

## **Now Teach**

### **Annual Report and Financial Statements**

17 month period ended 31 August 2021

Charity Registration Number 1189146  
(England and Wales)

Company Registration Number 11872096  
(England and Wales)  
Limited by Guarantee

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## Reference and administrative details of the charitable company, its trustees and advisers

<b>Trustees</b>	Sonya Branch Christine Counsell Graeme Danton James Darley Graham Elton Lucy Heller Charlotte Hogg Margaret Johnson Lucy Kellaway Victoria Tillbrook
<b>Company Secretary</b>	Craig Healy
<b>Registered Office</b>	4 Bloomsbury Square London WC1A 2RP
Telephone	020 7430 8878
Website	<a href="https://nowteach.org.uk/">https://nowteach.org.uk/</a>
<b>Company Registration Number</b>	11872096 (England and Wales)
<b>Charity Registration Number</b>	1189146 (England and Wales)
<b>Auditors</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	Lloyds Bank plc 95 George Street Croydon CR9 2NS
<b>Solicitors</b>	Hogan Lovells Atlantic House Holborn Viaduct London EC1A 2FG

## **Trustees' report** Period to 31 August 2021

The trustees present their report together with the financial statements of Now Teach (the 'charitable company') for the period from 1 April 2020 to 31 August 2021. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 23 and comply with the charitable company's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Objectives and activities**

Now Teach attracts and recruits experienced professionals into teaching. Now Teach helps candidates find the right Initial Teacher Training place for them and offers a complementary support programme which works to smooth their career change and long-term retention within the profession. Now Teach measures its success with reference to the number of experienced career changers it attracts and retains as new teachers.

Founded in 2016, Now Teach was originally incubated as part of Ark UK Programmes between 2016 and 2020. Ark UK Programmes incubates, launches and scales initiatives that address some of the most intractable issues in education and society. Ark UK Programmes is a registered charity in England and Wales, registration number 1137932, and company limited by guarantee, company number 05932797. Its registered address is The Yellow Building, 1, Nicholas Road, London, W11 4AN.

Now Teach registered as a legally independent entity in 2019 and began operating independently from 1 September 2020 with the charity remaining dormant for first five months of the period of report. Its financial activities in the period April to August 2020 were included as part of Ark UK Programmes.

### **Public benefit**

In determining the objectives and activities of the charitable company, the trustees confirm that they have given due consideration to the Charity Commission's guidance in relation to Public Benefit and are satisfied that the charitable company complies with Section 4 of the Charities Act 2011. Now Teach exists to support the advancement of education for the benefit of the public, and further details of how this has been achieved is set out within the remainder of this annual report.

### **Achievements and performance**

2020-21 has been another year of significant growth for Now Teach: we have exceeded our growth targets for the second year running and have secured funding from the Department for Education to recruit 450 career changers across England in 2022 and 2023, and to support them in their first two years of teaching. This funding covers Now Teach activity from September 2021 until September 2025.

### **Achievements and performance** (continued)

We have also developed good brand awareness outside of London and the South East; invested in and improved our processes and systems; and grown the size and experience of the team, providing a strong base to grow and support more career changers into teaching. We have partnered with ImpactEd, an impact evaluation consultancy specialising in education, and inHive, network development specialists, to support us to both understand our impact and how we can expand our offer.

### ***The year in numbers***

- ◆ **117,000+** website users, generating **2,400** expressions of interest in teaching. We continue to receive extensive media coverage.
- ◆ **168** Now Teach career changers started Initial Teacher Training in September 2021, against a target of 100.
- ◆ Partnerships with training providers grown to **79**.
- ◆ Now Teachers are training and working in **180** schools.
- ◆ **94%** of Now Teachers rated our online annual conference as highly valuable.
- ◆ **87%** of our 2020 Now Teachers have gained their Qualified Teacher Status.
- ◆ Our cohort of Now Teachers rated us at **NPS +82** (Net Promoter Scores of 80+ are deemed as exceptionally high with many companies receiving negative scores)

### ***Diversity***

Our cohort continues to be more diverse against most metrics when compared to national Initial Teacher Training data as outlined below.

Although we are still under-represented when it comes to Now Teachers with disabilities, we have increased the number who now declare a disability. We are looking at ways that we can further encourage people to both recognise and declare any disabilities they may face.

Our average age and gender split are both above the national figures. We have hired even more men to the profession this year.

	National Teacher training average	Now Teach
<b>Male</b>	30%	51%
<b>Age over 25</b>	50%	100%
<b>Minority Ethnic</b>	19%	29%
<b>Declared Disability</b>	12%	4%

Now Teachers also bring diversity of thought and experience into schools. Our 2021 cohort will bring over 4,400 years of experience from a variety of industries with financial services, management and media being the most represented.

## **Achievements and performance (continued)**

### ***Retention***

It is important that we attract career changers into teaching, and more important that we help retain them too. We will only achieve our vision and mission if our Now Teachers stay in teaching, using their previous skills and experience to the betterment of schools, the classroom, children and families.

Our retention is significantly above national average for 40-65 year olds (ImpactEd evaluation, June 2021). 48% of Now Teachers tell us they would not or might not still be teaching without Now Teach.

We are really proud of the Now Teachers who trained and qualified amid lockdowns, school closures and the ongoing disruption caused by COVID-19. An impressive 87% of those eligible in Cohort 2020 have achieved Qualified Teacher Status despite these challenges.

### ***The Impact of COVID-19 on our delivery model***

As with many organisations, we had to quickly and effectively shift our delivery model due to COVID-19. We used the opportunity to review and enhance our offer, moving most of our support and events online. This increased engagement, as it has enabled Now Teachers to access support when and how they need it, offering them greater flexibility as they juggle their new careers and existing responsibilities.

We continued with our 'virtual first' approach for all of our events during 2020-21. Whilst we had hoped to return to more in-person events during 2021, this proved to be unachievable and we have proceeded with caution, listening to our staff and cohort on the best course of action.

This required us to be innovative and proactive in creating engaging networking opportunities online, which we achieved by investment in systems and resources, for example by:

- ◆ Offering increased networking opportunities online and through social channels such as WhatsApp to stay connected;
- ◆ Using Zoom for virtual delivery of events, including a highly professional, effective and well attended online conference; and
- ◆ Creating a number of information hubs on our website including an online Staff Room, Candidate Hub, School Insight Pages on our website.

Overall, participation and attendance increased, and feedback has shown that Now Teachers have found content engaging and useful.

**Achievements and performance** (continued)

***Operations and organisational growth***

Now Teach became an independent charity in September 2020, having been incubated by Ark UK Programmes since its inception. This transition was smooth, and we still maintain positive and productive relationships with Ark UK Programmes and its parent charity, Ark.

We are delighted that 100% of our staff feel proud to work at Now Teach (People Survey 2021). We are further strengthening the team by recruiting new roles to support us in the areas of data and insight, partnerships, programme events and network communications. These are areas that we need to develop further as we expand on a national basis.

We have developed a strong people strategy within the organisation, focusing on:

- ◆ Ensuring our People processes are diverse, equitable and inclusive (DEI) and that our culture encourages and supports diversity and inclusion;
- ◆ Supporting our Line Managers to ensure consistency and better performance;
- ◆ Implementing a new Performance Review process; and
- ◆ Increase our reporting of People metrics including DEI metrics.

**Financial review**

As noted above, Now Teach began operating independently following the transfer of the charitable activity, assets and liabilities from Ark UK Programmes with effect from 1 September 2020. Prior to this transfer, i.e. for the first five months of the period of report, the charitable company effectively remained dormant. In addition, the charitable company was dormant for the duration of the comparative period, i.e. the period from incorporation on 9 March 2019 to 31 March 2020. The income and expenditure reported below, therefore essentially relates to the 12 month period ended 31 August 2021.

Since 1 September 2020, the charity has earned income of £1,492k (2020: £nil) and incurred expenditure of £1,312k (2020: £nil) resulting in a net income of £180k (2020: £nil) (before accounting for the net assets transferred from Ark UK Programmes on 1 September 2020). Income is primarily generated from Now Teach's contract with the Department for Education of £1,329k and donations of £163k. The charitable company's principal expenditure relates to staff costs which for the period ended 31 August 2021 amounted to £793k.

In addition to the operational income noted above, the transfer of assets and liabilities from Ark UK Programmes on 1 September 2020 of £706k has been reflected as part of the overall income for the year. Therefore, the overall net increase in reserves for the period amounted to £886k (2020: £nil). Further information is provided at note 13 to the financial statements.

**Financial review** (continued)

***Reserves policy and financial position***

The trustees have examined the requirement for free reserves, i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charitable company's work, the level of free reserves should be equal to between 3 and 9 months' recurring operating expenditure (i.e. between £495k and £1,481k). The trustees are of the opinion that this level of reserves should provide sufficient flexibility to cover temporary shortfalls in income, or provide sufficient operating expenditure to be able to raise future funds.

The reserves level in 2021/22 is forecast to be approximately 6 months' expenditure. The trustees regularly review both the reserves policy and the level of reserves to ensure that it is appropriate for the organisation's priorities and considered in conjunction with identified risks. The trustees are confident that the level of reserves is appropriate, particularly given the financial security from the DfE Career Changers contract.

***Fundraising***

Due to the significant percentage of income secured through the Department for Education Career Changers contract, the charitable company has limited fundraising activities (by way of appeals, collections, or otherwise seeking donations). Where fundraising does take place, it constitutes a small proportion of the Executive Director and/or Co-Founder's time. As such, the trustees do not make any further disclosures in relation to the charitable company's approach to fundraising as required by the Charities (Protection and Social Investment) Act 2016.

***Risk management***

The management of risk is an on-going process and the trustees undertake regular reviews of the principal risks and uncertainties that the charitable company faces. The Finance & Risk Committee regularly review the policies, systems and procedures to ensure that action can be taken as needed to minimise or manage any potential impact on the charitable company should those risks materialise, or identify any further mitigating actions that may be required.

The trustees have identified the following main risks which will apply to the charitable company:

- ◆ Underperformance against DfE contractual KPIs for recruitment and retention of new teachers. This risk is mitigated by strong marketing, recruitment, and programme operations being in place, with Now Teach significantly exceeding contract KPIs since 2020. We also review progress against pipeline in monthly meetings with the DfE to ensure early visibility and an opportunity to discuss mitigating circumstances.



**Financial review** (continued)

***Risk management*** (continued)

- ◆ Covid-19 making delivery of the charity's objects more difficult because candidates are unable to obtain relevant school experience before joining Initial Teacher Training, or retention of cohort members being impacted by additional challenges. Now Teach has developed additional school experience resources and events for candidates and is delivering additional support to cohort members across a programme of events with industry experts and access to one-on-one wellbeing coaching, to mitigate the risk.
- ◆ Challenges in securing required income. The DfE contract provides nearly 85% of required income in 2021/22; however, remaining income will be raised through philanthropic and voluntary donations. We have a strong pipeline in place with over 70% of the required fundraising target for 2021/22 already secured with funding commitments already in place for 2022/23 and 2023/24. The fundraised income is targeted towards discretionary, but value-add activities, which can be scaled up/down dependent on income, therefore the risk has several mitigations in place.

Risks associated with independence from Ark UK Programmes have been mitigated by continuing to receive operational support from Ark UK Programmes across finance, IT, HR and governance for as long as both Now Teach and Ark UK Programmes agree this is beneficial to Now Teach. In September 2020, Now Teach established a Finance and Risk Committee to assess and consider the risks facing the charity on an ongoing basis and this will continue.

**Future plans**

Now Teach intends to grow the number of experienced professionals it attracts and recruits to Initial Teacher Training with its complementary support programme. In doing so Now Teach will achieve its charitable objects and normalise later-stage career change into teaching; making it attractive and straightforward for great candidates, to the benefit of pupils, schools, the education sector and society.

We have secured funding from the Department for Education (DfE) to recruit and support 450 career changers nationally across two cohorts (September 2022 and 2023 start dates). Given the current financial situation, the DfE is seeking economies of scale with the new contract, with similar funding available as our previous contract which had a much more limited scope (recruit and support 100 career changers p.a. in four regions). There will be an option (DfE funding dependant) to extend this to recruit an additional cohort for 2024, pending successful completion of milestones and KPIs.

For the period 2021/22, Now Teach has a target to attract 200 experienced career changers into teaching across its newly expanded reach of England wide (from four regions in 2020/21). We will also be continuing to support our network of over 500 career changers previously recruited and supported.

**Future plans** (continued)

Alongside DfE funding, we have a fundraising target of approximately £275k in 2021/22 to enable investment in our systems and processes to support efficient scaling, including:

- ◆ **Investment in an Applicant Tracking System:** to ensure a smooth applicant journey and to increase efficiency in how we manage our pipeline.
- ◆ **Hire of a dedicated Data & Insight Manager:** to provide a clear view of the impact of our work and ensure robust data and monitoring processes.
- ◆ **Development of a Network Hub:** to create an effective, engaged alumni community that can connect with each other to support greater impact in classrooms and support teacher retention.
- ◆ **Redesign of our Website and development of Online Resources:** to provide a hub of resources for our Now Teachers and partners to help their practice in the classroom.
- ◆ **Design and investment in Evaluation Tools:** following the final report and outline of our ongoing evaluation framework from ImpactEd, we will be seeking further investment in our research, data capture and insight capabilities to support ongoing evaluation of our impact.

**Structure, governance and management**

Now Teach was incorporated on 9 March 2019 and began trading on 1 September 2020 following the transfer of activities, assets and liabilities from Ark UK Programmes where the charity had been incubated prior to its legal independence. Now Teach is a company limited by guarantee (Company Registration No. 11872096 (England and Wales)) and a registered charity (Charity Registration No. 1189146). The charitable company is governed by its memorandum and articles of association.

**Trustees**

The Articles require that the Charity has at least three Trustees. Trustees are appointed by the existing Board of Trustees. The Trustees are also the Directors of Now Teach for the purposes of company law and are also the members of the company limited by guarantee.

As well as the main Board, there are two committees – the Finance & Risk Committee and the Nominations & Remunerations Committee – who have delegated responsibility for specific areas

- ◆ **Finance & Risk Committee:** meets quarterly to review detailed programme progress, feedback, finances and risk.
- ◆ **Nominations & Remuneration Committee:** meets three times per year to review trustee appointments, executive pay, staff pay awards and areas related to People / HR.

The recruitment of Trustees is a designated responsibility from the Now Teach Board to the Nominations and Recruitment Committee (NRC). This is reviewed at least three times per year.

## **Structure, governance and management** (continued)

### ***Trustees*** (continued)

The NRC undertakes the following actions on an annual basis:

- ◆ Check the terms of office for trustees and ensure new and existing trustees know how long they are expected to serve. This information informs the recruitment plan for Trustees.
- ◆ Reviews the documentation for the formal process of appointment and induction of new Trustees.
- ◆ Reviews the membership of the Now Teach sub-committees.

A Trustee skills audit is also conducted once every 2 years to identify the skills, qualities, diversity and experiences of the Board. Any gaps/trends are noted and these are taken into account for future recruitment of Trustees.

### ***Recruitment process***

If there is a need to recruit a new Trustee the following action takes place:

- ◆ The NRC are made aware of the rules regarding eligibility and automatic disqualification of trustees.

The Now Teach procedures for electing or appointing new trustees are set out below:

- ◆ Now Teach advertises any Board vacancy and then shortlists candidates based on a CV and cover letter and the person specification, and then conducts a formal interview with the Chair of Trustees.
- ◆ A recommendation is made by the NRC and presented to the Board for approval.

If there is a need to recruit an existing Trustee onto a sub-committee the following actions take place:

- ◆ Now Teach advertises any sub-committee vacancy to the existing Board asking for volunteers and then shortlists candidates based on a CV and cover letter and the person specification, and then conducts an informal interview with the Chair of the sub-committee.
- ◆ A recommendation is made by NRC and presented to the Board for approval.

### ***Induction***

The Trustee induction programme includes:

- ◆ Meetings and introductions to other trustees, Now Teach Executive team, Co-founders and key stakeholders of Now Teach e.g., Now Teachers, Training providers, schools
- ◆ Invitations to Information evenings, programme events, webinars

**Structure, governance and management** (continued)

**Induction** (continued)

- ◆ Documents for a Trustee induction pack, which include Business strategy, past Board meeting papers, organisational objectives, financial reports and organogram.

The following trustees served during the period of report and up to the date of approval of the annual report and financial statements, except where shown:

Trustee	Appointed / Resigned
Sonya Branch	Appointed 4 February 2021
Michael Clark	Resigned 22 June 2021
Christine Counsell	
Graeme Danton	
James Darley	
Graham Elton	
Lucy Heller	Appointed 22 June 2021
Charlotte Hogg	
Margaret Johnson	
Lucy Kellaway	
Victoria Tillbrook	

Trustees are appointed by the Board of Trustees, or by an ordinary resolution of the charity, in accordance with the Articles and Board Terms of Reference.

**Executive Management Team**

The trustees consider that they, together with the Now Teach Executive Management Team (EMT) comprise the key management of the charitable company in charge of directing and controlling, running, and operating the charitable company on a day-to-day basis. The members of the EMT during the period of report comprised the following:

EMT Member	Role
Clare Geldard	Executive Director
Katie Waldegrave	Co-Founder
Meera Moynihan	Director of Operations
Maria Floud	Director of Recruitment and Marketing

The remuneration of the Executive Management Team is set by the Now Teach Nominations and Remuneration Committee, which reports to the Now Teach Board. The Nominations and Remuneration Committee was formed in September 2020. All members were in post throughout the period of account.

**Statement of trustees' responsibilities**

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

**Statement of trustees' responsibilities** (continued)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 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.

Each of the trustees confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by the trustees and signed on their behalf by:

*Graeme Danton*

Graeme Danton, Chair of Trustees

Date of approval: 13 / 04 / 2022

## **Independent auditor's report to the trustees of Now Teach**

### **Opinion**

We have audited the financial statements of Now Teach (the 'charitable company') for the period ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

**Conclusions relating to going concern** (continued)

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Matters on which we are required to report by exception** (continued)

- ◆ 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 trustees' report and from the requirement to prepare a strategic report.

**Trustees' responsibilities**

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ we ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to the Charitable Company's key contracts with the Department for Education;



**Auditor's responsibilities for the audit of the financial statements** (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether the judgements and the assumptions made in determining accounting estimates for the value of gifts in kind recognized and the provision of any clawback of DfE funds were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditor's report** Period to 31 August 2021

### **Use of this report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters that 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's and the company's trustees as a body, for our audit work, or the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Buzzacott LLP', is written over a light blue rectangular background.

Date: 14 April 2021

Gumayel Miah (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**Statement of financial activities** Period ended 31 August 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	<b>Total 31 August 2021 £'000</b>	Total 9 March 2019 to 31 March 2020 £'000
<b>Income from:</b>					
Donations and legacies	1	163	—	<b>163</b>	—
Charitable activities	2	1,329	—	<b>1,329</b>	—
		1,492	—	<b>1,492</b>	—
Transfer from Absolute Return for Kids (Ark UK Programmes)	13	623	83	<b>706</b>	—
<b>Total income</b>		<b>2,115</b>	<b>83</b>	<b>2,198</b>	—
<b>Expenditure on:</b>					—
Charitable activities	3	1,248	64	<b>1,312</b>	—
<b>Total expenditure</b>		<b>1,248</b>	<b>64</b>	<b>1,312</b>	—
<b>Net income and net movement in funds</b>		<b>867</b>	<b>19</b>	<b>886</b>	—
<b>Reconciliation of funds:</b>					—
Total funds brought forward at 1 April 2020		—	—	—	—
Total funds carried forward at 31 August 2021		<b>867</b>	<b>19</b>	<b>886</b>	—

All of the charitable company's activities were in relation to continuing operations during the current financial period. The charitable company was dormant in the comparative period.

The charitable company had no recognised gains and losses during the above financial period and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet** 31 August 2021

	Notes	31 August 2021 £'000	31 March 2020 £'000
<b>Current assets</b>			
Debtors	9	133	—
Cash at bank and in hand		1,200	—
		<b>1,333</b>	<b>—</b>
<b>Creditors:</b> amounts falling due within one year	10	(447)	—
<b>Net current assets / net assets</b>		<b>886</b>	<b>—</b>
<b>The funds of the charity</b>			
Unrestricted funds			
. General funds	11	867	—
Restricted funds	11	19	—
		<b>886</b>	<b>—</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and have been approved by the trustees and signed on their behalf by:

*Graeme Danton*

Trustee: Graeme Danton, Chair of Trustees

Date of approval: 13 / 04 / 2022

Now Teach  
Company Registration Number 11872096 (England and Wales)  
Limited by Guarantee

**Statement of cash flows** Period ended 31 August 2021

		<b>1 April 2020 31 August 2021 £'000</b>	<b>9 March 2019 to 31 March 2020 £'000</b>
	Notes		
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>494</b>	<b>—</b>
<b>Change in cash and cash equivalents in the year</b>		<b>494</b>	<b>—</b>
<b>Cash transferred from Absolute Return for Kids (Ark UK Programmes)</b>	13	<b>706</b>	
<b>Cash and cash equivalents at 1 April 2020</b>	B	<b>—</b>	<b>—</b>
<b>Cash and cash equivalents at 31 August 2021</b>	B	<b>1,200</b>	<b>—</b>

Notes to the statement of cash flows for the period to 31 August 2021.

**A Reconciliation of net movement in funds to net cash used in operating activities**

	<b>1 April 2020 31 August 2021 £'000</b>	<b>9 March 2019 to 31 March 2020 £'000</b>
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>886</b>	<b>—</b>
<b>Adjustments for:</b>		
Transfer from Absolute Return for Kids (Ark)	<b>(706)</b>	<b>—</b>
(Increase) in debtors	<b>(133)</b>	<b>—</b>
Increase in creditors	<b>447</b>	<b>—</b>
<b>Net cash used in operating activities</b>	<b>494</b>	<b>—</b>

**B Analysis of cash and cash equivalents**

	<b>2021 £</b>
Cash at bank and in hand	<b>1,200</b>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charitable company and the above cash and cash equivalents.

## **Principal accounting policies** Period ended 31 August 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements of Now Teach are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the period from 1 April 2020 to 31 August 2021 with comparative information for the period 9 March 2019 to 31 March 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the principles set out in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling and are rounded to the nearest thousand pound.

### **Public benefit entity**

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the judgements made in determining whether any part of the funding receivable may be subject to clawback; and
- ◆ the estimates and assumptions made in forecasting the future income and expenditure flows for the purposes of assessing going concern (see below).

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of Now Teach to continue as a going concern. The trustees are of the opinion that Now Teach will have sufficient resources to meet its liabilities as they fall due.

### **Income recognition**

Income is recognised in the period in which the charitable company has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

**Income recognition** (continued)

***Contract Income***

The DfE Career Changers Contract income is included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is no unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued. Where KPIs will not or have not been met, the income penalty will be adjusted for during the financial year in which the KPI was not met – i.e. if the 2022 Cohort Recruitment Target is not met, the 2021/22 income will be adjusted based on the agreed penalty level (up to 5% of contract income).

***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

***Other income***

Other income is recognised in the period it is receivable and to the extent the charity has provided the goods or services.

***Donated services***

The charity receives pro-bono services which are also referred to in these financial statements as gifts-in-kind. These services are recognised as both income and expenditure within these financial statements at the value which would have been charged by the donor had the transaction been completed on a commercial basis.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing Now Teach to make a payment 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.

Support costs (including governance costs) represent indirect charitable expenditure and are included in charitable activities on the basis of their use. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of finance, HR, governance and central overheads.

Governance costs comprise the costs involving the public accountability of the charity. These include audit costs and costs in respect to compliance with regulation and good practice.

All expenditure is stated net of recoverable VAT.

### **Financial instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 11. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### **Debtors**

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

### **Cash at bank and in hand**

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

### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### **Fund accounting**

The general unrestricted fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions

Designated funds are those that are unrestricted but earmarked by the trustees for a particular purpose.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.



**Principal accounting policies** Period ended 31 August 2021

**Pension costs**

Contributions by the charity in respect of its employees' personal pension plan and its auto-enrolment scheme are charged to the statement of financial activities in the year in which they are earned by those employees.

The charity is auto enrolment compliant for pension purposes and contributes into a defined contribution pension scheme. This scheme means that once contributions are made the pension funds are at the discretion of the members and are outside the control of the charity.

**Notes to the financial statements** Period ended 31 August 2021

**1. Income from: Donations and legacies**

	Unrestricted funds £'000	Restricted funds £'000	<b>Total 31 August 2021 £'000</b>	Total 9 March 2019 to 31 March 2020 £'000
Donations	113	—	<b>113</b>	—
Pro-bono services and other gifts in kind	50	—	<b>50</b>	—
	<b>163</b>	<b>—</b>	<b>163</b>	<b>—</b>

**2. Income from: Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	<b>Total 31 August 2021 £'000</b>	Total 9 March 2019 to 31 March 2020 £'000
Programme fees	1,329	—	<b>1,329</b>	—
	<b>1,329</b>	<b>—</b>	<b>1,329</b>	<b>—</b>

**3. Expenditure**

	Activities undertaken directly £'000	Support costs (note 4) £'000	<b>1 April 2020 31 August 2021 £'000</b>	9 March 2019 to 31 March 2020 £'000
Programme delivery	1,243	69	<b>1,312</b>	—
<b>2021 Total funds</b>	<b>1,243</b>	<b>69</b>	<b>1,312</b>	<b>—</b>

**4. Support costs**

	Unrestricted funds £'000	Restricted funds £'000	<b>Total 31 August 2021 £'000</b>	Total 9 March 2019 to 31 March 2020 £'000
Finance	31	—	<b>31</b>	—
HR	8	—	<b>8</b>	—
Governance	9	—	<b>9</b>	—
Other overheads and support staff	21	—	<b>21</b>	—
	<b>69</b>	<b>—</b>	<b>69</b>	<b>—</b>

**5. Net movement in funds**

This is stated after charging:

	1 April 2020 31 August 2021 £'000	9 March 2019 to 31 March 2020 £'000
Staff costs (note 6)	793	—
Auditor's remuneration		
. Audit fee	7	—
. Other services	2	—
Operating lease rentals	9	—

**6. Staff costs and remuneration of trustees and key management personnel**

	1 April 2020 31 August 2021 £'000	9 March 2019 to 31 March 2020 £'000
Wages and salaries	658	—
Social security costs	60	—
Pension costs	75	—
	793	—

**Staff numbers**

The average number of persons (including the Executive Management Team) employed by the charitable company during the period ended 31 August 2021 was 18 (period ended 31 March 2020 – none).

**Higher paid staff**

The number of employees whose benefits (excluding employer pension costs) fell within the following bands was:

	2021 No.	2020 No.
£70,001 - £80,000	1	—

**Key management personnel**

The trustees consider that they, together with the Now Teach Executive Management Team will comprise the key management of the charitable company in charge of directing and controlling, running, and operating the charitable company on a day-to-day basis.

The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the charity was £262,472 (2020 – £nil).

## 7. Related party transactions

The trustees received no remuneration or reimbursement of expenses in connection with their duties in the current or comparative periods. During the period, one trustee donated an amount of £1,000, which was matched by Visa.

Bain and Co (who work with a number of social enterprises in London) provide pro-bono services to Now Teach to the value of £31,310 for the period ended 31 August 2021. One of Now Teach's trustees, Graham Elton, is also a director of Bain and Co. In the prior period, the services were provided whilst Now Teach remained an Ark Venture, and during which time Bain and Co were working pro bono for other Ark Ventures. It was therefore not possible to separately identify the value of these services to Now Teach and therefore has not been recognised as a gift-in-kind donation during the previous period.

Now Teach continues to receive support from Ark for HR and Finance, despite now acting as a separate legal entity. These services are provided at cost with Service Agreements in place and one of the Now Teach trustees, Lucy Heller, is the Managing Director of Ark. During the period ended 31 August 2021, the total included within expenditure as amounts paid to Ark for these services was £115,704 with an amount of £6,642 payable at 31 August 2021. In addition, an amount of £166,171 remains payable at 31 August 2021 to Ark in respect of services provided whilst Now Teach was part of Ark. Further, an amount of £706,000 was transferred from Ark to Now Teach on 1 September 2021 as disclosed in note 13.

Lucy Heller is also the Managing Director of Ark Schools, an independent Multi-Academy Trust (registered company number of 05112090 with its registered address being the same as Ark's). Now Teach engages with Ark Schools to provide IT support and during the period an amount of £20,922 was included within expenditure as amounts paid to Ark Schools with the full amount remaining payable at 31 August 2021. In addition, an amount of £35,605 remains payable at 31 August 2021 to Ark Schools in respect of services provided whilst Now Teach was part of Ark.

## 8. Taxation

The company is a charity under the Finance Act 2010 (schedule 6, paragraph 1) definition. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

## 9. Debtors

	31 August 2021 £'000	31 March 2020 £'000
Trade debtors	121	—
Prepayments and accrued income	12	—
	<b>133</b>	<b>—</b>

## 10. Creditors

	31 August 2021 £'000	31 March 2020 £'000
Trade creditors	35	—
Accruals and deferred income	44	—
VAT liability	63	—
Taxation and social security	22	—
Other creditors	283	—
	<b>447</b>	<b>—</b>

## 11. Funds

	Balance at 1 April 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted funds</b>					
. Research and technology	—	83	(64)	—	19
<b>Total restricted funds</b>	<b>—</b>	<b>83</b>	<b>(64)</b>	<b>—</b>	<b>19</b>
<b>Unrestricted funds</b>					
. General funds	—	2,115	(1,248)	—	867
<b>Total unrestricted funds</b>	<b>—</b>	<b>2,115</b>	<b>(1,248)</b>	<b>—</b>	<b>867</b>
<b>Total funds</b>	<b>—</b>	<b>2,198</b>	<b>(1,312)</b>	<b>—</b>	<b>886</b>

The specific purposes for which the funds are to be applied are as follows:

### Restricted funds

The research and technology fund enables Now Teach to invest in external consultants to help define the capabilities and capacity required to deliver strategy, with focus on tech solutions and support impact evaluation. The funds are used to fund research, technology and evaluation work with external consultants, ImpactBox, InHive and ImpactEd.

## 12. Analysis of net liabilities between funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
<b>Fund balances at 31 August 2021 are represented by:</b>			
Debtors	133	—	133
Cash at bank and in hand	1,181	19	1,200
Creditors: amounts falling due within a year	(447)	—	(447)
<b>Total net liabilities</b>	<b>867</b>	<b>19</b>	<b>886</b>

**13. Transfer from Absolute Return for Kids (Ark UK Programmes)**

Now Teach was originally incubated as an Ark Venture (also known as Ark UK Programmes, a registered charity in England and Wales, registration number 1137932, and company limited by guarantee, company number 05932797. Registered address: The Yellow Building, 1, Nicholas Road, London, W11 4AN) between 2016 and 2020, prior to Now Teach achieving legal independence.

With effect from 1 September 2020, the activities, assets and liabilities relating to Now Teach held within Ark UK Programmes were transferred to Now Teach as part of a commercial transfer agreement. On this date, the following assets and liabilities were transferred which, in effect, have been donated to Now Teach following its legal independence:

	£'000
Debtors	405
Cash at bank and in hand	652
Creditors: amounts falling due within one year	(351)
<b>Total net assets receivable from Ark UK Programmes</b>	<b>706</b>

Of the above net assets, £83k were restricted in nature as indicated in note 11 above.