860	896	1,984	25,651	2,731	66,942	67,657

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 expenditure includes consultancy fees and other costs incurred in order to meet the Charity's contractual obligations.

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 incoming resources. Governance costs are reported in note 4.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
6. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES

			Year to 31 August 2017	Year to 31 August 2016
(a) Trustees remuneration and transactions				
Recipient		Nature	£	£
P Graf		Remuneration	20,000	20,000
S Hunt	until 24 May 2016	Remuneration	-	11,333
S Laing	until 24 May 2016	Remuneration	-	11,333
P Wood	until 6 July 2017	Remuneration	13,167	15,500
T Walsh	until 28 April 2017	Remuneration	6,667	10,000
A Macleod		Remuneration	15,500	15,500
D Hawker		Remuneration	15,500	15,500
P Rawlinson		Remuneration	10,000	15,500
C Gilbert		Remuneration	10,000	10,000
J Owen	from 24 May 2016	Remuneration	15,500	4,208
B Humphreys	from 24 May 2016	Remuneration	15,500	4,208
A McFarlane	from 6 July 2017	Remuneration	1,532	-
J Grant	from 6 July 2017	Remuneration	1,532	-
			124,898	133,082

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.

Nature of expense	Number of Board Members		Year to 31 August 2017	Year to 31 August 2016
	2016/17	2015/16	£	£
Travel expenses	6	8	6,090	5,859
Subsistence / meals / hospitality	9	-	1,805	-
Hotels / accommodation	4	-	1,003	-
Other expenses	1	1	16	866
			8,914	6,725

(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 2017	Year to 31 August 2016
	£'000	£'000
CfBT Advice and Guidance Ltd	814	932
CfBT Education Services (B) Sdn Bhd	1,761	1,069
EDT Middle East Educational Consultancy LLC (formerly CfBT for Education LLC)	413	407
International School of Cape Town (Pty) Ltd	15	11
CfBT Education Services and Partners LLC	68	99
CfBT Education Services (Malaysia) Sdn Bhd	2	1
CfBT Multimedia Education Sdn Bhd	1	2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
6. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES (continued)

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

	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
CfBT Advice and Guidance Ltd	-	583
CfBT Education Services (B) Sdn Bhd	876	794
EDT Middle East Educational Consultancy LLC (formerly CfBT for Education LLC)	(284)	(52)
International School of Cape Town (Pty) Ltd	1,392	1,188
CfBT Education Services and Partners LLC	1,439	1,578
CfBT Multimedia Education Sdn Bhd	132	135
CfBT Education Services (Malaysia) Sdn Bhd	156	160
Monkton House Kings College (Cardiff) Educational Trust Ltd	440	439
League for the Exchange of Commonwealth Teachers	(1)	(77)
Waverley School (Waverley Way) Ltd	103	98

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

As explained in note 10, CfBT Education Services and Partners LLC and CfBT Advice and Guidance Limited are no longer subsidiaries of Education Development Trust. The balance outstanding with CfBT Education Services and Partners LLC at 31 August 2017 is therefore included within Trade Debtors.

(ii) Other connected parties

Education Development Trust has representation on the Board of CfBT 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 2017 £'000	Year to 31 August 2016 £'000
Recovery of CfBT Schools Trust staff salary costs paid by Education Development Trust on behalf of CfBT Schools Trust	776	1,092
Charge for Education Development Trust services supporting CfBT Schools Trust	47	69
Services provided to CfBT Schools Trust Schools within normal Education Development Trust business	15	51
Services received from CfBT Schools Trust Schools as part of normal Education Development Trust business	2	123

CfBT Schools Trust owed £nil (2015/16 £134,716) to Education Development Trust as at 31 August 2017. In the prior year the amount owed was included within other debtors in both the Charity and Group figures.

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2017

7. INTANGIBLE FIXED ASSETS	-----Group-----		-----Charity-----	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
GOODWILL				
Cost				
At 1 September	9,786	9,786	9,626	9,626
Additions	5	-	5	-
Disposals	(152)	-	-	-
At 31 August	9,639	9,786	9,631	9,626
Accumulated aggregate amortisation				
At 1 September	(9,786)	(9,786)	(9,626)	(9,926)
Impairment	(5)	-	(5)	-
Disposals	152	-	-	-
At 31 August	(9,639)	(9,786)	(9,631)	(9,626)
Net book amount at 31 August	-	-	-	-

8. TANGIBLE FIXED ASSETS

GROUP	Freehold Property £'000	Leasehold Improvement £'000	Motor Vehicles £'000	Office Fixtures £'000	IT Systems and Computers £'000	Total £'000
Cost						
As at 1 September 2016	4,645	5,181	386	1,478	5,066	16,756
Additions	31	168	137	93	87	516
Transfers	(196)	196	-	-	-	-
Disposals	-	(108)	6	(286)	(695)	(1,083)
Exchange adjustment	156	25	13	30	23	247
As at 31 August 2017	4,636	5,462	542	1,315	4,481	16,436
Depreciation						
As at 1 September 2016	1,413	1,758	292	1,223	2,872	7,558
Charge for the year	99	347	42	105	430	1,023
Transfers	(15)	15	-	-	-	-
Eliminated on disposal	-	(107)	7	(276)	(689)	(1,065)
Exchange adjustment	7	5	9	22	19	62
As at 31 August 2017	1,504	2,018	350	1,074	2,632	7,578
Net book value at 31 August 2017	3,132	3,444	192	241	1,849	8,858
Net book value at 31 August 2016	3,232	3,423	94	255	2,194	9,198

Adjustments relating to the removal of assets in respect of former subsidiaries of Education Development Trust (CfBT Advice and Guidance Ltd and CfBT Education Services and Partners LLC) are reflected within the disposals figures in the table above. These companies are no longer subsidiaries of Education Development Trust. See Note 10. The transfer relates to leasehold improvement costs previously being incorrectly classified under freehold property.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

8. TANGIBLE FIXED ASSETS (continued)

CHARITY	Freehold Property £'000	Leasehold Improvement £'000	Motor Vehicles £'000	Office Fixtures £'000	IT Systems and Computers £'000	Total £'000
Cost						
As at 1 September 2016	1,937	5,018	138	1,054	4,803	12,950
Additions	-	168	19	74	72	333
Disposals	-	-	(26)	(191)	(685)	(902)
As at 31 August 2017	1,937	5,186	131	937	4,190	12,381
Depreciation						
As at 1 September 2016	395	1,621	107	880	2,650	5,653
Charge for the year	50	293	12	75	399	829
Eliminated on disposal	-	-	(26)	(190)	(682)	(898)
As at 31 August 2017	445	1,914	93	765	2,367	5,584
Net book value at 31 August 2017	1,492	3,272	38	172	1,823	6,797
Net book value at 31 August 2016	1,542	3,397	31	174	2,153	7,297

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

9. FIXED ASSET INVESTMENTS

Portfolio structure	-----Group and Charity-----			
	-----31 August 2017-----		-----31 August 2016-----	
	%	£'000	%	£'000
GBP bonds	0.6%	57	2.5%	247
International bonds	10.2%	980	10.3%	1,044
UK equities	18.9%	1,816	21.1%	2,133
International equities (other than UK)	25.9%	2,479	14.7%	1,491
Multi Asset Funds non-region specific	38.7%	3,715	45.1%	4,564
Other	4.9%	470	4.8%	482
Cash held by investment managers in money market funds	0.8%	72	1.5%	156
Market value as at 31 August	100%	9,589	100%	10,117

Movement in market value of investments	2016/17 £'000	2015/16 £'000
Opening market value as at 1 September	10,117	9,004
Additions	3,207	1,479
Disposals	(4,406)	(1,590)
Unrealised (losses) / gains	(146)	924
Realised gains	901	194
(Decrease) / increase in cash	(84)	106
Closing market value as at 31 August	9,589	10,117

Historical cost of investment portfolio	-----Group and Charity-----	
	2017 £'000	2016 £'000
Costs as at 31 August	7,267	7,649

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
10. 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
Teaching						
CfBT Education Services (B) Sdn Bhd	Brunei	n/a	55%	22,097	20,549	6,350
International School of Cape Town (Pty) Ltd	South Africa	2002/026764/07 / n/a	100%	1,737	1,606	616
Waverley School (Waverley Way) Ltd	Great Britain	3181579 / n/a	100%	-	43	336
Monkton House Kings College (Cardiff) Educational Development Trust Ltd	Great Britain	894179 / 525759	100%	-	-	(450)
CfBT Multimedia Education Sdn Bhd	Malaysia	482193-M	100%	1	(4)	748
CfBT Education Services (Malaysia) Sdn Bhd	Malaysia	262696-M	100%	-	(9)	(995)
System Reform and Consultancy						
EDT Middle East Educational Consultancy LLC (formerly CfBT for Education LLC)	Abu Dhabi	n/a	49%	5,767	5,242	5,578
League for the Exchange of Commonwealth Teachers	Great Britain	4294081 / 1089920	100%	-	(454)	(113)
Support for Educators						
CfBT Education Services	India	n/a	100%	312	298	101
CfBT Education Resource Management Private Ltd	India	n/a	100%	89	86	31

The Charity has a 49% shareholding in EDT Middle East Educational Consultancy LLC (formerly CfBT for Education 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 30th June 2017 a subsidiary of the Charity, CfBT Advice and Guidance Ltd, which provided counselling and guidance services in the UK, entered administration. As the charity no longer had control of the company, a disposal was recognised on this date. The administrator sold the trade and assets of CfBT Advice and Guidance Limited to the Charity and the staff of CfBT Advice and Guidance Limited were transferred under TUPE to the Charity. The reported net surplus of the Group includes £21m arising from the administration, being the book value of the net liabilities deconsolidated from the Group accounts.

In June 2017 the Charity reduced its shareholding in CfBT Education Service and Partners LLC, a company which provides support for educators in Oman, from 70% to 20%. As the Charity has not retained significant influence the remaining shareholding has been accounted for as a fixed asset investment. A loss on disposal of £0.7m has been recognised in the Statement of Financial Activities.

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 2016	1,088
Disposals	(105)
Provision against investment released on disposal	105
Cost as at 31 August 2017	1,088

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
11. DEBTORS

Amounts falling due within one year	Group		Charity	
	As at 31/08/17	As at 31/08/16	As at 31/08/17	As at 31/08/16
	£'000	£'000	£'000	£'000
Trade debtors	8,684	4,961	3,620	4,160
Amounts owed by Group undertakings	-	-	1,543	1,204
Other debtors	3,178	3,464	553	605
Prepayments	820	594	646	295
Accrued income	4,492	5,009	3,380	1,754
	17,174	14,028	9,742	8,018

12. CREDITORS

Amounts falling due within one year	Group		Charity	
	As at 31/08/17	As at 31/08/16	As at 31/08/17	As at 31/08/16
	£'000	£'000	£'000	£'000
Trade creditors	1,630	2,013	1,487	1,795
Amounts owed to Group undertakings	-	-	341	133
Monies held on behalf of third parties	854	816	850	812
Taxation and social security	718	676	375	289
Awards & grants committed funds	-	45	-	45
Other creditors	3,242	3,861	1,270	1,322
Accruals	3,338	4,103	2,085	3,022
Deferred income	9,636	4,552	7,392	4,521
	19,418	16,066	13,800	11,939

Movement in deferred income	Group		Charity	
	As at 31/08/17	As at 31/08/16	As at 31/08/17	As at 31/08/16
	£'000	£'000	£'000	£'000
Opening balance at 1 September	4,552	5,514	4,521	5,338
Utilised in the year	(4,169)	(3,992)	(4,132)	(3,815)
Income deferred in the year	9,253	3,030	7,003	2,998
Closing balance at 31 August	9,636	4,552	7,392	4,521

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
13. RESTRICTED FUNDS

	League for the Exchange of Commonwealth Teachers £'000	Kings Monkton College £'000	Alexandria Schools Trust £'000	Total Restricted Funds £'000
Balance at 31 August 2015	55	-	5,262	5,317
Income	-	3	169	172
Expenditure	(14)	(2)	(301)	(317)
Net gains on investments	-	-	577	577
Transfers	-	(1)	-	(1)
Other recognised losses	(607)	-	-	(607)
Balance at 31 August 2016	(566)	-	5,707	5,141
Income	-	-	175	175
Expenditure	(30)	-	(446)	(476)
Net gains on investments	-	-	404	404
Transfers	-	-	-	-
Other recognised gains	484	-	-	484
Balance at 31 August 2017	(112)	-	5,840	5,728

Restricted Fund Balance Sheet as at 31 August 2017

Tangible Fixed Assets / Investments	-	-	5,874	5,874
Current Assets (excluding Cash)	2	-	-	2
Cash	18	-	273	291
Current Liabilities	(12)	(450)	(307)	(769)
Transfers from General funds	-	450	-	450
Defined benefit pension scheme liabilities	(120)	-	-	(120)
Net Assets as at 31 August 2017	(112)	-	5,840	5,728

Restricted Fund Balance Sheet as at 31 August 2016

Tangible Fixed Assets / Investments	-	-	5,552	5,552
Current Assets (excluding Cash)	77	-	-	77
Cash	18	-	221	239
Current Liabilities	(11)	(450)	(66)	(527)
Transfers from General funds	-	450	-	450
Defined benefit pension scheme liabilities	(650)	-	-	(650)
Net Assets as at 31 August 2016	(566)	-	5,707	5,141

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
13. RESTRICTED FUNDS (continued)

The charitable objectives of Monkton House Kings College (Cardiff) Educational Trust Ltd and the League for the Exchange of Commonwealth Teachers are narrower than those of Education Development Trust.

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. The use of these funds is restricted to the advancement of education in Egypt and other countries, in accordance with British educational principles and practice.

In prior years funds have been transferred from unrestricted (general) to restricted reserves to fund the shortfall recorded in the separate accounts of Monkton House Kings College (Cardiff) Educational Trust Ltd.

14. PROVISION FOR LIABILITIES AND CHARGES
GROUP

	Onerous Leases	Dilapidations	Tax	Other	Pension deficit reduction payments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 September 2016	49	728	125	23	160	1,085
Utilised during the year	(29)	-	-	-	-	(29)
Release for the year	-	(73)	(125)	-	(16)	(214)
As at 31 August 2017	20	655	-	23	144	842

CHARITY

As at 1 September 2016	49	728	-	22	160	959
Utilised during the year	(29)	-	-	(22)	-	(51)
Release for the year	-	(73)	-	-	(16)	(89)
As at 31 August 2017	20	655	-	-	144	819

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

	Onerous Leases	Dilapidations	Tax	Other	Pension deficit reduction payments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Due after one year	-	581	-	-	127	708

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 Education Development Trust's membership of the Pension Trust's Growth Plan. The £144k provision as at 31 August 2017 (2016: £160k) shown above represents the present value of contributions payable by Education Development Trust that result from the terms of the deficit recovery plan in respect of the Growth Plan.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017**15. PENSIONS**

The Group operates both defined contribution and defined benefit pension schemes.

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 £564,622 (2015/16: £595,055). Contributions totalling £90,197 (2015/16: £85,102) were payable to the fund at the year end and are included in creditors.

The Group also contributes to the Teachers' Pension Scheme which is an unfunded, statutory, final salary scheme. 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 £199,411 (2015/16: £186,019). Contributions totalling £26,572 (2015/16: £23,540) 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 £16,498 (2015/16: £22,399). The results of the Growth Plan scheme valuation as at 30 September 2014 show a deficit of £177m. A recovery plan has been established which aims to eliminate the funding deficit over a period of 9 years and 6 months from April 2016. 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 14 to the consolidated financial statements.

b. Defined benefit scheme

The parent participates in a local government pension scheme (LGPS) operated by The London Pension Fund Authority providing benefits based on final pensionable salary. The assets of the schemes are held separately from those of the Group. The parent also participates in the multi-employer Prudential Platinum defined benefit pension scheme. The assets of each employer in the scheme are kept entirely separate. A subsidiary, the League for the Exchange of Commonwealth Teachers, has 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.

As explained in Note 1, CfBT Advice and Guidance Ltd (a subsidiary of the Group) entered administration on 30 June 2017 and as a result the net liabilities of this entity are no longer part of the Group's balance sheet. These included £21.4m of pension liabilities relating to LGPS funds operated by The Royal Borough of Windsor & Maidenhead (the Berkshire County Council scheme), Oxfordshire County Council and The London Pension Fund Authority, and a separate section of the Prudential Platinum scheme.

Derivation of figures

With the exception of the Prudential Platinum pension scheme, the figures disclosed below have been derived by approximate methods from the latest full actuarial valuation of the funds. For the LGPS the latest actuarial valuation was carried out by Barnett Waddington as at 31 March 2016 and for the closed scheme the latest actuarial valuation was carried out by JLT Pension Capital Strategies Ltd as at 1 April 2015. The Prudential Platinum scheme was set up in June 2017 and the first actuarial valuation is due to be carried out with an effective date of 31 December 2017. The liabilities have been calculated by valuing the benefits accrued up to the measurement date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
15. 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:

Assumptions	2016/17	2015/16
RPI	3.2%-3.4%	2.8%-3.2%
CPI	2.5%	2.2%-2.3%
Salary increases per annum	3.7%-4.0%	3.3%-4.1%
Pensions increases per annum	2.5%-3.2%	2.0%-3.0%
Discount rate per annum	2.4%-2.5%	1.9%-2.1%

Mortality assumptions

Each fund uses assumptions appropriate to that fund. The Prudential Platinum Scheme uses the S2PA tables, long cohort with a 1.5% improvement. The closed scheme uses the PCA00 tables with a 1.5% underpin. The local government scheme uses Club Vita tables with a long cohort projection and 1.5% underpin.

	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
Composition of assets and liabilities:		
Equities	4,831	15,487
Gilts	1,635	7,477
Other bonds / property	869	7,762
Cash / other	2,647	4,324
Plan assets at fair value	9,982	35,050
Present value of funded liabilities	(10,360)	(59,563)
	(378)	(24,513)
Present value of unfunded liabilities	-	(87)
Net liability	(378)	(24,600)

	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
Reconciliation of the present value of liabilities		
Opening present value of liabilities	59,650	77,410
Current service cost	68	376
Interest cost	235	2,856
Contributions by participants	14	93
Net benefits paid out	(732)	(3,218)
Settlements	-	116
Actuarial (gains) / losses	(1,313)	21,558
Extinguished on cessation	(47,562)	(39,541)
Closing present value of liabilities	10,360	59,650

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
15. PENSIONS (continued)

	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
<u>Reconciliation of the fair value of assets</u>		
Opening fair value of assets	35,050	56,217
Interest income	175	2,068
Re-measurement gains:		
Return on scheme assets excluding interest income	1,238	5,806
Other actuarial gains	52	-
Contributions by employer	381	1,014
Contributions by participants	14	93
Net benefits paid out	(732)	(3,219)
Administration expenses	(11)	(85)
Extinguished on cessation	(26,185)	(26,844)
Closing fair value of assets	9,982	35,050

Amounts recognised in the balance sheet

Fair value of plan assets	9,982	35,050
Present value of plan liabilities	(10,360)	(59,650)
Net liability	(378)	(24,600)

Return on assets

Actual return on assets	1,413	7,874
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Amount recognised in the SOFA

Current service cost	68	376
Administration expenses	11	85
Settlement cost		116
Assets and liabilities extinguished on administration	(21,377)	-
Net interest on defined benefit liability	60	788
Income / expense recognised	(21,238)	1,365

Analysis of actuarial loss recognised within the SOFA gains and losses category

	Year to 31 August 2017 £'000	Year to 31 August 2016 £'000
Actual return less interest income included in net interest income	1,238	5,806
Other actuarial gains on assets	52	-
Experience gains and losses arising on scheme liabilities	791	(1,207)
Changes in assumptions underlying the present value of scheme liabilities	522	(20,352)
Assets and liabilities extinguished on cessation	-	12,697
Total actuarial gains / (losses)	2,603	(3,056)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

16. OPERATING LEASE COMMITMENTS

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

	At 31 August 2017	At 31 August 2016
	£'000	£'000
Land and buildings		
Group		
Within one year	3,174	2,908
Within two to five years	3,802	3,501
After five years	10,406	8,867
	17,382	15,276
Charity		
Within one year	859	778
Within two to five years	2,823	2,633
After five years	10,406	9,051
	14,088	12,462
Other operating leases		
Group		
Within one year	3	14
	3	14
Charity		
Within one year	-	6
	-	6

The land and building lease commitment figure for both the Charity and the Group includes a total of £4.1m (2015/16: £4.5m) relating to properties which are sub-let to another organisation.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017
17. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	-----GROUP-----			-----CHARITY-----		
	General Fund £'000	Restricted Funds £'000	Total 2015/16 £'000	General Fund £'000	Restricted Funds £'000	Total 2015/16 £'000
INCOME						
<u>Income from investments</u>						
Dividends receivable	136	169	305	931	169	1,100
Rental income	400	-	400	399	-	399
Interest income	60	3	63	30	-	30
<u>Income from charitable activities</u>						
Teaching	29,405	-	29,405	10,700	-	10,700
System reform and consultancy	19,385	-	19,385	13,799	-	13,799
Counselling and guidance	10,162	-	10,162	1,746	-	1,746
Support for educators	9,125	-	9,125	7,695	-	7,695
Total income	68,673	172	68,845	35,300	169	35,469
EXPENDITURE						
<u>Expenditure on raising funds</u>						
Investment managers' fees	-	48	48	-	48	48
<u>Expenditure on charitable activities</u>						
Teaching	28,737	2	28,739	10,087	-	10,087
Research	225	-	225	225	-	225
System reform and consultancy	19,540	14	19,554	14,589	-	14,589
Counselling and guidance	10,016	-	10,016	1,390	-	1,390
Support for educators	8,822	253	9,075	8,731	253	8,984
Total expenditure	67,340	317	67,657	35,022	301	35,323
Total income less total expenditure	1,333	(145)	1,188	278	(132)	146
Net gains on investments	541	577	1,118	541	577	1,118
Net income before transfers	1,874	432	2,306	819	445	1,264
Transfers between funds	1	(1)	-	-	-	-
Net income	1,875	431	2,306	819	445	1,264
<u>Other recognised gains and losses</u>						
Actuarial loss on defined benefit pension schemes	(10,424)	(607)	(11,031)	(907)	-	(907)
Exchange gain	1,828	-	1,828	-	-	-
Total recognised losses for period	(8,596)	(607)	(9,203)	(907)	-	(907)
Net movement in funds before minority interest	(6,721)	(176)	(6,897)	(88)	445	357
Less: minority interest	(797)	-	(797)	-	-	-
Net movement in funds after minority interest	(7,518)	(176)	(7,694)	(88)	445	357
Balance brought forward at 1 Sept 2015	5,127	5,317	10,444	9,822	5,263	15,085
Balance carried forward at 31 Aug 2016	(2,391)	5,141	2,750	9,734	5,708	15,442