



Teach First

A young boy with dark, curly hair and a bright smile is the central focus of the image. He is wearing a blue crewneck sweater with a yellow collar. His hands are clasped in front of him, holding a blue and purple ribbon. The background is a solid black, which makes the boy and the white text stand out.

Teach First's Annual Report and Accounts 2019/20

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A welcome from our Chair, Dame Vivian Hunt



This time last year I began my introduction by stating that an excellent education is the greatest difference one can make to a disadvantaged young person's life. I think we can all agree that, after everything that has taken place in the last 12 months, never has this sentiment been truer.

Yet it is also clear that our country's most disadvantaged young people are feeling the effects of COVID more deeply than their wealthier peers. This disparity exemplifies exactly the problem that Teach First has been working to end since 2003: that, all too often, a child's economic or social background determines what kind of education they have, and what they are able to go on to achieve.

2020 showed us how the poorest pupils were being shut out of learning, in part because they did not have access to the technology or devices they needed in order to connect to their virtual classrooms. Dismayingly, this kind of inequality means that progress in closing the GCSE attainment gap in the last decade has been lost since the onset of the pandemic.

However, despite these stark truths, the work that Teach First has done in the last year continues to prove that, when we get the foundations right for the poorest pupils – great teachers, brilliant leaders and powerful networks– it is possible to give every young person the education and opportunities they deserve.

To do this, Teach First has had to make drastic changes to the way it operates. I have been inspired by the way the organisation swiftly adapted much of its recruitment, training and programmes to online delivery this year to recruit and prepare 1,699 teachers for the schools that desperately need them as well as developing a new programme to place 1,000 academic mentors into these schools over the coming months.

In the last annual report, I said we needed to make better use of technology to extend our reach and effectiveness. I could not have predicted that a global public health crisis would expedite our progress in this area. But, when the circumstances leave no other option, it is incredible just how much can be achieved. I know we intend to keep innovating to ensure we can adapt and improve our work as the crisis continues.

COVID drew attention to educational inequalities like never before. The very reason for our existence has been thrust into the national spotlight. Whilst we recognise that we are in a more fortunate position than many charities during this pandemic, the support we can offer to the most disadvantaged pupils is needed now more than ever. We have had to connect with funders in new and urgent ways, and this has resulted in our largest ever single donation of £2m from IG Group. It is crucial that we keep this momentum with our supporters going. We are immensely grateful for the support we have received from all our partners throughout the year, including the Department for Education, schools, heads and teachers, candidates, trainees, participants, ambassadors, donors and funders, and contractors and suppliers.

And, in a year when a long-overdue spotlight was shone on fundamental inequalities that are embedded within our society, Teach First boldly spoke out on behalf of its community of teachers and schools. Through our campaigning, we called for urgent changes to be made to how subjects such as English literature and science are taught in terms of representation.

Nick Owen joins us as a trustee, having worked with our fundraising team to raise funds and awareness of our mission. I would like to thank Paul Drechsler, our previous Chair, and Glenn Earle, our vice-chair for their service. They were tireless champions of the right to educational equality. Education will undoubtedly be at the root of our nation's post-pandemic recovery. Ensuring that every disadvantaged child is connected to this lifeline is a huge responsibility, but one that I know Teach First has the vision and determination to take on.

Dame Vivian Hunt DBE

Chief Executive Officer's Introduction



The disruption to education in 2020 shines a light on something that has always been true. Those with resources and connections can be resilient in the face of crisis. They can fire up the laptops, buy a better broadband connection, hire a tutor. They can take refuge in the garden. They can avoid risk. But this is not true for every family. Some young people kept learning; others were not able to. Some young people were safe and protected; others were exposed to personal risk or family tragedy. And so, for the first time in years, the gap between the rich and the poor in terms of education outcomes has widened. It is estimated that a decade of progress has been reversed (Education Endowment Foundation, Impact of school closures on the attainment gap, June 2020). We cannot build a fair, prosperous, or unified country while educational outcomes remain so unequal.

Our work changed fundamentally as our world stumbled into lockdown. We halted conferences, visits and travel; our flagship Summer Institute and our Development Centres went entirely online, as did our support for programme members. Yet the need for our work became greater than ever, in the context of the greatest disruption to education our country has experienced during peacetime.

This is why I am proud that, despite the odds, 1,699 trainee teachers began their journey this summer. And that our 2017 and 2018 cohorts completed and continued their journeys with such determination. And you'll also see in this report how our other programmes have continued to support the schools most in need.

I'm in awe of our ambassadors who have mobilised to support young people and each other. We're grateful to our supporters in business and government who make this work possible and who stepped up with time, advice, resources and initiatives. Despite the obvious pressures on businesses, it was a year in which we saw our two largest single donations to date.

Thank you to our staff and partners who have ensured we can continue to deliver our mission at such a difficult time. Together, this wider community has taught pupils online and face to face, ensured new teachers have received their qualifications, ran summer programmes, coached school leaders, shared knowledge and set up an innovative new academic mentoring scheme to reach the most vulnerable. This has gone a little way to stopping COVID from dictating and constraining the destinies of a generation of young people.

Like many organisations, this year we have also looked carefully at our contribution to racial justice. There is plenty for us to do, but we have worked on our culture, our systems and processes, our workforce policies, our curriculum, our policy positions and more. I am particularly proud of our Missing Pages report on representation in the English Literature curriculum as one step on this journey. We stand for fairness as a charity; we cannot stand tall without tackling the role that race plays within our education system and in our own work.

As a result of this hard work, we have grown our reach across the main training programme and added new programmes. We are now working with more teachers in disadvantaged communities, at all stages of their career, than at any point in our history. We were able to break even financially, despite continuing investment in systems and new programmes, and build a base for a strong financial performance next year.

The effects of the virus are not over and will endure in our education system for years to come. The basic task remains as urgent as ever: to build a fair education for all. In the years ahead we will keep moving the school to the centre of our work, supporting the dedicated staff who serve our most disadvantaged communities. We will keep recruiting exceptional new teachers. And we will find more and more of these teachers within the communities we serve. We will combine sources of unexpected talent, with ambitious and principled leadership and powerful networks in and beyond education to give these schools and their young people the foundations they need to thrive.

Russell Hobby
Chief Executive Officer

Trustees' report for the year ended 31 August 2020



Our purpose

Our vision

No child's educational success should be limited by their background.

Our mission

Transforming education with great teachers, leaders and networks.

Our work

Too many children do not get the education they deserve. Where they're from should not affect where they're going, yet too often it does.

Children from low-income backgrounds start school behind their more advantaged peers, and the gap in performance widens as they progress through the education system. Our analysis shows that, on average, disadvantaged pupils are 4.3 months behind in the early years phase, 9.4 months behind in primary school and 18.4 months behind at Key Stage 4 - with persistently disadvantaged pupils 23.4 months behind at Key Stage 4.

This year our research showed that just 45% of disadvantaged pupils achieved a standard pass in GCSE English and maths compared with 72% of non-disadvantaged pupils. A stark gap in attainment, which has shown signs of widening as a result of the COVID pandemic.

But this injustice neither begins nor ends in the classroom. Pupils from disadvantaged backgrounds are almost twice as likely to find themselves no longer in education, employment, or training after they finish school. Just 26% of disadvantaged pupils are progressing to higher education, compared with 45% of pupils from all state schools.

This is a cycle we're determined to help schools break. We work in schools and communities where either a high proportion of children are eligible to receive Free School Meals, a high number of children have English as a second language or Ofsted has rated the school as requiring improvement in an Opportunity Area. Eligibility for Free School Meals is means-tested.

We know schools do an amazing job in tough conditions, and this year has been one of the toughest of all. They are a unique and trusted institution in the middle of communities, with a rare opportunity to make a difference. We're on the side of the ones facing the biggest challenges, working with them through the three distinct areas of our work.

1. TEACHER DEVELOPMENT

We recruit, train and support trainee teachers on our Training Programme to become inspiring teachers and leaders. The unique nature of our Training Programme enables us to attract many people who were not considering teaching as a career. As well as working with university students and graduates, an increasing number of our trainees are becoming teachers having started their career elsewhere.

Our trainees are tackling disadvantage head-on. And we'll continue to recruit quality teachers for the schools that need them most. But, if we're to beat the teacher recruitment challenge, we must find new ways of attracting even more people to the best job in the world. We are continually striving to remove the barriers that prevent potentially inspirational teachers from choosing a career in the classroom.

2. SCHOOL LEADERSHIP

We offer flexible training for any teacher working in schools in low-income communities to progress to all levels of school leadership. We offer training for individuals as well as for school leadership teams. We also gather research to ensure our leadership programmes create stronger school environments, offer exciting career opportunities and help teachers stay in the profession.

3. POWERFUL NETWORKS AND THE POLICIES SCHOOLS NEED

We empower our ambassadors (those who have completed one of our programmes) to run their own events and networks, prioritising our resources where, together, we can have more impact than we can alone.

Our networks, working to support schools, enhance the work we can do through teaching and leadership. We use our voice, informed by our community and research, to influence policy to address the barriers pupils, teachers and schools face.

If we get this right, together, we will make it easier to get more great teachers into the schools where they are needed most, helping them to stay and thrive.

Together, we will build a fair education for all.

Our activities

Teacher development

TRAINING PROGRAMME

Trainee teachers on our two-year Training Programme are placed in the schools facing the biggest challenges. They begin teaching in the classroom after five weeks of intensive training over the summer.

Our trainee teachers take a Postgraduate Diploma in Education (PGDE) with one of our partner universities. This qualification in teaching and leadership is backed by research, as well as feedback from our stakeholders in schools and current teachers. It allows trainees to gain the practical skills needed to become effective in the classroom quickly. Throughout the programme, they're supported by a university tutor, a Teach First expert with experience in teacher education and an in-school mentor. The PGDE is worth twice as many credits towards a master's degree as a PGCE, and it allows our ambassadors to complete a master's degree in just one more year.

We also run a number of programmes designed to give undergraduates and people thinking of changing career to become a teacher, the opportunity to find out more about teaching as a career.

EARLY CAREER FRAMEWORK

The Department for Education's Early Career Framework (ECF) is a two-year training package for Newly Qualified Teachers. We are currently delivering this training in the North East, Manchester, Doncaster and Bradford. It allows us to support teachers to continue refining their skills. We'll help early career teachers integrate theory, practice and feedback through a mix of face-to-face and online modules. In light of the COVID pandemic, the DfE created a one year ECF programme, for which we are a core provider.

ACADEMIC MENTORING PROGRAMME

Our Academic Mentoring Programme is part of the government-funded National Tutoring Programme. It increases access to high-quality tuition for disadvantaged and vulnerable children, helping them to bounce back after lockdown. We are recruiting and training mentors to work alongside teachers in primary and secondary settings to help pupils progress.

School leadership

LEADING TOGETHER

Our Leading Together programme supports schools to build effective leadership across the whole school. Schools are given training and support from a former headteacher, as well as benefiting from coaching and partnering between schools. The two-year programme helps to develop and sustain an environment where all teachers and pupils can thrive.

SCHOOL LEADER PROGRAMMES

Our accredited National Professional Qualifications help individual teachers progress to become school leaders. Designed around the specific needs and time constraints of teachers, they provide access to research-based leadership training. We currently offer three programmes: middle leader, senior leader and headship. These programmes are open to teachers and leaders in our partner schools who entered teaching through any route (not just our Training Programme).

CAREERS LEADER

Our Careers Leader programme provides a 12-month package of training to develop careers leaders in schools who can design, implement and evaluate a school-wide careers and employability strategy. This enables more young people to make informed choices about their futures and succeed beyond school.

HEADSHIP FIRST

This year we have launched a pilot programme giving support to new headteachers. We know how hard your first few months as a headteacher can be. The programme gives the new headteacher targeted one-to-one support from an experienced headteacher, as well as access to a network of other headteachers to help them hit the ground running in their new role.

Powerful networks and the policies schools need

We work with ambassador-led networks, with a priority on:

- Innovation – encouraging collaboration and sharing best practice between established, growing and emerging social enterprises and charities.
- Heads Forward Network – peer support amongst a growing group of ambassador headteachers, driving improvement and tackling educational inequality.
- Ambassadors in business – helping the business community to have a positive impact on education across the UK.

Strategic report

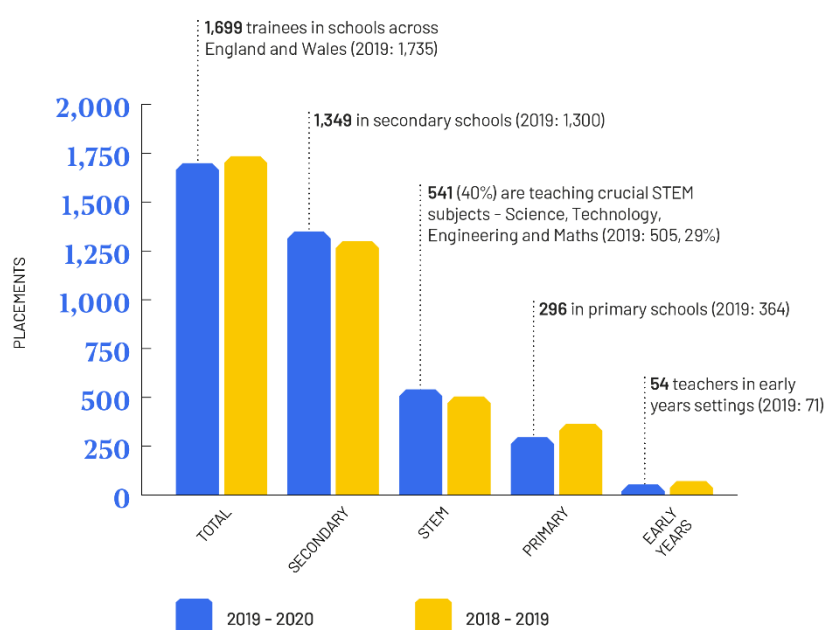


Achievements and performance

The COVID pandemic has had a significant impact on all areas of our work. During the second half of this year we have had to adapt quickly to significant changes in how we usually operate and find innovative ways to deliver our programmes of work. But the most significant impact of the pandemic is on the children and schools that we serve. That is why, as well as working hard to continue to deliver our existing programmes, we have stepped up our activities in other areas where we can see the potential benefits to children from disadvantaged backgrounds, helping them to bounce back from the impact of the ongoing school closures.

Teacher development

RECRUITMENT



In light of the uncertainties of the year, we are pleased that we were able to recruit 1,699 trainee teachers for schools across England and Wales (2019: 1,735). We placed 54 teachers in early years settings (2019: 71), 296 in primary schools (2019: 364) and 1,349 in secondary schools (2019: 1,300). 541 (32%) are teaching crucial STEM subjects - science, technology, engineering and maths (2019: 505, 29%). We also continue to grow our reach across the country. This year 65% of our new cohort are teaching outside of London (2019: 63%).

National lockdown in March 2020 came at a key point in our recruitment cycle and we moved quickly to shift our Development Centre (where the potential of applicants is assessed after they have passed the initial stage of the application process) online. This was achieved seamlessly and this key part of the recruitment process still gave us the insight we needed to properly gauge the ability and potential of our new trainees.

The 2020 cohort was our third biggest ever, the overall figure was short of our target of 1,750, but there were a number of successful applicants we had to defer until next year due to a dip in school demand. This dip can in part be attributed to the pandemic, where school leaders' focus was on providing teaching to key-worker children and readying for wider re-opening. We see the opportunity to work more closely with schools to ensure we have a thorough understanding of their staffing needs and can factor this into our recruitment, training and placement work in the future.

Competing against large blue-chip companies and the Civil Service for the attention of undergraduates is a challenge. So, we were pleased to be voted eighth in The Times Top 100 Graduate Employers list, the result of nearly 20,000 final year students being asked, "Which employer do you think offers the best opportunities for graduates?" This is the thirteenth consecutive year we have achieved a top-ten ranking. We saw an increase in applications from the start of lockdown across each of our subjects. Our task continues to focus on matching the brightest and best candidates into the classrooms in low income communities. The challenge remains particularly acute across shortage subjects including STEM.

Our new teachers' training starts at Summer Institute, a five-week course over the summer that prepares them to start in school in September. Due to COVID this year's training had to take place completely online. It was a huge undertaking not only to adapt the content of our training to suit this new delivery method, but more importantly to make sure we prepared trainees who were now unable to have their first classroom experience during this crucial time. We are pleased with the feedback we have received to these changes, with more trainees than in previous years rating the training as good or better. We put in place further support in Autumn 2020 in order that their development wouldn't be adversely affected by a fully-online model.

TRAINING AND DEVELOPING TEACHERS

87% of our 2019 cohort completed their first year and have now started the second year of their teaching career against a target of 91% (2018/19: 88%). 87% of the 2019 cohort will gain qualified teacher status once extensions have been completed (2018/19: 87%). Our target is 91%.

We learnt a lot of lessons from the Time to Teach pilot about the motivations of potential career changers to teach and the barriers they face (including significant changes to established home life, unsalaried training periods and school location). We also learnt that there is a real appetite amongst talented people to consider teaching as a new career direction. But rather than continuing with a separate programme for these potential career changers, we are adapting our core Training Programme to help overcome these barriers. So, whilst we will continue to support the trainee teachers on the Time to Teach programme, we will focus our efforts on encouraging future career changers onto the Training Programme.

As well as our role in supporting and training our trainees, we also provided training support for our 1,500 plus in-school mentors, who play a vital support role for our trainee teachers.

The Early Career Framework programmes will be our largest by volume of programme members in the next academic year. Recruitment took place in Spring and Summer 2020, resulting in over 2,700 early career teachers and their mentors signed up with us for programmes.

The Academic Mentoring Programme was created at pace, using skills and experience complementary with our teacher training programme. We had a strong response to support pupils. Our work focused on matching schools with mentors, as well as initial training. The first mentors started in schools in October and we are already recruiting for a further two waves of mentors to start in January and then in February.

School leadership

The first cohort of 17 school leadership teams completed our Leading Together programme during the year. 80% indicated that the training helped them to achieve improvement priorities. We have successfully recruited 34 more schools for this year which, combined with the 34 schools part-way through the programme, means that we are currently working with 68 schools. We have added a further level of support to this programme this year to help leadership teams deal with the impact of school closures.

We have recruited 153 aspiring leaders to start their NPQs this year – bringing the total number of people we are supporting to 385. Feedback on the programmes continues to be strong, with 90% of programme members reporting that they are able to implement changes that have a positive impact on their school.

We have also had strong feedback on our Careers Leader programme, with 91% of last year's cohort feeling the programme developed their leadership skills. As with other programmes, there have been challenges recruiting to the programme, but we are pleased with the fact that we have 102 schools on the programme for this year.

This has been a tough year to start as a headteacher. We are piloting a new Headship First programme with a small first cohort of ten ambassadors. Each programme member is a new headteacher, and the programme will equip them with the tools and techniques they need to help them settle into their role as quickly as possible. We aim to use our findings from this year to expand the programme in the years to come.

Powerful networks and the policies schools need

This year we have really seen the power of our networks and the Teach First community come into its own. Over 300 online resources were shared by our ambassadors during the pandemic. We also successfully campaigned for a £1billion catch-up fund to support schools during the pandemic.

Our networks continue to unite people passionate about building a fair education for all. This year the number of networks working to support schools increased from 32 to 51. And the number of ambassadors having completed our training grew beyond 10,000.

Of the ambassadors we have trained as teachers since 2003, 62% are currently teaching. And the majority of those currently teaching are doing so in schools still eligible to be Teach First partners, serving low-income communities. We believe having Teach First ambassadors at every level of leadership in schools in low-income communities will accelerate our impact on educational inequality. The number of ambassador headteachers is now 83. In addition to this there are 415 ambassadors in senior leadership roles.

Our policy work included three key research reports this year. Missing Elements highlighted the lack of women in STEM (science, technology, engineering and maths) careers and highlighted the link between the gaps prevalent in education and the labour market. We also published a report on the GCSE attainment gap, which formed a key part of our campaigning for significant increases in the long-term funding for schools with the most disadvantaged pupils. We also called for increased representation of ethnic minority authors in our English Literature lessons with our Missing Pages report.

Financial review

Introduction

We achieved a small financial surplus of £0.1m in 2019/20, which is an improvement after two years of deficits. As a result of successfully recruiting and placing larger cohorts of trainee teachers onto our Training Programme, we achieved increased income from Government and schools. In addition, social distancing measures related to COVID led to our programmes being delivered online from March 2020 and resulted in reductions in certain categories of expenditure. Our ability to move our programmes online resulted, in part, from technology investments in previous years.

	2020	2019	Change
	£m	£m	£m
Total income	56.5	53.1	3.4
Operating expenditure	(53.3)	(53.6)	0.3
Operating surplus/(deficit)	3.2	(0.5)	3.7
Investments/non-recurring costs	(3.1)	(4.0)	0.9
Total surplus/(deficit) for year	0.1	(4.5)	4.6

Income

The Training Programme remains our biggest programme making up 84% of our total income, funded by the Department for Education (DfE) and fees charged to schools (2019: 82%). We are paid on the basis of the number of trainees we work with; and increases in the size of our cohorts have meant that we have been able to generate increased income. In addition, some activity to support new teachers was delayed to 2020/21 to replace the missed face-to-face instruction at Summer Institute. We deferred income accordingly.

There has been a 6% increase in government income from other programmes, following our activity on the Early Career Framework, Academic Mentoring Programme and Leading Together. In spite of COVID, we have been able to continue to work with our programme members; and have been awarded new contracts to provide additional learning to assist the post-pandemic catch-up in schools. The bulk of this activity will take place in 2020/21.

Our voluntary income has stayed stable in the difficult economic conditions. Donors responded to our *Shut In Not Shut Out* campaign, pledging multi-year donations for the long-term catch-up activity that will be required in the schools we serve. Pro-bono support contributed to the growth this year, as our corporate supporters provided IT equipment, licences and professional services. Thank you to all of our donors and supporters for the important contributions they have made.

Expenditure

Our costs decreased overall, as we were able to change the way we deliver our programmes to online and blended models. We ran the initial teacher training Summer Institute online for the first time. The feedback on this has been positive to date. Our programme events have all been delivered online since the end of March 2020 – and will continue to be run in this way for the majority of the 2020/21 academic year. We have found that satisfaction rates on our programmes remain high.

Our staff numbers and costs have increased by 7%, in line with the increase in current programme activity and planned growth.

Non-recurring costs

COVID has changed working patterns. Due to increased levels of flexible and remote working, we sub-leased one of the three floors in our London office. In light of this transaction, we have also recognised an impairment in the value of the leasehold improvements on the two remaining London floors. Trends towards more agile working are expected to continue, and therefore the fit-out costs will not generate the same level of benefit. These changes in our London property arrangements led to a non-recurring cost of £1.7m in the year, including impairments and legal support (provided pro-bono).

We continued our investments into digital provision and improving customer experience. Further investment into this area will continue over the next two financial years as we continue to evolve our practice and seek efficiencies to increase the impact we are able to have in schools.

	2020	2019	Change
	£m	£m	£m
Investment in:			
• customer experience and digital	1.0	2.0	1.0
• new pilot programmes	0.3	0.4	0.1
Investments sub-total	1.3	2.4	1.1
Property costs	1.7	1.0	(0.7)
Redundancies	0.1	0.6	0.5
Total investments/non-recurring costs	3.1	4.0	0.9

Reserves policy

Our unrestricted (or 'free') reserves are the net current assets of our general unrestricted funds.

We hold these funds to:

- provide a safeguard against the risk of a downturn in our activities (which could lead to expenditure exceeding income)
- provide working capital to finance our day-to-day operations
- provide a safeguard against failure to deliver contractual obligations we have entered into
- protect our solvency in the event of any curtailment of our income-generating activities.

We review our reserves policy on an annual basis and carry out a risk-based assessment of factors likely to reduce our income or increase our expenditure, to make sure our free reserves are appropriate. We believe two to three months' of future operating expenditure provide a sufficient reserve to cover these risks. Based on forecast expenditure for 2020/21, the trustees have approved a range for free reserves of between £11.5m and £17.0m. COVID has not resulted in the need to either rely on brought forward reserves nor to revise the free reserves target.

As at 31 August 2020 total reserves were £11.7m, of which £0.3m were restricted and £0.3m were designated, leaving free reserves of £11.1m (2019: £9.0m). Designated funds relate to fixed assets. The Trustees expect to increase free reserves over the medium term in line with our future financial plans.

We didn't hold any investments in financial instruments during the financial year, including those with a social investment focus.

Going concern

In adopting the going concern basis for preparing the financial statements, the Board has considered the organisation's business activities, liquidity and strategy, as well as the risks to the Charity and the applicable controls.

The organisation's business activities, financial performance and liquidity position are reviewed annually by the Board as part of a full business planning process and thereafter considered on a regular basis to ensure the plan accurately reflects the position of the Charity. In particular, a significant proportion of the Charity's income and expenditure relates to contracts with the Department for Education and the Board regularly reviews the latest multi-year position in relation to the securing, extending and renewing such contracts.

The Board has considered a variety of income and expenditure scenarios prepared by management which stress-test the organisation's ability in the current and forecast economic environment, to manage its monthly liquidity position, flex its resources to customer demand and deliver against its mission. These scenarios, which covered the period to 31 August 2022, provided sensitivity analyses and reverse-stress tests based on key factors such as programme-participant numbers and voluntary income.

Based on these multiple scenarios and their divergence from the organisation's base-case income and expenditure and cashflow forecasts, as well as the liquidity and unrestricted reserves available to the Charity, the Board is satisfied that the Charity has adequate resources to operate for the foreseeable future and considers it appropriate for the organisation to adopt a going concern basis in preparing its financial statements.

Our risks and uncertainties

Effective risk management is vital in meeting our vision and mission and achieving our goals. All employees should be able to identify, mitigate and manage key risks within their areas and communicate and escalate these as appropriate. This ensures that responsibility for risk is distributed across, and embedded in, the operations of the charity.

We manage risks in accordance with our risk-management policy. All key organisational risks are included on a risk register that assesses their likelihood and impact; tracks the internal controls in place and actions taken to reduce, eliminate or mitigate against them; and sets future mitigating actions that would further reduce the likelihood and impact of the risk materialising.

The Executive Committee has accountability and responsibility for the risk register. The Trustee Board holds overall accountability for ensuring that effective risk management arrangements are in place. It is supported in this role by its Finance Committee which also reviews risks escalated from the executive on a quarterly basis.

The principal risks in relation to 2020/21 and their main mitigations are as follows:

- **Recruitment and placement of our Training Programme teacher cohort for 2021: failure to meet school need**

With a strong recruitment market due to the economic climate, we are focusing on the scale and mix of our cohort. This will better enable us to respond to school need. We successfully implemented a virtual assessment process in March 2020, which has allowed us to continue to recruit throughout the pandemic. We are building our school engagement capabilities and strengthening our strategic partnerships with schools to generate increased placement opportunities and allow for enhanced forward planning.

- **COVID: protecting the operations of Teach First**

We have developed new programmatic responses to COVID to support schools to respond to the crisis. The majority of our staff continue to work from home and this is supported by our comprehensive agile working policy. Programme content has been redesigned to be delivered virtually. Programme support takes place online where possible. We have significantly limited our presence in schools.

- **Child safeguarding: risk of a child safeguarding incident occurring**

We overhauled our child safeguarding policies and procedures in summer 2020 in response to the majority of training moving online during the pandemic. All trainee teachers receive DBS checks and are required to comply with their schools' safeguarding policies and procedures. An executive level Child Safeguarding Committee, chaired by the Child Safeguarding Officer, is in place. All employees receive online training on child safeguarding - in-depth training of key Teach First employees has taken place and will be refreshed during 2020/21.

- **Government funding: failure to secure sufficient funding for our activities**

We have been successful in securing government funding for the Training Programme for two more cohorts. We are continuing to improve and refine this programme so that it continues to deliver value for money, high-quality delivery and impact.

- **Voluntary income: failure to secure voluntary income to fund our strategic plans**

Voluntary income is an important source of income for us to continue to support schools serving disadvantaged pupils. We have a new income strategy to support our fundraising goals. Our programmatic response to COVID has created additional fundraising opportunities. We are working closely with our Business Leaders Council and Giving Club to develop deeper partnerships and explore new ones.

- **Data protection: protecting ourselves from cyber-security threats**

Having completed a thorough review during the year, we have identified a number of areas where improvements can be made. This work is being led by our Chief Financial Officer and we have added resource by recruiting a new Head of Information Governance. In-depth mandatory information security and data protection training of all Teach First employees takes place annually. We are also providing a significant focus on information governance, data protection and information security as part of the ongoing *OneTeachFirst* business transformation programme.

Brexit

Britain's exit from the European Union (Brexit) was completed on 31 December 2020. The majority of our income and expenditure relates to UK-based activities and entities. We do not currently consider the direct impact of Brexit to be one of our principal risks. We have considered the risks of lower income generation as separate, wider risks above. We have also considered the possible impacts on EU national staff members, with the risk considered low at this stage. At the time of writing, secondary education teachers in the subjects of maths, physics, science (where an element of physics will be taught) and computer science were considered a shortage profession.

Future plans

In 2020/21 we plan to deliver increased impact through our school-centred approach, supporting over 1,200 schools with teacher development, leadership training and access to our networks, together with continuing to drive increased organisational effectiveness:

Teacher development

We will support over 3,000 first and second-year teachers in schools on the Training Programme and recruit 1,750 new trainees to start the programme in 2022.

We will also recruit, train and place 1,000 academic mentors to work in schools to support post-COVID catch up.

And we will support over 2,500 early career teachers and their mentors as part of our ECF programme.

School leadership

We will develop our Leading Together programme with a focus on post-COVID rebuilding.

We will support 150 leaders on each of our NPQ and Careers Leader programmes.

Powerful networks and the policies schools need

We will launch a series of network leadership training workshops to support our networks.

Organisational effectiveness

We will deliver year-one of our significant *OneTeachFirst* business transformation programme to improve our systems and processes. This involves re-engineering all of our key business processes and embedding them in a new Salesforce technical systems architecture, and we will continue to innovate our programme delivery methods in response to COVID. The key principles under-pinning the *OneTeachFirst* programme are simplification, standardisation and customer-centricity.

We will develop our working culture, further embedding equality, diversity and inclusion values in everything we do and building on our development offer for Teach First staff.

Our governance and management

Teach First is a charitable company limited by guarantee and not having share capital. We operate in England and Wales (company number 04478840 and charity number 1098294).

We're governed by our Memorandum of Association and Articles of Association, which were last amended in April 2012. Our Memorandum of Association sets out our charitable purpose, which is to advance the education of the public.

Trustees are also Directors of the charitable company. They are appointed by the Board of Trustees and appointments are for a term of three years. Trustees may be reappointed by the Board to serve for a maximum of two further three-year terms (nine years in total).

During the year the Board appointed two new trustees (Dame Vivian Hunt and Nick Owen), with two trustees retiring (Paul Drechsler and Glenn Earle). The Board reappointed Lord Jonathan Hill and Dame Mary Marsh for a further three-year term. Dame Vivian Hunt was appointed Chair of Trustees at the beginning of the year, replacing Paul Drechsler. At the end of the year, there were 14 trustees.

The balance and diversity of trustees is kept under review by the Board. Emphasis is placed on ensuring that our trustees provide the specific mix of skills and experience that have been identified as important to our objectives and activities, as well as the charity's ongoing development. Four of the trustees during the year were Teach First ambassadors, having completed our Training Programme – the presence of ambassador trustees ensures the voice of a key stakeholder group at Board level. All new trustees receive a full induction programme to ensure they understand the organisation, their role and their responsibilities. New and existing trustees are also offered development opportunities to help them meet these responsibilities.

The Board of Trustees meets regularly to govern the Charity. This year it held six meetings, two of which were extraordinary meetings to discuss the Charity's COVID pandemic response as well as an extended meeting to focus on key strategic issues in depth. There is a written schedule of matters reserved for decision by the Board. Matters not reserved for decision by the Board are delegated to one of the Board committees or to the Chief Executive Officer (CEO). The schedule of matters reserved was unchanged during the year.

At its meetings in 2019/20, the Board reviewed organisational performance and impact and risk throughout the year. In addition to matters formally reserved to the Board, it considered the Charity's pandemic response, fundraising strategy, people strategy (which included equality, diversity and inclusion in regards to both employees and trainees on our programmes), networks development, customer experience and digital transformation. Additionally, the Board approved the creation of a new Technology Committee which will oversee the Charity's business transformation programme (*OneTeachFirst*). The Board reviewed the charity's progress towards delivering our 2018-2023 Strategy. During the year, the Board also approved the transfer of the Fair Education Alliance from Teach First into an independent legal entity.

Trustees have a duty to promote the success of the Charity and, in doing so, are required by Section 172(1) of the Companies Act 2006 to have regard to various specific factors, including:

- The likely consequences of decisions in the long term (as covered in the section on 'Risks and uncertainties' and 'Future plans' on pages 17 to 19)
- The interests of employees (as covered in the section on equality, diversity and inclusion and employee engagement on pages 22 and 23)
- The need to foster the Charity's relationships with third-party stakeholders, including the Department for Education, schools, candidates, trainees, participants, donors and funders, and contractors and suppliers (as covered in the section on 'Achievements and performance' on pages 11 to 13)
- The impact of the Charity's operations on the community and environment (as covered by the section on 'Environmental reporting' on pages 23 and 24)
- The desirability of the Charity maintaining a reputation for high standards of business conduct (as covered by the Welcome from our Chair and Chief Executive Officer's Introduction on pages 3 and 4).

Finance Committee

The Finance Committee assists the Board of Trustees with: financial review; review of internal financial controls; risk management policy and processes; monitoring the effectiveness of the internal and external audit functions and making recommendations to the Board on the appointment of the auditors; and employee salary and benefits management, including the CEO's remuneration. This year the Finance Committee held six meetings, including an additional meeting to review the proposals for the OneTeachFirst business transformation programme.

The Finance Committee regularly reviews the financial performance of the charity and ensures appropriate financial planning and policies are in place. As part of this, it reviews and recommends the charity's budget to the Board on an annual basis. To assist with risk management, the Finance Committee regularly reviews the organisational risk register and reviews and recommends the risk management policy to the Board. It is the responsibility of the Finance Committee to: recommend the appointment of the external auditor; review audit findings and meet with the internal and external auditors; and report to the Board on matters of significance arising from the annual audit. The Finance Committee also reviews the Trustees' Annual Report and Accounts and recommends these to the Board for approval.

During the year the Finance Committee approved the foundation phase for Charity's *OneTeachFirst* business transformation programme. The Committee also approved the Charity's three-year financial framework, the budget and business plan and the staff annual salary review. During the year the committee also reviewed the internal audit reports for the following key business areas: HR recruitment, voluntary income contracting, financial controls, contracts and procurement and GDPR.

As a result of their work in 2019/20, our internal auditors – RSM – were able to conclude that “The organisation has an adequate and effective framework for risk management, governance and internal control.”. RSM's work also identified a number of further enhancements that could be made to the framework for risk management, governance and internal control to ensure that it remains adequate and effective. Recommendations in relation to these enhancements have been or are being actioned and we have introduced formal follow-up reviews to ensure continuing progress.

In March 2020 the Committee reviewed its Terms of Reference and conducted an annual review of some of the charity's policies including the risk policy, the reserves policy, the whistleblowing policy, the CEO expense claims policy and the trustee's expenses policy. Additionally, the Committee received an update on management's approach to data protection.

Technology Committee

The Technology Committee was established in 2020 and assists the Board of Trustees with technology-related matters.

The Technology Committee provides governance oversight of the charity's technology and systems. It will review and monitor progress on the OneTeachFirst business transformation programme from a technology perspective and will consider how technology can play a key role in re-shaping the design and delivery of professional development for teachers and school leaders. It also considers the charity's strategic partnerships with large technology organisations.

The Technology Committee met for the first time on 11 November 2020.

Nominations Committee

The Nominations Committee assists the Trustee Board with succession planning.

The Nominations Committee recommends to the Board suitable candidates for Board appointments, including the Chair. Where appropriate it also recommends the reappointment of trustees. This year the Nominations Committee recommended the appointment of two new trustees (including the new Chair's appointment following a rigorous selection process) the appointment of Richard Meddings as the Charity's Senior Independent Director and Deputy Chair and the reappointment of two trustees.

Organisational structure

The Board of Trustees delegates the day-to-day management of Teach First to the CEO and the Executive Team. The CEO and Executive Team meet regularly as the Executive Committee to manage activities undertaken by Teach First.

The names of the members of the Executive Committee can be found on page 27.

Teach First subsidiaries

Teach First has two subsidiary companies; Teach First Trading Limited; and Teach First Initial Teacher Development Limited. Teach First Trading Limited continues to raise funds to support the delivery of Teach First's charitable purposes. Details of the financial performance of Teach First's subsidiaries are included in note 10 to the financial statements.

Teach First Initial Teacher Development Limited was established to manage a now-fulfilled contract awarded by the Department for Education. This contract ended on 31 July 2017. A new contract was awarded by the National College for Teaching and Leadership to Teach First (Teach First Initial Teacher Development Limited's parent) for the provision of initial teacher training in England in the years 2017-19. Therefore, with the end of the only income-generating activity of Teach First Initial Teacher Development Limited, it became dormant in February 2020.

Equality, diversity and inclusion

Only with a diverse and inclusive workforce that has personal experience of our mission will we be able to unlock our potential. We continue to look for ways to create a culture where everyone, from any background, can do their best work. We are taking action to improve our diversity and inclusion, including working to address both our gender pay gap and ethnicity pay gap.

We're committed to providing fair and competitive rewards to all our employees. We're confident we pay fairly for the same or equivalent work, regardless of gender. We do have a gender pay gap (2.3% median and 12.1% mean). Our male/female balance or 'gender composition' is driven by common 'gendered' roles within the education sector. For example, most programme delivery roles, where it is a requirement to be an experienced teacher, are carried out by female colleagues (teachers are 74% female). And, like many organisations, our gender pay gap is shaped by a small under-representation of women in senior and specialist management roles compared with entry-level roles within the organisation. Whilst our mean pay gap increased by 11.7 percentage points from 0.38% last year, and our median pay gap has increased by 3.1 percentage points from -0.79% in the same period, this can largely be explained by the presence of our STEM Interns in our 2019 gender pay gap reporting. In April 2019 we were paying approximately 80 STEM Interns as part of our Insights Programme.

This means, when comparing like-for-like statistics, our mean pay gap has increased by 5.9 percentage points from last year, and our median pay gap has increased by 0.3 percentage points. This results from more women coming into entry level roles, whilst the proportion of women in the upper pay quartile has also fallen, temporarily, for the first time in four years. This can be explained by family leave and temporary backfill arrangements in our senior leadership team.

We know our gender pay gap is driven by us having lower female representation at senior levels and we're working to address this imbalance, including through blind recruitment practices; agile and flexible working; family friendly policies; and transparency over reward and recognition. We have been named as a top-30 employer for families.

Over the past year Teach First has become more ethnically diverse. In April 2019 12% of all employees identified as being from an ethnic minority. In April 2020 this had increased to 15% (+3%) of all employees. Whilst this compares favourably to the voluntary (9%) and private (11%) sectors, we know that our ethnicity pay gap is driven by us having lower ethnic-minority representation at management and senior leadership levels. We have more than doubled ethnic-minority representation across leadership (level 4 and above) from 4.7% at April 2019 to 11.0% (+6.3%) at April 2020, but this is still not representative of the UK working age population (14% ethnic minority). None of our Level 6

Executive Directors (the job level attracting the highest levels of remuneration) are from an ethnic minority and there is also much progress to be made if we are to be representative of the pupils and communities we serve.

We know that our ethnicity pay gap is driven by us having lower ethnic-minority representation at management and senior levels and we are working to address this imbalance, including through the introduction of new recruitment policies. As a first step, we are committing to 20% of our leadership teams (level 4 and above) being from an ethnic minority by 2024, to align more closely to the communities we serve. Within this we are committed to our Executive Committee and each of our Directorate leadership teams including at least one ethnic-minority member.

We welcome applications for roles at Teach First from people with disabilities. We go beyond making reasonable adjustments to ensure staff of all abilities are able to flourish once in role, including ongoing training. We offer this to all staff.

Employee engagement

Our employees' contributions make real differences to how we work and all our experiences here. Each of our directorates is represented at our elected Employee Engagement Forum that meets regularly through the year. Employees can contribute ideas to improving their experience at work and how we operate. In the past year the forum has addressed our COVID response, employee pension and benefits provision and diversity and inclusion. Through our employee surveys we're continually hearing from our people on what's going on and can see what's making things better – and what's not. Staying close to our purpose is so important to us that we offer our people three days a year where they can do voluntary work that gets them close to our purpose. In the past year our employees have used these vision engagement days to provide career coaching to pupils, run creative writing workshops, volunteer as student mentors, take up school governor positions and much more. The summary outcomes of this work are shared with the Executive Committee and the Board of Trustees.

Remuneration

The Board of Trustees is responsible for the CEO's remuneration and our employee salary and benefits management framework. These are reviewed by the Finance Committee regularly and are recommended by the Committee to the Board for approval.

Environmental reporting

Teach First operates from 12 offices across the United Kingdom and our energy use is related to:

- Administrative activities, including the use of electricity for office equipment and fuel and electricity for heating and cooling purposes
- Business travel, using employee-owned vehicles, for which the corresponding business mileage is paid by the organisation.

During the year we used 1,229 MWh of energy.

Teach First has caused the emission of 501 ton CO₂e, with the breakdown shown in the table below:

Teach First's greenhouse gas emissions	ton CO ₂ e
Scope 1: natural gas consumption for heating of offices spaces	100
Scope 2: electricity consumption emissions	116
Scope 3: business travel emissions	285
Total gross emissions	501

The chosen intensity measurement ratio is total gross emissions in Kg CO₂e per Full Time Equivalent (FTE), the recommended ratio for the sector. For the year, we caused the emission of 0.7 ton CO₂e /FTE. As this is the first reporting year, we do not have data from previous financial years.

Measures taken to improve energy efficiency

Teach First has limited control over the energy consumption and related greenhouse gas emissions related to its activities, as it does not own the offices it operates in and the vehicles used for business travel are the property of staff.

In these circumstances, we have implemented the following actions to improve our energy efficiency:

- replacing less efficient light bulbs with LED ones
- ensuring maintenance of air-conditioning units to enable maximum energy efficiency
- ensuring that heating and other equipment is turned off on all floors in London when the building is not occupied
- setting an ambient temperature in the office to use less energy
- raising staff awareness on planning trips in advance to avoid unnecessary traffic and fuel consumption
- ensuring our staff keep their vehicles in good condition
- advising staff on best driving practices to save fuel.

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard, the CIBSE Benchmark TM46:2008 and the 2020 UK Government's Conversion Factors for Company Reporting.

Public benefit

All our activities are undertaken to further our charitable purpose, which is to advance the education of the public. More specifically, the charity is working towards a day when no child's educational success is limited by their socio-economic background. In working towards this vision, we also envisage having a positive impact on wider society.

The trustees have a duty to consider public benefit guidance published by the Charity Commission. We are satisfied that the purpose and activities of the charity continue to satisfy the requirements of the public benefit test set out in section 17 of the Charities Act 2011. We have demonstrated how we have worked towards our charitable purposes, by setting out our achievements during the year in our Trustees' Report (on pages 6-26).

Compliance information

MODERN SLAVERY TRANSPARENCY STATEMENT

We are required to publish an annual statement on the steps we have taken to ensure that modern slavery is not present in the charity's supply chains or operations. We are committed to upholding the letter and spirit of the Modern Slavery Act; and our Modern Slavery Transparency Statement for 2019/20 is published on our website. This sets out what steps we have taken to prevent modern slavery from occurring within the charity and our supply chains, along with future plans in this area.

Supplier relations

The organisation, as governed by the Board of Trustees, has taken into account the impact of business changes on donors, funders and suppliers. We have reviewed our payment terms reporting, which showed that over 95% of invoices were paid within 60 days.

FUNDRAISING

The Charity Act 2011 (as amended) requires all charities subject to audit to provide information on their fundraising practices within the trustees' annual report. This is to help protect the public from intrusive practices.

The majority of our income comes from statutory contracts and school fees for the provision of initial teacher training. However, voluntary funding is important to enable us to deliver our vision and mission. We therefore undertake a range of fundraising activities in support of our charitable aims. Our approach to fundraising includes:

- partnerships with corporate supporters
- securing grants from trusts and foundations
- donations from individuals (mainly from philanthropists but also, on a smaller scale, the wider public)
- entry fees and sponsorship raised by individuals for challenge events (such as Run the River)
- sponsorship related to other events

Most of our fundraising activity is managed in-house. During the year we did use the services of some specialist providers, to support us in certain areas. This included a specialist research agency, to support our efforts to seek donations from philanthropists; use of advertising agencies to publicise our fundraising events; and events management companies, to provide logistical support in organising larger events. All of this is undertaken under the supervision of our in-house fundraising team.

We did not engage the services of any professional fundraising agencies to undertake direct response fundraising solicitation or cultivation either by phone, online or face-to-face, during the year.

We strive to achieve the highest possible standards of fundraising and undertake a number of measures to ensure we are accountable for our practices. We've had no complaints with regards to our fundraising practices.

We are registered with the Fundraising Regulator who holds the Code of Fundraising Practice for the UK. We work within these regulations, as well as carrying out our activities in line with the expectations of our supporters.

Trustees' statement of responsibilities

The trustees, who are also directors of Teach First for the purposes of company law, are responsible for preparing our Trustees' Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires that trustees prepare financial statements for each financial year. Under this we are required to prepare the group and parent company financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), comprising FRS 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*'.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 charitable group will continue in business.

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

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

- so far as each trustee is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487 (2) of the Companies Act 2006 unless the company receives notice under Section 488 (1) of the Companies Act 2006.

Liability of members of the Board of Trustees

Teach First is limited by guarantee and has no share capital. The trustees are members of the company and every member is liable to contribute a sum not exceeding £1 in the event of the company being wound up while he or she is a member or up to one year thereafter. At 31 August 2020 there were 14 members.

Declaration

This Trustees' Annual Report on pages 6-26, including the Strategic Report on pages 10-18, is presented and approved by the Board of Trustees and signed on its behalf.

Signed 

Date: 12 May 2021

Dame Vivian Hunt

Chair of the Board of Trustees

Administrative details

Teach First

Registered name: Teach First
Charity number: 1098294
Company number: 04478840
Principal and registered office:
6 Mitre Passage,
Greenwich Peninsula,
London, SE10 0ER
Website: www.teachfirst.org.uk

Patron

His Royal Highness The Prince
of Wales KG KT GCB AK QSO ADC

Vice Patron

Dame Julia Cleverdon DCVO CBE

Founder and Honorary President

Brett Wigdortz OBE

Board of Trustees

Paul Drechsler CBE (Chair, to 7 November 2019)
Dame Vivian Hunt (Chair, from 7 November 2019)
Aziza Ajak
Jason Arthur
Sarah Bibi
James Bilefield
Caroline Carr
Alison Duncan
Glenn Earle (Senior Independent Director) (until 13 July 2020)
Lorna Gratton
Tom Harbour
Lord Jonathan Hill
Julianne Ilebode-Akisanya (until 8 April 2021)
Dame Mary Marsh
Richard Meddings (Senior Independent Director from 14 July 2020)
Tulsi Naidu (until 15 January 2021)
Nick Owen (from 17 July 2020)
Dame Alison Peacock

Company Secretary

Gillian Budd

Finance Committee

Alison Duncan (Chair)
Glenn Earle (until 13 July 2020)
Julianne Ilebode-Akisanya
(from 16 October 2019 until 8 April 2021)
Richard Meddings
Nick Owen (from 17 July 2020)

Nominations Committee

Paul Drechsler CBE
(Chair, to 7 November 2019)
Dame Vivian Hunt

(Chair, from 7 November 2019)
Alison Duncan
Glenn Earle (until 13 July 2020)
Lorna Gratton
Richard Meddings

Technology Committee

James Bilefield (Chair)
Aziza Ajak
Lorna Gratton
Mike Page (Co-opted member)
Stuart Riley (Co-opted member)

Executive Committee

Russell Hobby, Chief Executive Officer
Shelley Gonsalves, Executive Director for Programme Delivery
Rob Halkyard, Executive Director for Engagement
Daria Kuznetsova, Executive Director for Strategy, Research and Performance
Flora Letanka, Executive Director for Network Development
Reuben Moore, Executive Director for Programme Development
Andrew Oliva-Hauxwell, Executive Director for Recruitment
Steve Porter, Chief Finance Officer and Executive Director for Charity Services

All members of the Executive Committee are deemed key management personnel.

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Solicitors

Clifford Chance
10 Upper Bank Street
London E14 5JJ

Ashurst
London Fruit & Wool Exchange
1 Duval Square
London E1 6PW

External Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Internal Auditor

RSM Risk Assurance Services LLP
The Pinnacle,
170 Midsummer Boulevard
Milton Keynes MK9

Independent Auditor's report to the members of Teach First

Opinion

We have audited the financial statements of Teach First (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, 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 parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources including, the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group and parent company's future prospects and performance.

COVID and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group and parent charitable company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or a company associated with these particular events.

Conclusions relating 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 directors' use of the going concern basis of accounting in the preparation of the group and parent charitable company financial statements is not appropriate; or
- the directors have not disclosed in the group and parent charitable company financial statements any identified material uncertainties that may cast significant doubt about the group and parent 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the group and parent charitable company's business, including effects arising from macro-economic uncertainties such as COVID and Brexit, and analysed how those risks might affect the group and parent charitable company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group and parent charitable company will continue in operation.

Other information

The trustees are responsible for the 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. 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.

Opinion 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 Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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 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

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

Use of our report

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


Stephen Dean
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
12/5/2021

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)

For the year ended 31 August 2020

	Note	Unrestricted funds	Restricted funds	Total 2020	Total 2019
		£'000	£'000	£'000	£'000
Income					
Charitable activities	2	49,243	-	49,243	45,814
Donations	2	4,314	2,777	7,091	6,926
Investments		149	-	149	147
Income from other trading activities		43	-	43	190
Total Income		53,749	2,777	56,526	53,077
Expenditure					
Cost of raising funds	3	1,960	-	1,960	2,231
Expenditure on charitable activities	3	51,518	2,955	54,473	55,352
Total Expenditure		53,478	2,955	56,433	57,583
Net result for the year	5	271	(178)	93	(4,506)
Reconciliation of funds					
Total funds brought forward at 1 September	14	11,162	505	11,667	16,173
Total funds carried forward at 31 August	14	11,433	327	11,760	11,667

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 54 form an integral part of these financial statements.

A Statement of Financial Activities for the Charity is set out in note 19.

Consolidated and Charity Balance Sheets

As at 31 August 2020

	Note	Group 2020	Charity 2020	Group 2019	Charity 2019
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	9	321	321	1,747	1,747
Investments in trading subsidiaries	10	-	-	-	-
Total Fixed Assets		321	321	1,747	1,747
Current Assets					
Debtors	11	24,159	24,355	20,126	20,649
Cash at bank and in hand		25,169	24,968	22,904	22,381
Total Current Assets		49,328	49,323	43,030	43,030
Creditors: amounts falling due within one year	12	(37,150)	(37,145)	(32,110)	(32,110)
Net current assets		12,178	12,178	10,920	10,920
Total assets less current liabilities		12,499	12,499	12,667	12,667
Provisions for liabilities	13	(739)	(739)	(1,000)	(1,000)
Net assets		11,760	11,760	11,667	11,667
Funds					
Restricted funds	14	327	327	505	505
Unrestricted funds	14	11,433	11,433	11,162	11,162
TOTAL		11,760	11,760	11,667	11,667

The notes on pages 35 to 54 form an integral part of these financial statements. The financial statements on pages 31 to 54 were approved and authorised for issue by the Board of Trustees on 12 May 2021, and were signed on its behalf by:


Dame Vivian Hunt
 Chair
 Company Registration Number 04478840

Consolidated Statement of Cash Flows

For the year ended 31 August 2020

	Note	2020	2019
		£'000	£'000
Cash flows from operating activities			
Net cash inflow/(outflow) from operating activities		2,448	(425)
Cash flows from investing activities			
Interest from investments		149	147
Purchase of property, plant and equipment	9	(332)	(40)
Net cash (outflow)/inflow from investing activities		(183)	107
Net movement in funds			
Change in cash and cash equivalents in the reporting period		2,265	(318)
Cash and cash equivalents at beginning of the year		22,904	23,222
Cash and cash equivalents at end of the year		25,169	22,904

The notes on pages 35 to 54 form an integral part of these financial statements.

Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	Note	2020	2019
		£'000	£'000
Net result for the year		93	(4,506)
Adjustments for:			
Deposit interest and investment income receivable		(149)	(147)
Depreciation and amortisation charges	5, 9	414	566
Impairment of leasehold improvements	9	1,330	720
Increase in debtors	11	(4,033)	(1,898)
Increase in creditors	12	5,040	4,867
Decrease in provisions	13	(261)	(27)
Loss on disposal of tangible assets		14	0
Net cash inflow/(outflow) from operating activities		2,448	(425)

	2020	2019
	£'000	£'000
Cash at bank and in hand	25,169	22,904
Net cash used on operating activities	25,169	22,904

The notes on pages 35 to 54 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting Policies

A) BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006. Teach First meets the definition of a public benefit entity under FRS 102. The Financial Statements are presented in Sterling (£) which is the functional currency of the group and entity. Teach First, and its subsidiaries are incorporated in England and Wales.

B) GOING CONCERN

In adopting the going concern basis for preparing the financial statements, the Board has considered the organisation's business activities, liquidity and strategy, as well as the risks to the Charity and the applicable controls.

The organisation's business activities, financial performance and liquidity position are reviewed annually by the Board as part of a full business planning process and thereafter considered on a regular basis to ensure the plan accurately reflects the position of the Charity. In particular, a significant proportion of the Charity's income and expenditure relates to contracts with the Department for Education and the Board regularly reviews the latest multi-year position in relation to the securing, extending and renewing such contracts.

The Board has considered a variety of income and expenditure scenarios prepared by management which stress-test the organisation's ability in the current and forecast economic environment, to manage its monthly liquidity position, flex its resources to customer demand and deliver against its mission. These scenarios, which covered the period to 31 August 2022, provided sensitivity analyses and reverse-stress tests based on key factors such as programme-participant numbers and voluntary income.

Based on these multiple scenarios and their divergence from the organisation's base-case income and expenditure and cashflow forecasts, as well as the liquidity and unrestricted reserves available to the

Charity, the Board is satisfied that the Charity has adequate resources to operate for the foreseeable future and considers it appropriate for the organisation to adopt a going concern basis in preparing its financial statements.

C) GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the charity and its wholly-owned subsidiary on a line-by-line basis.

A separate statement of financial activities and income and expenditure accounts are not presented for the charity itself in accordance with the applicable exemptions afforded by section 408 of the Companies Act 2006. All group entities have uniform accounting policies.

D) INCOME

Income is recognised when the charity has entitlement to the funds: any performance conditions attached to the term(s) of income have been met; it is probable that the income will be received and the amount can be measured reliably.

The following specific policies apply to categories of income:

Fees paid by schools

Fees are paid by schools for each trainee placed with them. A deposit element is recognised in the year in which the trainee is placed. Fees for year one and year two of the placement are recognised over the period the trainee is teaching in the school over the two-year programme. If a trainee withdraws from the programme before the October half-term of their first year, a refund is issued to the school for the full fee and deposit. For withdrawals thereafter, refunds are calculated based on the number of complete months the trainee is not at the school.

Initial Teacher Training

Income for Initial Teacher Training relates to income received in respect of our contract with the Department for Education for delivery of the Training Programme in England. Income is recognised in line with the delivery of the contracted service provided less any clawback due.

Other Government contracts

All income to which the Charity is entitled at year end is recognised in the accounts, except where there are conditions attached to the contracts which we are uncertain will be met; or where the charity is yet to meet performance-related conditions attached to the contract.

Voluntary income

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. In the case of a grant or corporate donation, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. In exceptional circumstances, Voluntary income may be recognised in advance of a formal signed agreement where an authorised individual confirms that a signed agreement has been delayed due to administrative procedures (e.g. where a Foundation Board only meet quarterly to confirm grants). In these cases, an assessment will be made on the basis of the probability of receipt of income. Some donations and grants will contain terms or conditions that must be met before the charity has entitlement to the resources. This income is deferred until the conditions have been met.

Other donations are recognised when received.

Sponsorship/licencing income

Income on sponsorship or licencing in Teach First Trading Limited is earned at the date that agreement is signed between Teach First and the donor. Where it is possible to identify the period in which the customer receives the benefit of the service, the income will be recognised when benefits are conferred to the customer.

Investment income

Investment income is earned from interest on funds held on deposit. Income is recognised when receivable and the amount can be measured reliably.

E) DONATED GOODS, FACILITIES AND SERVICES

Donated goods, professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated goods, professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

F) FUND ACCOUNTING

Restricted funds are those funds received with specific conditions attached and are restricted for use in those activities only. All other funds received are considered unrestricted funds and are available to spend on activities that further any purposes of the charity.

Designated Funds are unrestricted funds set aside by the trustees in respect of fixed assets or for use on specific future projects.

G) EXPENDITURE

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Support costs include the management and administration of Teach First and include staffing and the associated costs of supporting, monitoring and evaluating the work of the charity and irrecoverable VAT. These costs have been split between costs of generating funds and charitable activities. The bases on which support costs have been allocated are set out in note 4.

The direct costs of raising funds and charitable activities, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of the charity.

Contributions in respect of the charity's defined contribution pension scheme are charged to the income and expenditure account in the year in which they are payable to the scheme.

H) OPERATING LEASES

The charity classifies the lease of office space and photocopying equipment as operating leases. The title to the assets remains with the lessor and the items are held for significantly less than the useful life of the asset. Payments under operating leases are charged to the income and expenditure account on a straight-line basis.

Transactions in foreign currencies are recorded at the rate ruling at the time of transaction.

I) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at their purchase price, together with any incidental costs of acquisition. Individual assets are capitalised only when their cost of acquisition is over £500.

Tangible fixed assets are depreciated based on original cost or valuation, less any residual value, on a straight-line basis over the expected useful economic lives of the assets concerned.

Depreciation is charged from the month of purchase, and none in the year of disposal.

The annual rates used for this purpose are:

- Computer equipment - 33.3%
- Equipment, fixtures and fittings - 20%
- Leasehold improvement - depreciated over the term of the lease

Impairment reviews are conducted on an annual basis to ascertain whether the fixed asset generates net economic benefit.

J) INVESTMENTS

Investments held as fixed assets are stated at cost, less any provision for impairment.

K) DEBTORS

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

L) CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly-liquid investments with a short maturity of less than 12 months from the balance sheet date.

M) CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation as a result of 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 reliably.

N) VOLUNTEERS

Volunteers give their time freely to nurture and develop the young people and teachers we work with. The value of this is not recognised in the accounts.

O) SIGNIFICANT JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Trustees note that the dilapidations provision (see note 13) is a material estimate and includes judgement around the monetary rate for dilapidations, the inflation rate applied and the discount factor used in the net present value calculation.

We have made a judgement to impair the carrying value of the leasehold improvements to our London office. Based on accelerated trends for flexible working, and a market assessment of the premium the improvements could generate above the rental charge, we deemed that the leasehold improvements were not generating net economic benefits.

2. Incoming resources

	Unrestricted	Restricted	Total 2020	Total 2019
	£'000	£'000	£'000	£'000
Charitable Activities				
Fees paid by schools	13,293	-	13,293	13,160
Initial Teacher Training	33,639	-	33,639	30,473
Other Government contracts	2,311	-	2,311	2,181
Total Charitable Activities	49,243	-	49,243	45,814
Donations				
Voluntary income from Corporates, Trusts and Foundations and Major Donors	3,667	2,777	6,444	6,716
Donations in kind	647	-	647	210
Total Donations	4,314	2,777	7,091	6,926

Further information is provided on the support of gifts and services donated in kind:

	2020 Total	2019 Total
	£'000	£'000
Premises, venue and event services	-	34
Training and professional services	336	125
IT services	311	51
Total	647	210

3. Expenditure

	Support Costs	Direct expenditure	Total 2020	Total 2019
	£'000	£'000	£'000	£'000
Expenditure on raising funds	441	1,519	1,960	2,231

	Support costs	Direct expenditure	2020 Total	2019 Total
	£'000	£'000	£'000	£'000
Expenditure on charitable activities				
Teacher recruitment	2,469	5,665	8,134	8,157
Teacher trainee development	7,611	31,824	39,435	41,506
Leadership programmes, networks and other activities	2,172	4,732	6,904	5,689
Expenditure on charitable activities	12,252	42,221	54,473	55,352

4. Allocation of support costs and overheads

	2020 Total	2019 Total
	£'000	£'000
Expenditure on raising funds	441	698
Expenditure on charitable activities	12,252	11,706
Total	12,693	12,404

	2020 Total	2019 Total
	£'000	£'000
Salaries and staff costs	6,438	6,282
Premises cost and rent	1,779	2,263
Operations and office management	1,062	1,116
Information technology	1,399	1,252
Depreciation and amortisation	414	566
Impairment of leasehold improvements	1,330	720
Governance costs	271	205
Total	12,693	12,404

5. Net income for the year

This is stated after charging:

	2020 Total	2019 Total
	£'000	£'000
Depreciation	414	566
Auditor remuneration payable:		
Fees payable to the company's auditor for the audit of the company's annual accounts relating to the current year	33	29
Fees payable to the company's auditor for other services:		
• Audit of the accounts of subsidiaries	6	7
• Tax compliance services	2	7
Operating lease charges: rent and equipment	1,045	1,454

6. Analysis of staff costs and the cost of key management personnel

	2020 Total	2019 Total
	£'000	£'000
Wages and salaries	25,855	24,263
Employer's national insurance costs	2,520	2,343
Pensions and other staff costs	2,200	2,007
Total	30,575	28,613

Salary bands:

	2020	2019
60,000 – 69,999	22	14
70,000 – 79,999	7	6
80,000 – 89,999	3	2
90,000 – 99,999	-	3
100,000 – 109,999	2	4
110,000 – 119,999	1	-
120,000 – 129,999	1	-
150,000 – 159,999	1	1

The cost of key management personnel, comprising the Executive Committee, was £881,802 (2019: £890,141). The members of the Executive Committee are listed on page 27. Employer pension contributions paid in respect of these employees amounted to £53,472 (2019: £54,376). The total of termination payments was £87,354 (2019: £570,385). The nature of these payments were lump-sums and they have been recognised when the charity became legally obliged to make these payments.

PENSION CONTRIBUTIONS

Teach First contributes to defined contribution pension policies for its qualifying employees. Employer contributions payable for the year amounted to £1,262,388 (2019 - £1,068,636), of which £222,452 (2019 - £169,348) was outstanding at the balance sheet date.

7. Staff numbers

	2020	2019
The average number of employees on a Full Time Equivalent basis during the year were:	628	589
The average number of employees on a Headcount basis during the year were:	665	623

Staff numbers and costs increased by 7%, in line with the increase in current programme activity and planned growth.

8. Taxation

Teach First is a registered charity under the Charities Act 2011 and as such is exempt from tax on its income and gains to the extent that such income and gains are applied for charitable purposes. Teach First is parent to Teach First Trading Limited. The company made a profit of £306,000, which it will distribute under a deed of covenant and has been recognised in 2020.

9. Consolidated and Charity tangible fixed assets

	Leasehold improvements	Computer equipment	Equipment, fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2019	3,183	858	481	4,522
Additions	108	174	50	332
Disposals	(1)	(166)	-	(167)
Transfer	(12)	-	12	-
At 31 August 2020	3,278	866	543	4,687
Depreciation and impairment				
At 1 September 2019	1,737	697	341	2,775
Charge for the year	217	126	71	414
Impairment	1,330	-	-	1,330
Disposals	-	(153)	-	(153)
Transfer	(6)	-	6	-
At 31 August 2020	3,278	670	418	4,366
Net book value				
At 31 August 2020	-	196	125	321
At 1 September 2019	1,446	161	140	1,747

10. Charity investment in trading subsidiaries

Cost and net book value	Subsidiary undertakings
	£
At 31 August 2019 and 2020	1

	Country of incorporation	% held	Activity
Teach First Trading Limited 1 Ordinary share of £1 each	England	100	Licencing
Teach First Initial Teacher Development Limited Limited by guarantee	England	100	Dormant

Voluntary income from Corporates, Trusts and Foundations and individuals includes donations and income from supporters who license the Teach First brand. This non-primary purpose trading is recognised through the wholly-owned trading subsidiary Teach First Trading Limited (company number: 08159283), which distributes the entirety of its profits to the charity by gift aid. The charity owns the entire share capital of the company of 1 share at £1.

A summary of the trading results of Teach First Trading Limited is shown below:

	2020	2019
	£'000	£'000
Turnover	371	436
Cost of sales and administration costs	(65)	(63)
Net profit	306	373
Tax on profit	0	0
Profit for the financial year	306	373
The assets and liabilities of the subsidiary were:		
Current assets	324	763
Current liabilities	(324)	(763)
Retained in Subsidiary	-	-

Teach First Initial Teacher Development Limited (company number: 08331526) was dormant in the year. It had supported our teachers through their first year of teaching to achieve Newly Qualified Teacher status; in collaboration with schools and university partners, the work was funded by a contract awarded by the National College for Teaching and Leadership in place until 2016/17. This activity and related contract are now delivered by the parent company, Teach First.

11. Debtors

	Consolidated 2020	Charity 2020	Consolidated 2019	Charity 2019
	£'000	£'000	£'000	£'000
Trade debtors	22,024	21,902	18,845	18,636
Other debtors	-	-	187	187
Accrued income	1,496	1,496	421	390
Prepayments	639	639	673	673
Intercompany debtors	-	318	-	763
Total	24,159	24,355	20,126	20,649

12. Creditors

	Consolidated 2020	Charity 2020	Consolidated 2019	Charity 2019
	£'000	£'000	£'000	£'000
Creditors: amounts falling due within one year				
Trade creditors	3,020	3,020	1,194	1,194
Other creditors	210	210	177	177
Funds held on behalf of third parties (see i)	-	-	279	279
Accruals	3,799	3,794	8,403	8,403
Taxation and social security costs	7,168	7,168	4,132	4,132
Deferred income (see ii)	22,032	22,032	16,831	16,831
Rent provision	921	921	1,094	1,094
Total	37,150	37,145	32,110	32,110

I. FUNDS HELD ON BEHALF OF THIRD PARTIES

	Brought forward	Paid in	Paid out	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements				
Master's programme	60	-	(60)	-
Fair Education Alliance	219	-	(219)	-
Total	279	-	(279)	-

Master's programme

Teach First received funds for a two-year Master's programme related to Educational Leadership. We passed these on to university partners or refunded the schools accordingly, depending on whether the trainee enrolled.

Fair Education Alliance

The Fair Education Alliance (FEA) is a network that brings together organisations working to make education fairer. The decision was made that it would become an independent charity in 2019/20; donations specifically for the FEA's use in 2019/20 were held in a separate fund that were transferred to the entity once it was established in February 2020.

II. DEFERRED INCOME

Consolidated	Brought forward	Received	Recognised	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements				
School fees	13,138	16,207	(13,293)	16,052
Initial Teacher Training and other Government contracts	3,693	34,293	(33,639)	4,347
Other income	-	2,450	(817)	1,633
Total	16,831	52,950	(47,749)	22,032

School fees

Some of our schools' fees for trainee teachers are billed in advance. This income is recognised upon achievement of specific milestones.

Initial Teacher Training and other Government contracts

This represents contractual income relating to future periods, which is recognised on achievement of specific milestones.

Other income

This represents voluntary income relating to future periods, which is recognised on achievement of specific milestones and after agreement with the donor.

Charity	Brought forward	Received	Recognised	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements				
School fees	13,138	16,207	(13,293)	16,052
Initial Teacher Training and other Government contracts	3,693	34,293	(33,639)	4,347
Other income	-	2,450	(817)	1,633
Total	16,831	52,950	(47,749)	22,032

13. Consolidated and Charity Provisions

	Brought forward	Additions	Utilisations	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements				
Dilapidations	654	18	-	672
Masters	6	-	(6)	-
Restructuring	78	57	(68)	67
Onerous Leases	262	-	(262)	-
Total	1,000	75	(336)	739

Dilapidations

The provision at 31 August 2020 is in respect of dilapidation costs expected to be payable on the termination of the lease of Teach First's London office in 2026.

Masters

The provision at 31 August 2020 is in respect of costs payable for trainees in the 2016 cohort that have taken the opportunity to study for a Master's degree.

Restructuring

The provision at 31 August 2020 is in respect of redundancy costs recognised in 2019/20 and expected to be payable in 2020/21.

Onerous Leases

The provision was created in 2019/20 to reflect space in our London office that we were in the process of subleasing because we no longer needed it.

14. Analysis of charitable funds at 31 August 2020

Consolidated	Brought forward	Paid in	Paid out	Carried forward
	£'000	£'000	£'000	£'000
Restricted funds				
Teacher recruitment	194	-	(194)	-
Teacher trainee development	176	294	(384)	86
Leadership programmes, networks and other activities	135	2,483	(2,377)	241
Total restricted funds	505	2,777	(2,955)	327
Designated funds	460	-	(460)	-
Unrestricted funds	10,702	53,749	(53,018)	11,433
Total	11,667	56,526	(56,433)	11,760

Charity	Brought forward	Paid in	Paid out	Carried forward
	£'000	£'000	£'000	£'000
Restricted funds				
Teacher recruitment	194	-	(194)	-
Teacher trainee development	176	294	(384)	86
Leadership programmes, networks and other activities	135	2,483	(2,377)	241
Total restricted funds	505	2,777	(2,955)	327
Designated funds	460	-	(460)	-
Unrestricted funds	10,702	53,684	(52,953)	11,433
Total	11,667	56,461	(56,368)	11,760

Teacher recruitment

Brought forward restricted funds contributed to our Internship Programmes, which provide current university students with an internship insight into working at a school.

Teacher trainee development

Funds that are specifically restricted by donors towards our Training Programme, including supporting additional activities to ensure we run a high-quality programme.

Leadership programmes, networks and other activities

This restricted fund includes networks to support our alumni groups in order that they continue to be advocates for our mission. The carry forward funds are restricted to our National Professional Qualification programmes, aimed at supporting middle and senior leaders.

Designated funds

Unrestricted funds that were designated for a programme of investment in digital transformation and improving customer experience, contributing to how we achieve our mission through our work with schools, teacher trainees, school leaders and ambassadors as well as HR and finance systems. This programme has come to end with changes to candidates' post-offer experience, a new schools' portal. There will be a new programme of work from 2020/21 to further upgrade our systems and processes.

Unrestricted

Unrestricted funds are received from a range of donors and supporters.

15. Analysis of net assets between consolidated funds

Consolidated	General unrestricted funds	Restricted funds	2020 Total	2019 Total
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2020 are represented by:				
Fixed assets	321	-	321	1,747
Debtors	24,159	-	24,159	20,126
Cash in bank and in hand	24,842	327	25,169	22,904
Creditors: amounts falling due within one year	(37,150)	-	(37,150)	(32,110)
Total	12,172	327	12,499	12,667
Provisions	(739)	-	(739)	(1,000)
Total funds carried forward	11,433	327	11,760	11,667

Company	General unrestricted funds	Restricted funds	2020 Total	2019 Total
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2020 are represented by:				
Fixed assets	321	-	321	1,747
Debtors	24,355	-	24,355	20,649
Cash in bank and in hand	24,641	327	24,968	22,381
Creditors: amounts falling due within one year	(37,145)	-	(37,145)	(32,110)
Total	12,172	327	12,499	12,667
Provisions	(739)	-	(739)	(1,000)
Total funds carried forward	11,433	327	11,760	11,667

Free reserves, which are defined as General Unrestricted Reserves excluding fixed assets, were £11.1m at 31 August 2020 (2019: £9.0m).

16. Financial commitments

There were capital commitments of £nil existing at 31 August 2020 (31 August 2019: £nil).

The company was committed to making the following total future payments in respect of operating leases:

	2020	2019
	£'000	£'000
Leases which expire:		
Within one year	1,065	1,252
Within two to five years	3,477	3,606
Over five years	288	1,152
Total	4,830	6,010

17. Related party transactions

The charity has taken advantage of the exemption in FRS102 "Related Party Disclosures" from disclosing transactions with other members of the group. No member of the Board of Trustees received any remuneration during the year. Trustees were reimbursed £nil for travel and subsistence costs (2019: £759).

18. Comparative Consolidated Statement of Financial Activities

For the year ended 31 August 2019	Unrestricted funds	Restricted funds	Total 2019
	£'000	£'000	£'000
Income:			
Charitable activities	45,814	-	45,814
Donations	3,692	2,964	6,926
Investments	147	-	147
Income from other trading activities	190	-	190
TOTAL INCOME	50,113	2,964	53,077
Expenditure:			
Cost of raising funds	2,231	-	2,231
Expenditure on Charitable activities	52,213	3,139	55,352
TOTAL EXPENDITURE	54,444	3,139	57,583
Net expenditure for the year	(4,331)	(175)	(4,506)
Reconciliation of funds			
Total funds brought forward at 1 September 2018	15,493	680	16,173
Total funds carried forward at 31 August 2019	11,162	505	11,667

19. Charity Statement of Financial Activities

For the year ended 31 August 2020	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£'000	£'000	£'000	£'000
Income:				
Charitable activities	49,243	-	49,243	45,814
Donations	3,944	2,777	6,721	6,503
Investments	149	-	149	147
Income from other activities	42	-	42	178
Income from subsidiaries	306	-	306	878
TOTAL INCOME	53,684	2,777	56,461	53,520
Expenditure:				
Cost of Raising funds	1,895	-	1,895	2,168
Expenditure on Charitable activities	51,518	2,955	54,473	55,352
TOTAL EXPENDITURE	53,413	2,955	56,368	57,520
Net expenditure for the year	271	(178)	93	(4,000)
Reconciliation of funds				
Total funds brought forward	11,162	505	11,667	15,667
Total funds carried forward at 31 August 2020	11,433	327	11,760	11,667

20. Post balance sheet events

There have been no material post-balance sheet events.

Thank you

Our impact on disadvantaged young people would not have been possible without the support of our partners. Their generosity and expertise have enabled us to found and develop innovative programmes, expand into new areas and ultimately help over a million children since 2002.

Transformation partners

- Accenture
- Citi
- Credit Suisse EMEA Foundation
- Deloitte
- Goldman Sachs
- HSBC
- PwC

Platinum partners

- Amazon UK
- Bloomberg LP
- Burberry plc
- Capita plc
- DHL UK Foundation
- IG Group
- Ørsted (UK) Ltd
- Permira Advisers LLP
- Rolls-Royce plc
- Salesforce.com
- Vodafone and The Vodafone Foundation

Gold partners

- Barclays
- Heathrow Airport
- Merck Sharp & Dohme
- SSE plc
- Shell International Ltd

Silver partners

- Ashtead Group plc
- BP
- Drax Group
- Siemens
- Northern Powergrid

Bronze partners

- Ashurst LLP
- Boston Consulting Group
- Burgess Salmon
- Capital Group
- Marshall Wace
- McKinsey & Company

- Pearson Plc
- Temasek
- Unilever

Trusts, foundations and major individual donors

- Careers and Enterprise Company
- Caroline Carr
- Dangoor Education
- Dame Vivian Hunt
- Garfield Weston Foundation
- Hong Kong Children and Youth Services
- Institution of Engineering and Technology
- James and Nicky Bindler
- James and Sophie Bardrick
- John Laing Charitable Trust
- Lone Pine Foundation
- Mary Meaney
- Paul Drechsler CBE
- Porticus UK
- Quadrature Capital Ltd
- Richard Meddings
- Sir James Knott Trust
- Steve Morgan Foundation
- The AKO Foundation
- The Attwood Education Foundation
- The Eranda Rothschild Foundation
- The Green Foundation
- The Huo Family Foundation
- The Lord Mayor's Appeal Charity
- The Rigby Foundation
- The Sir James Reckitt Charity
- The Waterloo Foundation
- The Worshipful Company of Butchers
- The Worshipful Company of Innholders
- Tulsi Naidu
- TVML Foundation
- William Howarth Charitable Trust

We would also like to thank all our supporters who wish to remain anonymous.

University partners

We would like to thank our university partners for playing a vital role in the delivery of our Training Programme and enabling our trainees to maximise their impact on the lives of children and young people from disadvantaged communities in England and Wales.

- Bath Spa University
- Birmingham City University
- Canterbury Christ Church University
- Cardiff Metropolitan University
- Northumbria University
- Sheffield Hallam University
- UCL Institute of Education
- University of Manchester

Governmental partners

We would like to thank the Department for Education, the Welsh Government and Rhondda Cynon Taff CBC for their funding and support during the year

Donations in kind

Organisations, including, Amazon UK, Ashurst LLP, BNP Paribas, Clifford Chance LLP, Drax, J.P. Morgan, Salesforce.com and Vodafone, supported our work with gifts-in-kind or pro-bono support including legal support, consultancy support and IT software licences. Thank you also to all the organisations who donated items or services to our events.

Volunteers

We would like to thank the hundreds of volunteers who gave their time to support our work throughout the year. Their commitment and enthusiasm has enabled us to help even more disadvantaged young people around England and Wales.

Support of our campaign events and policy reports

Over the course of the year we have hosted a series of events, and policy reports, which wouldn't have been possible without the generous support of our sponsors and event partners. These have included:

Run the River

- Headline Sponsor – Citi
- Event Partner – IG Group

teachfirst.org.uk

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