

Reach to Teach
(A company limited by guarantee and not having a share capital)

Company Number: 06002138
Registered Charity Number: 1121101

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st MARCH 2022

**Reach to Teach
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Reach to Teach

Trustees' Report

For the year ended 31 March 2022

The Trustees present their report and the audited financial statements for the year ended 31 March 2022. These have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, the Memorandum and Articles of Association, Financial Reporting Standard 102 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) (effective, 1 January 2019).

Objectives, Strategy and Programmes of the Charity

Objectives of the Charity

The principal objectives of the Charity are to promote and improve the quality of education outcomes in India with an emphasis on foundational literacy and numeracy.

The Board has reviewed the objectives of the Charity and has complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the 'public benefit requirement' guidance published by the Charity Commission and confirm these to be as follows:

- a) To make educational grants and the provision of educational services to children in India; and
- b) To manage the assets of the Charity to support the sustainable making of grants.

Overview of Strategy

Reach to Teach works to strengthen teaching and learning outcomes for children in India by focusing on strengthening systems and processes. We put the child at the centre of our work, and our interventions are structured to create an environment that delivers quality education.

Originally conceived as a short-term project to reach under-served children in remote areas of Gujarat, Reach to Teach expanded its field work and rolled out an extensive school improvement programme along with an education and community programme, which by 2018 had covered over 260 schools and impacted 27,000 children, 260 headteachers and over 750 teachers.

In 2019, Reach to Teach started working directly with state governments in India at a policy impact level and, over the next two years, gradually reduced the scale of the field programmes before ending them in April 2021. Our strategic objective now is to be the 'partner of choice' for State education departments, and we seek to support State initiatives to design and implement state-wide system strengthening interventions. Based on our extensive field-level experience over the past decade, Reach to Teach aims to provide technical assistance and programme management support to States to improve educational outcomes.

The key elements of our value proposition are the following:

- **Academic Expertise:** We work with state governments to improve learning outcomes by developing the capacity of teachers, headteachers and system officials with a focus on foundational learning and numeracy.
- **System Level Engagement:** We engage at the system level for impact at scale and this is underwritten by over a decade of field work.

Reach to Teach

Trustees' Report

For the year ended 31st March 2022

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- Evidence Driven Design Approach: In order to create sustainable frameworks.
- Monitoring, Evaluation and Learning (MEL): Programme embedded MEL for clear outcomes and impact.
- Alignment with the Indian National Education Policy (NEP) 2020: Our programme design approach focuses on aligning with the NEP 2020.
- Alignment with Sustainable Development Goals (SDGs): Our approach to strengthening teaching and learning supports achieving the SDGs by integrating the essence of SDG 4 (Quality Education), SDG 10 (Reduced Inequalities) and SDG 17 (Partnership for the Goals).

Reach to Teach's core service offerings are as follows:

- **Leadership Development** – Effective school leadership is critical to the success of a school. Reach to Teach supports the development of Headteacher competencies by developing frameworks, tools and training programmes. Reach to Teach also supports school leaders to identify gaps, exercise oversight and to actively engage with communities through School Management Committees to build awareness about the need for children to attend school and learn.
- **Continuous Professional Development (CPD)** – The NEP 2020 recommends that all teachers participate in at least 50 hours of CPD every year. Reach to Teach supports State officials to design and develop targeted professional development programmes for each of the key roles of Headteachers, teachers and system officials. This involves assessing the needs of each role, goal setting and working with state officials to develop plans to deliver on the goals and co-developing CPD programmes.
- **Accreditation** – An external objective validation of school quality and student achievements is a powerful tool that improves the quality of education. NEP 2020 recommends a robust system for accreditation and the setting up of state-wide bodies to oversee the setting of standards. Reach to Teach supports State Governments in setting up their accreditation framework and tools and using technology to drive the efficiency of the process. We also work on recruiting and training accreditation inspectors and assist with quality assurance and school improvement support.
- **Foundational Literacy and Numeracy**: These are pre-requisite skills for any child to be able to access future learning. Reach to Teach works with the state by consulting across system actors and designing state specific FLN/remedial interventions.
- **Framework to Strengthen Community Engagement** – NEP 2020 advocates for greater engagement between schools and communities, and over the last 10 years, Reach to Teach has developed bespoke strategies and interventions for their effective engagement. These interventions are focused on strengthening School Management Committees (SMCs), encouraging parents' active engagement in children's education and building collaboration between parents, local authorities, community influencers and school staff for overall school improvement.
- **Home Learning**: Reach to Teach develops both learning content and toolkits for enabling home learning. The model engages both children and parents and the design is informed by our extensive insights gained during the Covid 19 pandemic.

Reach to Teach

Trustees' Report

For the year ended 31st March 2022

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- **Disaster Preparedness and Systemic Resilience** – In times of disaster, education takes a backseat as energy and resources are focused on response and recovery of livelihoods and shelter. However, this creates a vulnerability that needs to be addressed. The Reach to Teach framework focuses mainly on aspects of preparedness and response but also works on recovery to address the issue of learning recovery post the response phase of a disaster.

Impact of Covid-19

In 2021 and 2022 almost 250 million children remained out of school in India, with 1.5 million schools closed down for prolonged periods. Schools across the country reopened, albeit slowly from March 2022. These prolonged school closures have had a damaging impact on student learning. Digital learning has helped only a small percentage of children as access to both the internet as well as digital equipment has been skewed and in fact the digital divide between children has been quite dramatic as a result of the online method of disseminating lessons.

In the first wave of Covid 19 Reach to Teach had a two-pronged approach. At one level, we supported the (Gujarat) Education Department in disseminating their Ghare Sikhiye (home learning) module. At another level, we focused on two districts and created awareness packs, guidelines for parents and teachers, and incorporated other local innovative practices to increase the outreach of these packs. The state adapted a lot of the practices we created in these two districts for state-wide implementation.

During the second wave of the pandemic, we worked with the (Gujarat) Education Department to create content for their home learning packs. We also undertook several interventions which included television and radio advertisements, sending out digital posters, and creating activities for parents to engage with children.

The Government of India's National Achievement Survey (NAS) Report 2021, conducted by the Ministry of Education was recently released. This is the first nationwide assessment of learning levels of students in Grades 3, 5, 8 and 10, covering nearly 3.4 million students from more than 100,000 schools across various states, since lockdown and the extended closure of schools. This survey shows that a very serious learning crisis set in during the Covid-19 pandemic with a fall of nine percentage points between 2017 and 2021 in the performance of students in subjects ranging from maths to social science. The absence of a formal, structured learning environment is being identified as the primary cause of the crisis – the learning loss being greatest for children who did not have educational support at home and are constrained in other ways as well.

As set out below the key objectives of each of our programmes include addressing the serious learning gap resulting from the Covid-19 pandemic.

Reach to Teach Trustees' Report For the year ended 31st March 2022 - continued -




Our Programmes

During the last year, we have continued to work in Gujarat and commenced work in Haryana. Since March 2022 we have expanded our work to the states of Odisha and Arunachal Pradesh.

Our work in each of these states is outlined below.

Gujarat

Our Reach

| | | | |
|---|-----------------------|---|--|
|  | 32,013 Schools |  | 182,825 Total Teachers incl. Headteacher |
|  | 5,125,905 Children | | |

Gujarat - Mission Schools of Excellence

The Mission Schools of Excellence Programme by the Government of Gujarat is a six-year programme which started in 2021 and is co-financed by the World Bank, the Asian Infrastructure Investment Bank, and the Gujarat Government. The programme aims to improve the quality of education by transforming 20,000 government primary schools, secondary and higher secondary government schools. While the focus will be on these selected schools, the academic interventions will be done state-wide to benefit all schools in the State.

Reach to Teach is the Academic and Technical Support Unit for Mission Schools of Excellence (SoE) and is involved in designing and delivering the programme's academic, community and planning components across four of the five key result areas. These four result areas are:

- Institutionalizing decentralized stakeholder planning systems.
- Improving foundational learning outcomes at the lower primary level.
- Strengthening teacher development and school-based assessments for classroom performance through the design of bespoke continuous professional development (CPD) interventions for Headteachers, teachers and other system actors.
- Facilitating resilient recovery from Covid-19 and building resilience for responding to any future disasters.

Reach to Teach has supported the State in identifying schools for phase 1 of the programme and supported the design and set up of review sessions for regular monitoring of progress that schools are making in their journey to become Schools of Excellence. Together with other partners, we have helped in the programme design and delivery of the decentralized planning process. We also supported a financial bottleneck study to understand the key challenges in service delivery. We helped develop the teacher needs assessment and supported the setting up of the Gujarat Assessment Cell. We have also been working with the OECD to establish a partnership for the Programme for International Assessment

Reach to Teach Trustees' Report For the year ended 31st March 2022 - continued -

(PISA) for Schools Assessment and initiated support for the design of academic interventions to prepare children for competency-based learning. During the Covid-19 pandemic we also supported the design and delivery of the home learning programme.

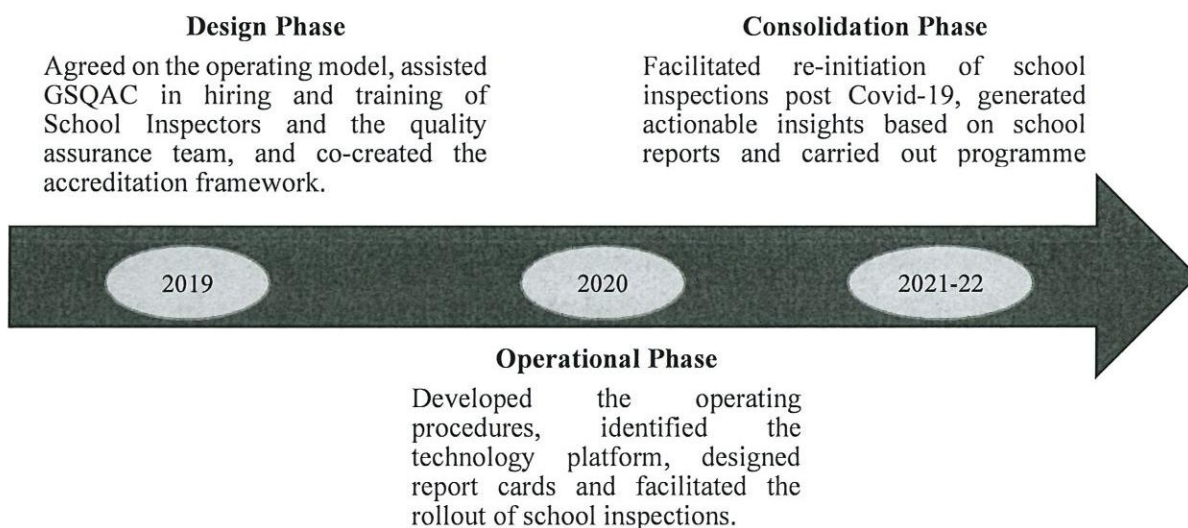
In addition, as part of the programme, we are working with the Gujarat Institute of Disaster Management, Women and Child Development Department and Samagra Shiksha to design and deliver a disaster management plan to ensure continuity in learning during any future disasters.

School Accreditation Programme

Since 2019, Reach to Teach has been supporting the Gujarat School Quality Accreditation Council (GSQAC) under the Gujarat Council of Educational Research and Training (GCERT) by providing programme management support for the implementation of the School Accreditation Programme known as Gunotsav 2.0. The programme's objective is to design and develop a robust accreditation framework for an independent and objective validation of quantitative and qualitative parameters that define school quality leading to continuous school improvement.

Reach to Teach has deployed a dedicated Programme Management Unit (PMU) within GSQAC since February 2019, which has supported the co-creation of the school accreditation framework by providing qualitative inputs through our experience of working with the Office for Standards in Education, Children's Services and Skills in the UK (OFSTED) and other international organizations working in the field of accreditation.

Reach to Teach has closely supported the key phases of the School Accreditation Programme:



Following a delay due to Covid-19, the first cycle of school accreditation for all 32,013 schools in Gujarat was completed in July 2021, and the second cycle was completed in April 2022. The programme's scope is now being expanded to cover secondary schools as well.

Reach to Teach Trustees' Report For the year ended 31st March 2022 - continued -

Covid Support & Home Learning

The prolonged school closures during the pandemic impacted student learning. Due to unequal access to digital classrooms, several children were left out of the learning process. Teachers had to quickly adapt to multi-modal ways of engaging with these children. In the first wave of COVID-19, Reach to Teach had a two-pronged approach. At one level, we supported the Gujarat Education Department in disseminating their *Ghare Sikhiye* (home learning) module. At another level, we focused on two districts and created awareness packs, guidelines for parents and teachers, and incorporated other local innovative practices to increase the outreach of these packs. The state adapted a lot of the practices we created in these two districts for state-wide implementation. During the second wave of the pandemic, we worked with the Education Department to create content for their home learning packs.

Several interventions like television and radio advertisements, sending out digital posters, and creating activities for parents to engage with children created an opportunity for parents and children to bond and learn about things beyond the school curriculum.




Continuous Professional Development (CPD)

The Education Department carries out training of teachers and Headteachers from time to time for their continuous professional development. To support these CPD activities, we provide resource-based support for the design of textbooks, assessments and training material for teachers and system officials.

School Enrolment

We work closely with the Director of Primary Education's office to facilitate improved enrolment and attendance. We help them with data on transition and dropout rates across government primary schools. This includes the design and delivery of the pre-enrolment survey and annual enrolment event of the state called *Praveshotsav* at the beginning of the new academic session (in June every year), a 'Back-to-School' campaign after the mid-semester Diwali holidays (normally in November every year) and attendance improvement measures.

Haryana

| | | | |
|---|-----------------------|---|--|
|  | 14,580 Schools |  | 105,080 Total Teachers incl. Headteacher |
|  | 2,500,000 Children | | |

Reach to Teach has signed a three-year Memorandum of Understanding (MoU) with the Department of School Education (DSE), Haryana, to create an Accreditation Framework in line with a Standard's Authority as recommended in the NEP 2020 to establish standards for school education.

Reach to Teach

Trustees' Report

For the year ended 31st March 2022

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Reach to Teach is supporting the DSE across three areas:

- **Designing an Accreditation Framework:** We are working with the DSE to design the Framework with the aim of setting up the State School Standards Authority as envisaged in the NEP 2020. We are designing the Accreditation indicators which will provide qualitative and quantitative information for overall school improvement of all the schools in Haryana. We will carry out the relevant training in the use of the framework and create the Report Cards for the Government.
- **Leadership development training:** We are developing leadership development training for Headteachers and other system actors.
- **Accreditation of private Teacher Education Institutes (TEIs):** We are assisting DSE to create a framework for accreditation of private TEIs that provide a two-year diploma in pre-service teacher education.

Arunachal Pradesh

Our Indian subsidiary, Reach to Teach Private Limited is providing expertise to support the work of the Indian charity, the Reach to Teach Foundation.

Reach to Teach Foundation has entered into a tripartite engagement with NITI Aayog and the Government of Arunachal Pradesh to create the knowledge and training component for a FLN remedial/ learning recovery programme across all Government primary schools up to Grade 8 and grade appropriate learning recovery for grades 9 to 12. This programme commenced in June 2022 and will be delivered by the staff of the Reach to Teach Foundation with support provided on a pro-bono basis by senior staff from Reach to Teach Private Limited.

Odisha

We have had a detailed discussion with the Secretaries of the Mass Education Department and the Scheduled Caste Scheduled Tribe Welfare department on the scope of work in Odisha. The Mass Education department is keen on our service offerings around Continuous Professional development of headteachers and teachers, the Accreditation Framework, Frameworks to strengthen Community Engagement and Disaster Preparedness and Response. The SC ST Welfare Department wants us to create an Accreditation framework for non residential and residential schools for tribal children. Draft copies of the Memorandum of Understanding have been shared with the Odisha Government and we hope to start work in September.

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Trustees' Report

For the year ended 31st March 2022

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Financial Review

During the year to 31 March 2022, the total income was £4,736k (2021: £5,002k) and as in previous years, the largest source of income was a restricted grant of £4,723k from the Larry Ellison Foundation, which the Charity received in July 2021.

Total expenses decreased from £3,797k in the year to 31 March 2021 to £1,740k in the current year. The reduction in expenditure was due to the ending of the field programmes in April 2021 and much lower London based costs from January 2021. Expenditure on the field programmes was £1,032k in the year to 31 March 2021. As the programme finished in April 2021, all the closure costs for it were included in the financial statements for the year to 31 March 2021 and there were no costs in the year to 31 March 2022.

In 2019 the Charity developed a plan to transition all the education and operational staff roles from London to India and this transition was completed in December 2020. As a result, London staff and office costs fell from £1,512k in the year to 31 March 2021 to £328k in the year to 31 March 2022.

During the year, expenditure on raising funds increased from £67k to £110k. Currently the Charity has only one funder, the Larry Ellison Foundation but it will be diversifying its funding over the next few years and this increased spend reflects the investment in a small fundraising team.

The main area of charitable activity during the year was our work with the Education Departments in Gujarat and Haryana. The main cost for the Charity was the salary costs of the Reach to Teach staff assigned to work on the programmes. As outlined above the main areas of the Charity's work in Gujarat were the Mission Schools of Excellence, the accreditation programme and the home learning programme. In Haryana, the work has focused on setting up a school accreditation programme from scratch.

The net income for the year to 31 March 2022 was £2,996k (2021: £1,215k). As a result, net assets increased from £4,860k to £7,856k and the main change within the balance sheet was an increase in the cash balances from £5,012k in March 2021 to £7,968k in March 2022.

Future Developments

As outlined above, Reach to Teach aims to be the partner of choice for select State Education Departments in India seeking to design and implement state-wide system strengthening interventions. The focus will be on providing strategic advice and design and project management support to states to improve educational outcomes.

Reach to Teach is now operational in four states in India -- Gujarat, Haryana, Arunachal Pradesh and Odisha.

In Gujarat, we are continuing to support the Mission Schools of Excellence as the Academic Partner. The accreditation programme has now been running for two years and we are now supporting the State with analysis of the year-on-year data. We are also assisting with the roll-out of the accreditation framework to secondary schools.

Reach to Teach

Trustees' Report

For the year ended 31st March 2022

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In Haryana, the first year of the accreditation programme has progressed well, and we are now expanding our work to support the State's 'School Leadership Programme'. Finally, in recent months we have started work in Arunachal Pradesh and Odisha.

Historically, Reach to Teach has not focused on communication outreach, but going forward, this will be an important part of our strategy in order to give visibility to our work and approach. This will support us in our effort at resource mobilisation and also creating an environment of advocacy based on our work at an impact level.

In recent months, Reach to Teach has undergone a brand refresh with a new logo close to its core philosophy of merging tradition with technology while being agile, adaptive and continuously evolving.

A new brand environment has been launched along with a new website that complements it. We are now building our long-term media-communications strategy, which in the short term includes touchpoints for engagement with external stakeholders through thought leadership articles, press releases, newsletters, brochures, events and an active and engaging social media presence, with the intent to make Reach to Teach a thought leader and have a top-of-the-mind recall as an organisation.

Since 2007, Reach to Teach has been supported in its work entirely by the Larry Ellison Foundation. This sustained support has enabled Reach to Teach to scale up its work and move from being a field-level entity to actively working alongside governments to bring in qualitative interventions at a systemic level.

As we are now diversifying into new geographies to engage with State Governments at the policy impact level, there is a necessity to expand the funding pipeline. Reach to Teach now has a Strategic Partnership team in place and our strategy aims at ensuring a diversified and sustainable funding base through building strong partnerships while focusing on visibility and branding. Specifically our plan is to partner with bilateral agencies, DFIs, international NGOs and high-net-worth individuals with a passion for improving the FLN quality educational teaching and learning outcomes in India.

Reserves Policy and Going Concern

As a result of its scale, the Charity has significant legal, financial and moral commitments. The main commitments are the commitments made under the Memorandum of Understanding with the State Governments and the contractual obligations to our staff and other stakeholders. In addition, the Charity also works with external partners from time-to-time and commits financial and other resources to these partnerships.

The Charity only has a very small amount of unrestricted reserves on its balance sheet (£18k). The trustees are satisfied with this position because the funding provided by the Larry Ellison Foundation (LEF) supports all the operations of Reach to Teach. The current five year grant agreement with LEF is due to end in June 2023. However, the Charity is in discussions with LEF to extend the term of this agreement by a further two years until June 2025. At 31 March 2022 Reach to Teach held cash balances of £7,968k which is sufficient to cover the group's costs until March 2024. In addition the remaining funding of £4,900k (\$6,500k) due under the current grant agreement with LEF will be sufficient to cover Reach to Teach's costs until at least mid 2025.

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Trustees' Report

For the year ended 31st March 2022

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The trustees have also considered whether any possible events might cast significant doubt on the ability of the Charity to continue as a going concern. However, in view of the cash reserves of the Charity and the commitment by LEF under the current grant agreement outlined above, the trustees are satisfied that adequate resources will continue to be available for the Charity for the foreseeable future.

Investment Policy

The annual grant from LEF received by the Charity is denominated in US dollars. Since most of the Charity costs are in Indian rupees and the US dollar is aligned more closely with the Rupee than Sterling, our policy is to retain the majority of the cash funds in US dollars and only convert a sufficient amount to Sterling to cover our UK based costs. Our financial statements are denominated in Sterling, and since the US dollar strengthened during the year (from an exchange rate of 0.725 in March 2021 to 0.76 in March 2022), the financial statements show a large unrealized gain on revaluing the dollar balances to Sterling at 31 March 2022.

The Charity follows a conservative investment policy with its US dollar funds. Money is held in deposit accounts and short term fixed deposits with significant banks yielding market rates of interest.

Risk Management and Assessment

The trustees have a duty to identify and review the risks to which the Charity is exposed to and ensure appropriate policies and procedures to minimize these risks.

The Charity's risk framework is based upon the Charity Commission guidance. The written Risk Register contains details of each risk, including an assessment of the existing controls and monitoring activities and the further risk mitigation actions that will be put in place. Key reputational risk management processes and contingency plans for priority risks have also been developed. In addition, a monitoring and assessment process has been agreed upon, which includes a detailed annual review of risks by the Executive Team and the Board.

The trustees believe that the risk framework provides an effective system to mitigate the risks faced by the Charity.

Details of the main risks and how these are managed are set out below.

| Key risk | Details of risk | Management of risk |
|------------------------------|---|---|
| Failure to diversify funding | Funding risk: Historically, the Charity has had one funder, the Larry Ellison Foundation (LEF). The funding under the current grant agreement from LEF lasts until 2025, but as our government programmes run for at least three years, it is important the Charity diversifies its funding sooner. | The Charity has developed a fundraising strategy, including a list of target donors and outreach strategy. It also now has a fundraising team in place. The CEO and Board regularly monitor the activities of the fundraising team. |

Reach to Teach
Trustees' Report
For the year ended 31st March 2022
- continued -

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| Black swan events | Black swan events such as Covid-19 disrupt the Charity's work resulting in delays and repurposing of education budgets for disaster interventions. | <ul style="list-style-type: none"> • Covid risk: The Charity has taken the learnings and is building alternative frameworks such as online processes and digitalization of education. • Our geographical spread means we will be less susceptible to events in one State. • Staff security policy in place, which includes close monitoring of employees' travel arrangements. • Continue to maintain the flexibility of our operations and ability to reassign staff. |
| Safeguarding risks | The risk of harm, exploitation or abuse of an individual during or as a result of the Charity's programmes. | <ul style="list-style-type: none"> • Safeguarding policy and reporting procedures in place with designated safeguarding staff in place at Board, management and operational levels and training is regularly provided to all staff. • The nature of our work with the government means there is very little direct access to children and communities. |
| Impact risks | Outcome and impact assessments inadequately carried out. | <ul style="list-style-type: none"> • Three-year duration for all proposed programme interventions (as shorter duration not enough to demonstrate learning outcomes improvement). • Regular programme review protocol and governance structure in place. • Monitoring and evaluation built into all programme designs. |
| Reputational risks | Damage to our reputation would affect our ability to expand to other states and impact our fundraising efforts. | <ul style="list-style-type: none"> • Maintenance of good relationships across all stakeholder levels. • Policies are in place to ensure robust governance and adherence to systems and processes. • The communications strategy includes processes to manage reputational risks, including contingency plans. |

Reach to Teach
Trustees' Report
For the year ended 31st March 2022
- continued -

Regulatory Details

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|-------------------------------|--|
| Constitution | The Charity is a company limited by guarantee and governed by its Memorandum of Association. |
| Company Number | 06002138 |
| Charity Number | 1121101 |
| Principal & Registered Office | Q West Unit 3.14, Great West Road, Brentford, TW8 0GP |

Board of Trustees

The current Trustees, who are also the Directors under the Companies Act 2006 are as follows:

- Rakhee Ditta (Chair)
- Matthew Symonds (Deputy Chair)
- Neha Aviral
- Vijay Chhibber (appointed 1 September 2021)
- Gurmeet Kaur
- Geeta Khehar

Executive Team and Key Management Personnel

The members of the executive team who served during the period from 1 April 2021 up until the date of signing this report were:

- Chief Executive Officer: Ratna Viswanathan
- Principal Director Programme Strategy: Shalini Sharma (appointed 17 January 2022)
- Principal Director of Operations and Chief Finance Officer: Peter Thomas
- Principal Director Programmes: Thomas Arackaparampil (until 31 March 2022)
- Principal Director of Strategic Planning and Performance: Komal Ganotra (until 31 August 2021)

Advisors to the Company

| | | |
|-----------|--|--|
| Bankers: | HSBC Pall Mall Commercial Centre 5th Floor 70 Pall Mall SW1Y 5EZ | Metro Bank 137 Chiswick High Road London W4 2ED |
| Auditors: | PKF Littlejohn LLP 15 Westferry Circus London E14 4HD | |

Reach to Teach
Trustees' Report
For the year ended 31st March 2022
- continued -

| | |
|-----------------------|---|
| Legal Advisers UK: | Bates Wells Braithwaite 10 Queen Street Place London, EC4R 1BE |
| Legal Advisers India: | Southern Accountability & Governance Alliance Private Limited 6202/2 111 Floor Block 1, Dev Nagar Karol Bagh Delhi 110005 |
| Auditors India: | PKF Sridhar & Santhanam LLP 319, Third Floor, DLF Prime Towers Okhla Phase 1 New Delhi 110020 |
| Accountants India: | Hasmukh Shah & Co 409-410, Dalamal Chambers, New Marine Lines Mumbai 400 020 |

Reach to Teach

Trustees' Report

For the year ended 31st March 2022

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Structure, Governance and Management

Governing Documents

The organization is a charitable company limited by guarantee, incorporated on 17 November 2006 and registered as a charity on 8 October 2007. The company was established under a Memorandum of Association which established the objects and powers of the charitable company.

The Governance of the Charity

The governance practices are set out in the Reach to Teach Board Handbook. The Board Handbook is in line with the Charity Governance Code issued in July 2017 by the steering group of charity umbrella bodies. The purpose of the Handbook is to assist the trustees in fulfilling their responsibilities and serve as a point of reference for all key aspects of the Charity's governance framework.

The Board and Management of the Charity

All major decisions relating to funding, strategy, financial plans and policies are taken by the trustees of the Charity. During the year, formal meetings of the trustees were held at regular intervals. The trustees also conferred regularly by telephone, e-mail and at informal meetings.

The Charity has a formal nominations procedure for selecting new trustees. In identifying potential new trustees, the Board looks to bring in people with experience in, education, institutional relations resource mobilisation and Edtech..

The day-to-day management of the Charity is entirely delegated to the Chief Executive Officer (CEO) and she is supported by an experienced executive team. The Charity's executive team is based in India and London. The India team includes the Chief Executive Officer, the Principal Director of Programme Strategy and nine staff at Director level whose responsibilities include programmes, HR, Edtech, Resource Mobilisation and Communications. The Principal Director of Operations / Chief Finance Officer is based in London.

Indemnity Insurance

The Charity has indemnity insurance in place, which provides cover for all the trustees and employees.

Remuneration Policy and Senior Staff Remuneration

The details concerning the remuneration paid to the Chief Executive during the year and the executive team are disclosed in the financial statements. The trustees carry out their duties on a voluntary basis.

The key principle of the Charity's remuneration policy is to attract and motivate staff with the skills and expertise to ensure delivery of the Charity's objectives while ensuring that pay levels and pay increases are appropriate in the context of the interests of our beneficiaries.

Reach to Teach

Trustees' Report

For the year ended 31st March 2022

- continued -

In relation to deciding remuneration for the Charity's senior staff, the Charity takes into account the following principles:

- To ensure that the Charity can access the types of skills and experiences it requires in its senior staff.
- Pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered.

The Charity has disclosed in note 8 the total remuneration of the executive team.

Resource Mobilisation Activities

During the year, the Charity received all its funding from the Larry Ellison Foundation. The Charity does not actively seek to raise funds from the public, and in recent years, donations from the public have been tiny. As outlined above, the Charity is planning to diversify its funding over the next few years and aims to mobilise resources from a varied set of entities.

The Charity is compliant with the Charities (Protection and Social Investment) Act 2016, including the guidance outlined by the Charity Commission for England and Wales (CC20 and CC15d) regarding trustee duties and reporting respectively. The Charity has never received a complaint regarding its fundraising approach from the general public or any corporates or foundations. It also does not employ any third-party organization to conduct fundraising on its behalf.

Trustees' Responsibilities in relation to the Financial Statements

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the

Reach to Teach
Trustees' Report
For the year ended 31st March 2022
- continued -

financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

None of the Trustees had any beneficial interest in any contract to which the organization was a party during the year.

In so far as the Trustees are aware:

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

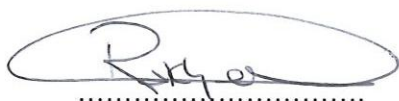
Auditors

PKF Littlejohn LLP has indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Small Company Exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard 102 (effective January 2019).

This report was approved by the Board of Trustees on 13th September 2022 and signed on their behalf by



Ms Rakhee Ditta, Chair

COMPANY NUMBER: 06002138

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REACH TO TEACH

Opinion

We have audited the financial statements of Reach to Teach (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated and Parent Charitable Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and 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 the parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or

apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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; or
- the trustees were not entitled to [prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities statement in relation to the Financial Statements, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company 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 group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector knowledge and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes, review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the timing of recognition of grant income. We addressed this through review of grant income to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

13 October 2022

Reach to Teach
Consolidated Statement of Financial Activities
For the year ended 31st March 2022
(incorporating an income and expenditure account)

| | Note | Unrestricted Funds | Restricted Funds | 31-Mar 2022 | Unrestricted Funds | Restricted Funds | 31-Mar 2021 |
|------------------------------------|-----------|--------------------|------------------|-------------|--------------------|------------------|-------------|
| | | £ | £ | £ | £ | £ | £ |
| Income From: | | | | | | | |
| Grants | 3 | - | 4,723,494 | 4,723,494 | - | 5,001,539 | 5,001,539 |
| Investment income | | - | 12,516 | 12,516 | - | 10,324 | 10,324 |
| Total | | - | 4,736,010 | 4,736,010 | - | 5,011,863 | 5,011,863 |
| Expenditure On: | | | | | | | |
| Raising Funds | 5 | 216 | 110,149 | 110,365 | 216 | 66,527 | 66,743 |
| Charitable Activities | 4 | 93 | 1,629,084 | 1,629,177 | (665) | 3,730,569 | 3,729,904 |
| Total | | 309 | 1,739,233 | 1,739,542 | (449) | 3,797,096 | 3,796,647 |
| Net income for the year | 9 | (309) | 2,996,777 | 2,996,468 | 449 | 1,214,767 | 1,215,216 |
| Total funds brought forward | 15 | 19,024 | 4,840,846 | 4,859,870 | 18,575 | 3,626,079 | 3,644,654 |
| Total funds carried forward | 15 | 18,715 | 7,837,623 | 7,856,338 | 19,024 | 4,840,846 | 4,859,870 |

All gains and losses arising are included in the statement of financial activities and arise from continuing activities.

The statement of financial activities for the Charity is set out in note 2.

The notes on pages 24 to 33 form part of these financial statements.

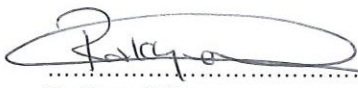
Reach to Teach
Balance Sheets as at 31st March 2022

| Company number: 06002138 | Note | Group | | Charity | |
|---|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | 16,972 | 25,367 | 1,230 | 4,219 |
| Investments | 12 | - | - | - | - |
| Current Assets | | | | | |
| Debtors | 13 | 250,935 | 117,824 | 511,300 | 12,600 |
| Cash at bank and in hand | | 7,968,106 | 5,012,324 | 6,980,771 | 4,771,951 |
| | | <u>8,219,041</u> | <u>5,130,148</u> | <u>7,492,071</u> | <u>4,784,551</u> |
| Current Liabilities | | | | | |
| Creditors: amounts falling due one year | 14a | <u>(322,716)</u> | <u>(253,685)</u> | <u>(60,050)</u> | <u>(304,518)</u> |
| Net Current Assets | | <u>7,896,325</u> | <u>4,876,463</u> | <u>7,432,021</u> | <u>4,480,033</u> |
| Creditors: amounts falling due after one year | 14b | <u>(56,959)</u> | <u>(41,960)</u> | <u>-</u> | <u>-</u> |
| Total Net Assets | | <u><u>7,856,338</u></u> | <u><u>4,859,870</u></u> | <u><u>7,433,251</u></u> | <u><u>4,484,252</u></u> |
| Funds | | | | | |
| Restricted funds | 15 | 7,837,623 | 4,840,846 | 7,414,536 | 4,465,228 |
| Unrestricted funds | 15 | <u>18,715</u> | <u>19,024</u> | <u>18,715</u> | <u>19,024</u> |
| Total Funds | | <u><u>7,856,338</u></u> | <u><u>4,859,870</u></u> | <u><u>7,433,251</u></u> | <u><u>4,484,252</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006. The net income of the parent for the year amounted to £2,948,999 (2021: net income was £1,199,963).

The financial statements were approved by the trustees, and authorised for distribution, on 13th September 2022 and signed on their behalf by:


.....
Rakhee Ditta
Trustee

The notes on pages 24 to 33 form part of these financial statements.

Reach to Teach
Cash Flow Statement as at 31st March 2022

| | | Group | | Charity | |
|--|----------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Notes | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Net cash provided by operating activities | A | 2,953,044 | 1,059,244 | 2,206,086 | 1,166,760 |
| Cash flows from investing activities | | | | | |
| Interest received | | 12,516 | 10,234 | 2,734 | 4,175 |
| Cost of purchasing tangible fixed assets | | (9,778) | (13,180) | - | - |
| Net cash inflow/(outflow) from investment activities | | <u>2,738</u> | <u>(2,946)</u> | <u>2,734</u> | <u>4,175</u> |
| Net inflow at 1 April 2021 | | <u>5,012,324</u> | <u>3,956,026</u> | <u>4,771,951</u> | <u>3,601,016</u> |
| At 31 March 2022 | | <u><u>7,968,106</u></u> | <u><u>5,012,324</u></u> | <u><u>6,980,771</u></u> | <u><u>4,771,951</u></u> |

A Reconciliation of net operating income to net cash flow from operating activities

| | Group | | Charity | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Net income | 2,996,468 | 1,215,216 | 2,948,999 | 1,199,963 |
| Loss on sale of tangible fixed assets | 287 | 15,936 | - | 13,868 |
| Sale proceeds of tangible fixed assets | 1,277 | 8,827 | - | 4,487 |
| Interest received | (12,516) | (10,234) | (2,734) | (4,175) |
| Forex revaluation of fixed assets | 92 | 1,630 | - | - |
| Depreciation charges | 16,517 | 28,171 | 2,989 | 15,279 |
| Movement in corporate tax | 8,171 | (6,222) | - | - |
| Movement in debtors | (133,583) | 7,811 | (500,178) | 59,881 |
| Movement in prepayments | 472 | (3,969) | 1,478 | 9,077 |
| Movement in creditors | 75,859 | (197,922) | (244,468) | (131,620) |
| Net cash provided by operating activities | <u>2,953,044</u> | <u>1,059,244</u> | <u>2,206,086</u> | <u>1,166,760</u> |
| Analysis of changes in net debt | | | | |
| Opening cash balance | 5,012,324 | 3,956,026 | 4,771,951 | 3,601,016 |
| Cashflow in the year | <u>2,955,782</u> | <u>1,056,298</u> | <u>2,208,820</u> | <u>1,170,935</u> |
| Closing cash balance | <u><u>7,968,106</u></u> | <u><u>5,012,324</u></u> | <u><u>6,980,771</u></u> | <u><u>4,771,951</u></u> |

Reach to Teach
Notes to the Financial Statements
For the year ended 31st March 2022

1 Accounting Policies

a) Basis of preparation

These financial statements for the period 1 April 2021 to 31 March 2022 are prepared on a going concern basis, under the historical cost convention. The Charity is incorporated in the UK.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Group is a public benefit group for the purposes of FRS 102, and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP, 2nd Edition), the Companies Act 2006 and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the Charities Act

b) Going Concern

The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of these financial statements. In particular, the trustees have considered the Charity's forecasts and the terms of the Grant Agreement with the Larry Ellison Foundation ("the Foundation"). Currently this runs until 30 June 2023 but the Charity is in discussions with the Foundation to extend the term by two years until 30 June 2025. At 31 March 2022 Reach to Teach held cash balances of £7,968k which is sufficient to cover the group's costs until March 2024. In addition the remaining funding of £4,900k (\$6,500k) due under the current grant agreement with LEF will be sufficient to cover Reach to Teach's costs until at least mid 2025.

Also, the trustees understand the funding under this Grant Agreement is not affected by the Covid 19 pandemic.

c) Critical accounting estimates and areas of judgement

In the application of the group's accounting policies the trustees are required to make judgements, estimates and assumptions, particularly in respect of the depreciation of assets and accruals. These judgements, estimates and associated assumptions are reviewed on an ongoing basis and are based on historical experience and other factors which are considered to be relevant.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

d) Income

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

e) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

f) Allocation of overhead and support costs

Overhead and support costs are allocated between the cost of raising funds and charitable activities. A small percentage of senior staff time is allocated to fundraising and this percentage is then applied to the total cost of salaries and the related overheads to determine the total cost of raising funds.

g) Termination payments

Termination payments to staff are recognised in the financial statements when they are incurred. At the year end any termination payments agreed but not paid are accrued in the financial statements.

h) Fundraising

Fundraising expenditure consists of the costs of raising funds, including an apportionment of overhead and support costs.

i) Charitable Activities

Costs of charitable activities include the direct costs and staff costs related to our education programmes, the development of our education content and new initiatives together with an apportionment of overhead and support costs.

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

j) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off a percentage of the carrying amount of the asset each year at the following rates:

| | |
|------------------------|------------------------|
| Fixtures & Fittings | 33% straight line |
| Computer equipment | 33% straight line |
| Leasehold improvements | Over duration of lease |

The Charity only capitalises items costing more than £250. Batches of items below this threshold are immediately expensed to SOFA.

k) Pension costs

The Charity provides the option of contribution into the employees' personal pension plans for all employees. The pension cost charge represents contributions payable by the organisation into the individual stakeholder plans.

l) Fund Accounting

Unrestricted funds are available for use at the Trustees' discretion in furtherance of the general objectives of the Charity.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in note 16 to the financial statements.

m) Operating leases

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

n) Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market interest rate are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

o) Foreign Exchange Policy

The Charity's income from the Larry Ellison Foundation is received in US Dollars, and the Charity's costs are split between the UK and India. On receipt of each tranche of funding, the Charity's policy is to convert sufficient dollars to sterling to cover the UK-based costs. The Charity retains dollars to cover the India based costs, and these dollars are converted periodically to Indian rupees to fund the Indian operations.

2 Statement of Financial Activities for the Parent Charity (excluding Indian Subsidiary)

| | Unrestricted Funds £ | Restricted Funds £ | 31-Mar 2022 £ | Unrestricted Funds £ | Restricted Funds £ | 31-Mar 2021 £ |
|------------------------------------|----------------------------|--------------------------|---------------------|----------------------------|--------------------------|---------------------|
| Income From: | | | | | | |
| Grants | - | 4,723,494 | 4,723,494 | - | 5,001,539 | 5,001,539 |
| Investments | - | 2,734 | 2,734 | - | 4,175 | 4,175 |
| Total | - | 4,726,228 | 4,726,228 | - | 5,005,714 | 5,005,714 |
| Expenditure On | | | | | | |
| Raising Funds | 216 | 24,378 | 24,594 | 216 | 37,227 | 37,443 |
| Charitable Activities | 93 | 1,752,542 | 1,752,635 | (665) | 3,768,973 | 3,768,308 |
| Total | 309 | 1,776,920 | 1,777,229 | (449) | 3,806,200 | 3,805,751 |
| Net income for the year | (309) | 2,949,308 | 2,948,999 | 449 | 1,199,514 | 1,199,963 |
| Total funds brought forward | 19,024 | 4,465,228 | 4,484,252 | 18,575 | 3,265,714 | 3,284,289 |
| Total funds carried forward | 18,715 | 7,414,536 | 7,433,251 | 19,024 | 4,465,228 | 4,484,252 |

3 Grants

Grants is the amount received from the Larry Ellison Foundation under the terms of the grant agreement signed in July 2018. The grant is paid in annual instalments and the fourth Instalment of US\$ 6,500,000 (£4,723,494) was paid in July 2021.

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

4 Charitable Activities

| | Direct costs £ | Staff costs £ | Support Costs £ | 31-Mar 2022 £ |
|------------------------------------|-------------------|----------------------------------|----------------------------------|---------------------|
| Year to 31st March 2022 | | | | |
| Education and Community Programmes | - | - | - | - |
| Government Programmes | 146,391 | 1,333,232 | 149,554 | 1,629,177 |
| Education Content Development | - | - | - | - |
| | <u>146,391</u> | <u>1,333,232</u> (See Note 7) | <u>149,554</u> (See Note 5) | <u>1,629,177</u> |
| | Direct costs £ | Staff costs £ | Support Costs £ | 31-Mar 2021 £ |
| Year to 31st March 2021 | | | | |
| Education and Community Programmes | 72,477 | 649,547 | 309,396 | 1,031,420 |
| Government Programmes | 146,840 | 1,650,732 | 770,281 | 2,567,853 |
| Education Content Development | 14,726 | 76,721 | 39,185 | 130,632 |
| | <u>234,043</u> | <u>2,377,000</u> (See Note 7) | <u>1,118,862</u> (See Note 5) | <u>3,729,905</u> |

5 Support Costs

| | Charitable Activities £ | Raising Funds £ | 31-Mar-22 £ | Basis of allocation |
|---|----------------------------|--------------------|------------------|---------------------|
| Year to 31st March 2022 | | | | |
| Staff costs (Note 7) | - | 93,932 | 93,932 | (i) |
| Travelling | 73,939 | - | 73,939 | (ii) |
| Rent and office related costs | 149,655 | 10,404 | 160,059 | (iii) |
| Communications and IT | 17,713 | 1,231 | 18,944 | (iii) |
| Recruitment Fees | 14,270 | 992 | 15,262 | (iii) |
| Training | - | - | - | (ii) |
| Foreign exchange gain | (299,730) | - | (299,730) | (iii) |
| Consulting and professional fees | 59,749 | - | 59,749 | (ii) |
| Legal fees | 10,491 | 1,621 | 12,112 | (ii) |
| Depreciation | 15,443 | 1,074 | 16,517 | (iii) |
| Audit and accounting (governance costs) | 30,353 | 739 | 31,092 | (iii) |
| Corporate tax | 64,338 | - | 64,338 | (iii) |
| Miscellaneous costs | 13,333 | 372 | 13,705 | (iii) |
| | <u>149,554</u> | <u>110,365</u> | <u>259,919</u> | |
| | Charitable Activities £ | Raising Funds £ | 31-Mar-21 £ | Basis of allocation |
| Year to 31st March 2021 | | | | |
| Staff costs (Note 7) | - | 47,261 | 47,261 | (i) |
| Travelling | 13,901 | - | 13,901 | (ii) |
| Rent and office related costs | 157,890 | 3,222 | 161,112 | (iii) |
| Communications and IT | 45,184 | 922 | 46,106 | (iii) |
| Recruitment Fees | 94,627 | 1,931 | 96,558 | (iii) |
| Training | 28,248 | - | 28,248 | (ii) |
| Foreign exchange loss | 412,238 | 8,413 | 420,651 | (iii) |
| Consulting and professional fees | 153,970 | - | 153,970 | (ii) |
| Legal fees | 20,331 | 2,651 | 22,982 | (ii) |
| Depreciation | 27,607 | 563 | 28,170 | (iii) |
| Audit and accounting (governance costs) | 35,981 | 220 | 36,201 | (iii) |
| Corporate tax | 54,167 | - | 54,167 | (iii) |
| Miscellaneous costs | 74,718 | 1,559 | 76,277 | (iii) |
| | <u>1,118,862</u> | <u>66,742</u> | <u>1,185,604</u> | |

(i) Staff time is allocated to 'Raising Funds' based on the approximate allocation of staff to this activity.

(ii) Based on actual costs.

(iii) Costs apportioned based on total direct and staff costs.

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

Trustees' and Key Management Remuneration

No remuneration was paid to trustees during the year.

Details of trustee expenses are set out below

| | 31-Mar 2022 Number | 31-Mar 2021 Number | 31-Mar 2022 £ | 31-Mar 2021 £ |
|----------------------------|--------------------------|--------------------------|---------------------|---------------------|
| Expenses paid for Trustees | - | - | - | - |

Staff costs

In the year, the Key Management Personnel of the Charity were the Chief Executive Officer, the Executive Director of Strategic Planning and Performance (until August 2021), the Principal Director, Programme Strategy (from January 2022) the Principal Programme Director and, the Principal Director of Operations/Chief Finance Officer. Staff costs include the following amounts paid to the executive team:

| | 31-Mar 2022 £ | 31-Mar 2021 £ |
|---|---------------------|---------------------|
| Wages and salaries | 450,109 | 647,466 |
| Termination and redundancy payments | 32,510 | 28,000 |
| Social security costs | 20,025 | 43,237 |
| Employers' pension contributions | 23,845 | 35,222 |
| Staff Medical Insurance and other benefits | 7,911 | 3,498 |
| | <u>534,400</u> | <u>757,423</u> |
| | 31-Mar 2022 £ | 31-Mar 2021 £ |
| Wages and salaries | 1,237,424 | 1,828,495 |
| Termination and redundancy payments | 53,480 | 157,800 |
| Social security costs | 26,492 | 101,272 |
| Employers' pension contributions | 69,769 | 107,200 |
| Other employee benefits | 39,999 | 13,871 |
| Total costs for Reach to Teach staff | <u>1,427,164</u> | <u>2,208,638</u> |
| Salaries paid to operational staff via our Indian partners, Gram Vikas Trust and Kutch Nav Nirman Abhiyan through grants. | - | 215,623 |
| Total staff costs | <u>1,427,164</u> | <u>2,424,261</u> |
| Total staff costs | | |
| Charitable activities | 1,333,232 | 2,377,000 |
| Raising funds | 93,932 | 47,261 |
| | <u>1,427,164</u> | <u>2,424,261</u> |

All termination and redundancy payments were paid in the year.

Included in the above figures for wages and salaries were the emoluments of the Chief Executive Officer who served during the year of £137,123 (2021: £139,072). The number of staff who received total emoluments over £60,000 were as follows:

| Bands | Number of staff in Year to 31 March 2022 | Number of staff in Year to 31 March 2021 |
|---------------------|---|---|
| £60,000 - £70,000 | - | 4 |
| £70,000 - £80,000 | - | 1 |
| £80,000 - £90,000 | - | 1 |
| £90,000 - £100,000 | - | 1 |
| £100,000 - £110,000 | - | 1 |
| £110,000 - £120,000 | - | 1 |
| £120,000 - £130,000 | 1 | - |
| £130,000 - £140,000 | 1 | - |
| £140,000 - £150,000 | - | 1 |
| £150,000 - £160,000 | 1 | - |
| £180,000 - £190,000 | - | 1 |

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

8 Staff numbers

The average number of employees analysed by function was:

| | 31-Mar 2022 | 31-Mar 2021 |
|-----------------------|------------------------|------------------------|
| | Number | Number |
| Charitable activities | 33.0 | 42.0 |
| Raising funds | 2.0 | 0.5 |

9 Net Income for the Year

| | 31-Mar 2022 | 31-Mar 2021 |
|---|------------------------|------------------------|
| | £ | £ |
| The result is stated after charging: | | |
| Auditor's remuneration | 12,000 | 14,400 |
| Auditor's remuneration - non audit services | - | 2,060 |
| Auditor's remuneration - in respect of the subsidiary | 7,717 | 8,756 |
| Loss (Gain) on exchange | (299,730) | 420,786 |
| Operating leases | 141,826 | 88,759 |
| Depreciation | 16,517 | 28,171 |

10 Taxation

The charitable company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No UK tax charge arose in the period. However, its subsidiary, Reach to Teach Private Limited, is liable for Indian corporation tax at 25% on its profits. The charge for Indian corporation tax was £64,338 (2021: £54,167).

11 Tangible Fixed Assets

| Group | Fixtures & Fittings £ | Computer Equipment £ | Leasehold Improvements £ | Total £ |
|-----------------------|-----------------------------|----------------------------|--------------------------------|------------|
| Cost | | | | |
| As at 01 April 2021 | 83 | 76,518 | 24,407 | 101,008 |
| Exchange revaluation | 1 | 685 | - | 686 |
| Additions | 269 | 9,509 | - | 9,778 |
| Disposals | - | (12,311) | - | (12,311) |
| As at 31st March 2022 | 353 | 74,401 | 24,407 | 99,161 |
| Depreciation | | | | |
| As at 01 April 2021 | 60 | 51,174 | 24,407 | 75,641 |
| Exchange revaluation | 3 | 775 | - | 778 |
| Charge for the year | 74 | 16,443 | - | 16,517 |
| Disposals | - | (10,747) | - | (10,747) |
| As at 31st March 2022 | 137 | 57,645 | 24,407 | 82,189 |
| Net Book Value | | | | |
| As at 31st March 2022 | 216 | 16,756 | - | 16,972 |
| As at 31st March 2021 | 23 | 25,344 | - | 25,367 |

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

11 Tangible Fixed Assets (continued)

| Charity | Fixtures & Fittings £ | Computer Equipment £ | Total £ |
|-----------------------|-----------------------------|----------------------------|------------|
| Cost | | | |
| As at 01 April 2021 | - | 11,955 | 11,955 |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at 31st March 2022 | - | 11,955 | 11,955 |
| Depreciation | | | |
| As at 01 April 2021 | - | 7,736 | 7,736 |
| Charge for the year | - | 2,989 | 2,989 |
| Disposals | - | - | - |
| As at 31st March 2022 | - | 10,725 | 10,725 |
| Net Book Value | | | |
| As at 31st March 2022 | - | 1,230 | 1,230 |
| As at 31st March 2021 | - | 4,219 | 4,219 |

12 Investments

R2T Overseas Limited (Company number 06301862)

Nature of business: Investment of charitable funds into India

| | 2022 % holding | 2021 % holding |
|--------------------------------|----------------------|----------------------|
| Class of Share: Ordinary | 100 | 100 |
| | £ | £ |
| Aggregate capital and reserves | 363 | 363 |
| Result for the year | - | - |

The fixed asset investment relates to the investment in a wholly-owned subsidiary, R2T Overseas Limited, a limited company registered in England and Wales, whose registered office is at QWest, Great West Road, Brentford, United Kingdom, TW8 0GP. The company in turn controls the Indian company, Reach to Teach Private Limited. Reach to Teach Private Limited provides staff and operational resources to support the activities of the Charity in India and has its registered office at 409/410, Dalamal Chambers, New Marine Lines, Mumbai, 400020, India.

The investments by the subsidiary company R2T Overseas Limited at the balance sheet date in the share capital of companies include the following:

Reach to Teach Private Limited

Nature of business: Investment of charitable funds to advance education amongst children and young persons in India.

Country of Incorporation: India

| | 2022 % holding | 2021 % holding |
|-------------------------------|----------------------|----------------------|
| Class of Shares | | |
| Ordinary (beneficially owned) | 99 | 99 |

The remaining 1% of the share capital of Reach to Teach Private Limited is owned directly by the Reach to Teach parent entity.

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

| 12 Investments (continued) | 2022 | 2021 |
|---|-------------|-------------|
| Results for the year ended 31 March 2022 | £ | £ |
| Internal income (fees paid by Reach to Teach) | 1,879,367 | 1,681,025 |
| Investment income | 9,782 | 6,149 |
| Total income | 1,889,149 | 1,687,174 |
| Administrative expenses | (1,586,968) | (1,565,837) |
| Operating profit | 302,181 | 121,337 |
| Corporate tax | (64,338) | (54,167) |
| Results for the period | 237,843 | 67,170 |
| Total funds brought forward at 1 April 2021 | 325,180 | 258,010 |
| Total funds carried forward at 31 March 2022 | 563,023 | 325,180 |
| Balance Sheet at 31 March 2022 | | |
| Fixed assets | 15,742 | 21,148 |
| <i>Current Assets</i> | | |
| Debtors | 498,867 | 167,497 |
| Intercompany receivable | - | 239,392 |
| Cash at bank and in hand | 987,335 | 240,373 |
| <i>Current Liabilities</i> | | |
| Creditors: amounts falling due within one year | (254,170) | (180,923) |
| Intercompany payable | (507,448) | - |
| Net current assets | 724,584 | 466,339 |
| Creditors: amounts falling due within one year | - | (41,960) |
| Total net assets | 740,326 | 445,527 |
| <i>Capital and reserves</i> | | |
| Share capital | 120,347 | 120,347 |
| Profit and loss reserve | 563,023 | 325,180 |
| Shareholders funds | 683,370 | 445,527 |

The profit was generated by a mark-up on the operating expenses incurred in India.

| 13 Debtors | Group | | Charity | |
|----------------------------------|--------------|-------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Other Debtors | 60,118 | 47,649 | 2,124 | 9,032 |
| Tax recoverable (i) | 171,920 | 50,806 | - | - |
| Amounts due from group companies | - | - | 507,086 | - |
| Prepayments and Accrued Income | 18,897 | 19,369 | 2,090 | 3,568 |
| | 250,935 | 117,824 | 511,300 | 12,600 |

The tax recoverable balance of £171,920 (2021: £50,806) relates to Goods and Service tax (GST) paid by the Indian subsidiary, Reach to Teach Private Limited, on the purchase of goods and services and this amount is recoverable from the Indian government.

| 14a Creditors: amounts falling due within one year | Group | | Charity | |
|---|--------------|-------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Creditors and Accruals | 262,329 | 208,279 | 46,041 | 54,683 |
| Taxes and social security | 51,704 | 44,893 | 14,009 | 10,080 |
| Amounts due to group companies | - | - | - | 239,755 |
| Corporation tax | 8,683 | 513 | - | - |
| | 322,716 | 253,685 | 60,050 | 304,518 |

Included in the accruals figure is an amount of £82 (2021: £2,136) in respect of outstanding pension contributions.

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

| 14b Creditors: amounts falling due after one year | Group | | Charity | |
|---|--------------------|---------------------|--------------------------|--------------------|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Creditors and Accruals | 56,959 | 41,960 | - | - |
| 15 Funds | | | | |
| Group 2022 | B/Fwd £ | Income £ | Expenditure £ | C/Fwd £ |
| Restricted Funds | | | | |
| Other donations and other income | 302,310 | 12,516 | - | 314,826 |
| The Larry Ellison Foundation | 4,538,536 | 4,723,494 | (1,739,233) | 7,522,797 |
| Total restricted funds | 4,840,846 | 4,736,010 | (1,739,233) | 7,837,623 |
| Unrestricted Funds | 19,024 | - | (309) | 18,715 |
| | 4,859,870 | 4,736,010 | (1,739,542) | 7,856,338 |
| Group 2021 | B/Fwd £ | Income £ | Expenditure £ | C/Fwd £ |
| Restricted Fund | | | | |
| Other donations and other income | 291,986 | 10,324 | - | 302,310 |
| The Larry Ellison Foundation | 3,334,093 | 5,001,539 | (3,797,096) | 4,538,536 |
| Total restricted funds | 3,626,079 | 5,011,863 | (3,797,096) | 4,840,846 |
| Unrestricted Funds | 18,575 | - | 449 | 19,024 |
| | 3,644,654 | 5,011,863 | (3,796,647) | 4,859,870 |
| Charity 2022 | B/Fwd £ | Income £ | Expenditure £ | C/Fwd £ |
| Restricted Funds | | | | |
| Other donations and investment income | 266,036 | 2,734 | - | 268,770 |
| The Larry Ellison Foundation | 4,199,192 | 4,723,494 | (1,776,920) | 7,145,766 |
| Total restricted funds | 4,465,228 | 4,726,228 | (1,776,920) | 7,414,536 |
| Unrestricted Funds | 19,024 | - | (309) | 18,715 |
| | 4,484,252 | 4,726,228 | (1,777,229) | 7,433,251 |
| Charity 2021 | B/Fwd £ | Income £ | Expenditure £ | C/Fwd £ |
| Restricted Funds | | | | |
| Other donations and investment income | 261,861 | 4,175 | - | 266,036 |
| The Larry Ellison Foundation | 3,003,853 | 5,001,539 | (3,806,200) | 4,199,192 |
| Total restricted funds | 3,265,714 | 5,005,714 | (3,806,200) | 4,465,228 |
| Unrestricted Funds | 18,575 | - | 449 | 19,024 |
| | 3,284,289 | 5,005,714 | (3,805,751) | 4,484,252 |

The Larry Ellison Foundation: This fund arose by way of grants made to the charity to pursue to the charities objects within specified regions in India.

Other donations and interest: This income will be used to support the charitable activities of the charity in 2022 and onwards.

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

16 Net Assets Split

Group 2022

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ |
|------------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| Tangible Assets | - | 16,972 | 16,972 |
| Prepayments & Accrued Income | - | 18,897 | 18,897 |
| Other Debtors | - | 232,038 | 232,038 |
| Cash at bank and in hand | 18,715 | 7,949,391 | 7,968,106 |
| Creditors | - | (379,675) | (379,675) |
| | <u>18,715</u> | <u>7,837,623</u> | <u>7,856,338</u> |

Group 2021

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ |
|------------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| Tangible Assets | - | 25,367 | 25,367 |
| Prepayments & Accrued Income | - | 19,369 | 19,369 |
| Other Debtors | - | 98,455 | 98,455 |
| Cash at bank and in hand | 19,024 | 4,993,300 | 5,012,324 |
| Creditors | - | (295,645) | (295,645) |
| | <u>19,024</u> | <u>4,840,846</u> | <u>4,859,870</u> |

Charity 2022

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ |
|------------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| Tangible Assets | - | 1,230 | 1,230 |
| Prepayments & Accrued Income | - | 2,090 | 2,090 |
| Other Debtors | - | 509,210 | 509,210 |
| Cash at bank and in hand | 18,715 | 6,962,056 | 6,980,771 |
| Creditors | - | (60,050) | (60,050) |
| | <u>18,715</u> | <u>7,414,536</u> | <u>7,433,251</u> |

Charity 2021

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ |
|------------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| Tangible Assets | - | 4,219 | 4,219 |
| Prepayments & Accrued Income | - | 3,568 | 3,568 |
| Other Debtors | - | 9,032 | 9,032 |
| Cash at bank and in hand | 19,024 | 4,752,927 | 4,771,951 |
| Creditors | - | (304,518) | (304,518) |
| | <u>19,024</u> | <u>4,465,228</u> | <u>4,484,252</u> |

Reach to Teach
Notes to the Financial Statements (Continued)
For the year ended 31st March 2022

17 Related Parties

One thousand shares in Reach to Teach Private Ltd (India) are held by R2T Overseas Limited, which is a subsidiary of the Charity.

All of the Charity's funding comes from the Larry Ellison Foundation ("the Foundation"). During the year to 31 March 2022, the Charity received £4,723,494 from the Foundation. The Charity currently has a five-year grant agreement in place with the Foundation, which is due to end in June 2023. However, the Charity is in discussions with the Foundation to extend the term of this agreement by a further two years until June 2025. The grant agreement sets out the detailed terms and conditions with which the Charity must comply. The key terms are a requirement to provide regular progress reports, including a detailed report on activities and expenditure each year and the right to appoint a Donor Appointed Representative to the Board of the Charity. The Donor Appointed Trustee has the right to approve the appointment of both the Chair of the Board and the Chief Executive Officer. The grant agreement includes a detailed business and financial plan, which was prepared in 2018. This plan has evolved and changed over the last three years, but this has been with the full approval of the Foundation.

18 Lease commitments

At 31 March 2022, the charity had total commitments under non-cancellable operating leases as follows:

| | 2022 | 2021 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Operating leases expiring: | | |
| Within one year | 6,934 | 44,590 |
| Within one to five years | 231,067 | 288,070 |
| | <u>231,067</u> | <u>288,070</u> |