

**TALENT-ED EDUCATION**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of the company for the purposes of company law) present their report together with the financial statements and the independent examiner's report for the year ended 31 August 2019

### Trustees:

The trustees who served during the year were:

Dame Christine Ryan DBE (Chair) – Resigned 31 July 2020

Raphael Cohen (Acting Chair from 1 August 2020 to 29 April 2021)

Neil Carmichael (Chair) – appointed 30 April 2021

Neil Ehrenzweig (Treasurer)

Ruth Ballett

Rowenna Abel

Dr Simon King

David Campbell

Jessica McClymont

Dr Claudia Mollidor

### Contact Information:

Talent-Ed Education

Impact Hub, 34B York Way, King's Cross, London N1 9AB (Registered Charity Address)

[info@talent-ed.uk](mailto:info@talent-ed.uk)

[www.talent-ed.uk](http://www.talent-ed.uk)

### Independent Examiner:

Paul Cartwright – Chartered Accountant

31 Melbourn Road

Royston, Hertfordshire, SG8 7DE

### Bank:

Lloyds Bank, PO Box 1000, Andover BX1 1LT

### Legal Status and full registered name:

Talent-Ed Education is a registered charity, number 1149130, and is constituted as a company limited by guarantee, number 08182391. It is governed by Articles of Association, incorporated on 16<sup>th</sup> August 2012.

The charity was registered with the Charity Commission on 27<sup>th</sup> September 2012.

### Objectives of the Charity:

1. The advancement of education; and
2. The relief of those in need by reason of financial hardship or other disadvantage

### Structure, Governance and Management:

The charity is constituted as a company limited by guarantee and governed by a board of trustees. The charity is managed on a day-to-day basis by its Chief Executive.

The trustees are responsible for setting the strategy of the organisation and ensuring that it is implemented to further the objectives of the charity. They also provide oversight of the Chief Executive, who in turn manages all other staff.

The trustees meet, together with the Chief Executive, at least 4 times per year. Trustees also participate individually in specific responsibilities agreed with the Chair.

Trustees are recruited and appointed through an open advertisement and interview process, which includes at least two existing trustees including the Chair.

No trustees receive any remuneration or other benefits in connection with their work.

## **Strategy:**

TalentEd believes every young person deserves the support they need to flourish, regardless of background. Our mission is to create a level playing field in education, thereby closing the attainment gap between disadvantaged students and their peers. We do this by providing high quality tuition to young people from disadvantaged backgrounds, improving their grades, confidence, and aspirations. We recruit, support, and deploy only the very best tutors to work with our students – those with teaching qualifications and extensive teaching/tutoring experience. Our tutors run weekly sessions with small groups of young people.

## **Summary of the charity's main achievements of the year:**

TalentEd focused on our public benefit objectives as a charity and achieved them in the following ways:

- TalentEd's qualified teachers delivered personalised support to 579 students from low-income backgrounds in 2019-20 (2018-19: 274) of which 83% were eligible for the Pupil Premium.
- We worked in 42 schools during the year (2018-19: 18) delivering 1,515 hours (2018-19: 950) hours of tuition.
- In response to COVID-19 we quickly established an online programme and switched the majority of our delivery to this method whilst schools were closed.
- We launched and piloted our Maths Masterclass programme in co-operation with best-selling maths author Dr. Simon Singh.
- 93% of our students reported having a better understanding of the subject they were tutored in and 27% of TalentEd students gained a top grade in English or Maths at GCSE.
- Pupil Premium students who completed the TalentEd programme improved from baseline to GCSE by more than a grade more than the comparison cohort, in both Maths and English.
- We continue to enjoy good support from a wide range of education partners and grant funders.

Further information on our impact can be reviewed at <http://www.talent-ed.uk/our-impact>

TalentEd thereby achieved its public benefit objectives and the trustees have focussed on these objectives throughout the year.

## **Financial Review**

TalentEd's total income increased to £266,191 in 2019-20 (2018-19: £202,686). This was largely due to a £79,797 increase in grants and donations, representing 78% (2018-19: 63%) of the charity's funding for the year.

The charity suffered a reduction in paid for services of 22% to £57,963 (2018-19: £73,927). This was due to the impact of COVID-19 resulting in school closures which in turn impacted the charity's ability to sell and run programmes in schools.

The charity spent £280,510 (2018-19: £269,867) during the year, of which 78% was on its charitable activities – delivering support to bright students from low-income backgrounds, with the remainder on fundraising and other support costs.

The charity was able to reduce its deficit by 78% to £14,319 (2018-19: £67,181), which was largely driven by improved fundraising efforts, but offset by the impact of school closures on sales. The trustees continue to work with



the Chief Executive to improve the charity's financial performance and expect to return the charity to a surplus once the impact of the pandemic subsides.

In this exceptional year for students, schools and the economy, it is not surprising that the charity ended the year with a small deficit of unrestricted funds once liabilities are taken into account. Trustees consider that the charity continues to forecast sufficient cashflows to meet its liabilities as they fall due, and our forecasts show that our response to the charity's funding situation will restore the charity to within its reserves policy. Restricted funds continue to be set aside for the purposes stipulated by their donors.

Further details of the activities of TalentEd are set out in the Statement of Financial Activities below.

## **Reserves Policy:**

- All funds generated by TalentEd are for the charitable purpose of giving young people from low income backgrounds the support, knowledge and skills to realise their aspirations and potential.
- It is necessary for funds to remain in the bank account (reserves) to deliver sessions which have been committed and to plan for longer term projects, as and when these arise.
- The trustees prepare and approve a budget for each financial year based on projected income and expenditure. Financial performance is reviewed quarterly against the budget to ensure funds are being spent, as planned, on the charitable purpose.
- Trustees also check that reserves are being maintained at a level consistent with that performance, combined with prudent assumptions about funding going forward, to ensure commitments to the schools can be maintained until the end of the academic year and any longer term planned projects can still be delivered.
- The purpose of the reserves policy is to ensure, so far as possible, that in the event of any major source of income failing, the organisation has enough reserves to continue to operate for 6 months while alternative income is sourced.
- Prior to the end of the year, the budget is reset, and the planning process restarts for the next academic and financial year.

## **TalentEd's Future:**

In 2020-21 TalentEd will continue to support promising but disadvantaged school children, with tailored tuition by expert teachers. We will look to increase and expand our impact in a number of ways:

- We are delighted to have been selected as one of the National Tutoring Programme Tuition Partners. This will allow us to reach even more disadvantaged students whose learning has been disrupted by lockdown.
- We are continuing our rapid growth from 2019-20 and next year we are aiming to work with 1,000 students.
- While much of our work has been in the South East, we are conscious that educational need is also acute in other parts of the country. We are committed to growing our footprint to offer support in areas where the need is greatest.
- We will work with over 400 students on the Maths Masterclass next year, delivering high quality tuition to support gifted maths students to become excellent. We are partnering with Simon Singh and evaluation organisation ImpactEd to measure our impact.
- We will upgrade our online programme delivery capabilities to support remote learning more effectively.

## **Acknowledgements:**

The charity gratefully acknowledges the significant contributions of all those involved with its activities, and the generosity of its donors.

## **Statement of Trustees' Responsibilities:**

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

- Select suitable accounting policies and then apply them consistently

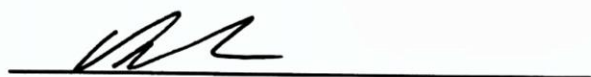
- Observe methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as exercising financial controls.

## On Behalf of the trustees

Signed:



Raphael Cohen (Director)

Date

7 May 2021



Neil Ehrenzweig (Treasurer)

Date

7 May 2021



## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TALENT-ED EDUCATION ("THE COMPANY")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2020, which are set out on pages 6 to 11.

### Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

### Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act;
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

### Signed



Paul Cartwright – Chartered Accountant  
31 Melbourn Road  
Royston, Hertfordshire, SG8 7DE



Date

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income & Expenditure Account)  
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income:</b>					
Grants & Donations	2	43,273	164,340	207,613	127,816
<i>Income from Charitable Activities</i>					
Fees from schools	3	57,963	-	57,963	73,927
Other income		615	-	615	943
<b>Total Income</b>		<b>101,851</b>	<b>164,340</b>	<b>266,191</b>	<b>202,686</b>
<b>Expenditure:</b>					
Costs of Raising Funds	4	58,376	1,682	60,058	26,999
Expenditure on charitable activities	5	142,181	78,271	220,452	242,868
<b>Total Expenditure</b>		<b>200,577</b>	<b>79,953</b>	<b>280,510</b>	<b>269,867</b>
<b>Net income (expenditure) and net movement in funds for the year</b>		<b>(98,706)</b>	<b>84,387</b>	<b>(14,319)</b>	<b>(67,181)</b>
<b>Reconciliation of funds</b>					
Total Funds Brought Forward		1,143	13,466	14,609	81,790
<b>Total Funds Carried Forward</b>		<b>(97,563)</b>	<b>97,853</b>	<b>290</b>	<b>14,609</b>

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

All income and expenditure derives from continuing activities.

The Notes on pages 8 to 11 form an integral part of these accounts.

## BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020	2019
		£	£
<b>Current Assets:</b>			
Bank & Cash		149,934	168,820
Debtors	9	707	316
<b>Liabilities</b>			
Creditors falling due within one year	10	(6,662)	(4,631)
Creditors falling due after more than one year	11	(143,689)	(134,936)
Deferred School income	12	-	(14,960)
<b>Net Assets</b>		<b>290</b>	<b>14,609</b>
<b>The Funds of the charity:</b>			
Unrestricted income funds		(97,563)	1,143
Restricted Income funds		97,853	13,466
<b>Total charity funds</b>		<b>290</b>	<b>14,609</b>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31 August 2020: -

- the company was entitled to exemption from audit under section 477 of the Companies Act 2006, and
- members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act 2011 the accounts have been examined by an independent examiner whose report appears on page 4.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Notes on pages 8 to 11 form an integral part of these accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006, with the Charities (Accounts and Reports) Regulations 2008 and with the Statement of Recommended Practice Financial Reporting Standards for Smaller Entities (effective 1 January 2015).

The financial statements were approved by the trustees on 7 May 2021 and signed on their behalf:

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Raphael Cohen  
Director and trustee

Neil Ehrenzweig,  
Director and trustee



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting Policies

#### a Basis of accounting

These financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities' SORP 2005 (Statement of Recommended Practice: "Accounting by Charities") and the Companies Act 2006.

#### b Incoming Resources

Income, including from grants, is recognised where there is entitlement, reasonable certainty of receipt, and the amount can be measured with sufficient reliability. Amounts receivable for future periods are shown as deferred income. Contract income is recognised in the period in which the activity is carried out.

#### c Resources Expended

Expenditure is included on an accruals basis when incurred, which is when there is legal or constructive obligation. Expenditure includes irrecoverable VAT.

Expenditure is apportioned between functional categories based on estimated staff time as appropriate.

Costs of fund-raising include the time costs of bidding for external funds and loan interest payable.

The value of services provided by volunteers is not incorporated into these financial statements. Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

#### d Funds

Restricted funds are incoming resources received or generated for specific purposes as laid down by the donor or the terms of the grant. Expenditure which meets these criteria is drawn from the fund.

Unrestricted funds are other incoming resources received or generated for general charitable purposes.

## 2) Income from Grants & Donations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Grants Receivable:</b>				
BBC Children in Need	15,393	-	15,393	7,724
British & Foreign School Society	-	-	-	3,101
Charitable Giving Benevity	49	-	49	175
Chris Whitehouse	250	-	250	150
City Bridge Trust	-	21,900	21,900	-
Deloitte	195	-	195	255
Drapers Charitable Trust	10,000	-	10,000	-
East End Community Fund	-	-	-	2,500
Garfield Weston Foundation	-	-	-	25,000
Gerko Foundation	-	100,000	100,000	-
Good Thinking Society	5,150	-	5,150	-
Hugh Mullens	-	3,540	3,540	7,717
John Lyons Charity	-	-	-	34,000
Sir Jules Thorn Charitable Trust	750	-	750	-
Leathersellers	10,000	-	10,000	10,000
Miscellaneous donation	4	-	4	30
National Lottery Community Fund	-	-	-	9,895
Paypal Foundation	-	-	-	65
Saga Charitable Fund	-	-	-	600
Santander	-	12,000	12,000	13,200
Schroders	-	-	-	3,000
Southwark Community Council Fund	-	3,000	-	-
St. James Place	-	-	-	10,000
Tallow Chandlers	-	3,000	3,000	-
UK Giving Foundation	482	-	482	404
The Walcot Foundation	-	20,900	20,900	-
Worshipful Company of International Bankers	1,000	-	1,000	-
	<b>43,273</b>	<b>164,430</b>	<b>207,613</b>	<b>127,816</b>

## 3) Income from Charitable Activities

	£	£	£	£
Fees from schools	57,963	-	57,963	73,927
Other income	615	-	615	943
	<b>58,578</b>	<b>-</b>	<b>58,578</b>	<b>74,870</b>

## 4) Costs of Raising Funds

	£	£	£	£
Support costs apportioned (see note 6)	58,376	1,682	60,058	26,999
	<b>58,376</b>	<b>1,682</b>	<b>60,058</b>	<b>26,999</b>



## 5) Expenditure on Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Direct costs on school sessions	45,017	41,871	86,888	61,151
Support costs apportioned (see note 6)	97,164	36,400	133,564	181,717
	<b>142,181</b>	<b>78,271</b>	<b>220,452</b>	<b>242,868</b>

## 6) Analysis of Support Costs

	Charitable Activities £	Raising Funds £	Total 2020 £	Total 2019 £
Staff costs	118,345	47,529	165,874	177,331
Office Costs	15,219	3,778	18,997	22,555
Finance costs	-	8,751	8,751	8,830
	<b>133,564</b>	<b>60,058</b>	<b>193,622</b>	<b>208,716</b>

Staff and Office costs are apportioned on the basis of the amount of staff time spent on fundraising versus managing and running our programmes.

Finance costs relate to interest payable on our Loan from the Young Foundation – See also note 11.

## 7) Staff Costs

	2020 £	2019 £
Salaries	176,195	167,518
Social Security Costs	27,586	21,191
	<b>203,781</b>	<b>188,709</b>

The charity had an average number of 5.5 full-time equivalent employees during the year (2019 – 5.6).

No employee earned more than £60,000.

## 8) Trustees' remuneration & expenses

The trustees did not receive any remuneration during the year (2019: Nil).

## 9) Debtors

	2020 £	2019 £
Coronavirus Job Retention Scheme Rebate (2019: Misc. prepayment)	707	316
	<b>707</b>	<b>316</b>

## 10) Creditors falling due within one year

	2020 £	2019 £
Payroll accruals	895	4,631
	<b>895</b>	<b>4,631</b>

## 11) Creditors falling due after more than one year

	£	£
Young Foundation Convertible Loan note	143,689	134,936
	<b>143,689</b>	<b>134,936</b>

The Young Foundation Convertible Loan note matured on 1 September 2020. On the same day it was (according to its terms) automatically redeemed via conversion to a loan repayable over 5 years with interest payable at 5% per annum.

## 12) Deferred Income

	£	£
Amounts receivable for programmes to run in the next financial year	-	14,960
	<b>-</b>	<b>14,960</b>

## 13) Restricted Funds

	Note	Funds 1 Sep 19 £	Incoming Resources £	Resources Expended £	Funds 31 Aug 20 £
City Bridge Trust	a	-	21,900	(21,900)	-
East End Community Fund	b	1,000	-	(1,000)	-
Gerko Foundation	c	-	100,000	(2,147)	97,853
Hugh Mullens	d	-	3,540	(3,540)	-
John Lyons Charity	e	1,945	-	(1,945)	-
Santander	f	-	12,000	(12,000)	-
Schroder	g	521	-	(521)	-
St. James Place	h	10,000	-	(10,000)	-
Southwark Community Fund	i	-	3,000	(3,000)	-
Tallow Chandlers	j	-	3,000	(3,000)	-
Walcot Foundation	k	-	20,900	(20,900)	-
		<b>13,466</b>	<b>164,340</b>	<b>(79,953)</b>	<b>97,853</b>

- a. City Bridge Trust provided funding for our work in London.
- b. East End Community Fund provided funding for projects in East London
- c. Gerko Foundation funded our Maths Masterclass programme
- d. Hugh Mullens supported our continuing work at The Compass School
- e. John Lyons Charity continued to support our work in West London Boroughs
- f. Santander continued to fund salaries for our paid internships
- g. Schroder supported a project in Ealing
- h. St. James Place supported our ongoing programme delivery
- i. Southwark Community Fund supported projects in the London borough of Southwark
- j. Tallow Chandlers supported our efforts to recruit high quality tutors
- k. Walcot Foundation funded projects in the London borough of Lambeth