

Now Teach

Annual Report and Financial Statements

31 August 2022

Charity Registration Number 1189146
(England and Wales)

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

Contents

Reports

Reference and administrative details of the charitable company, its trustees and advisers	1
Trustees' report	2
Independent auditor's report	11

Financial Statements

Statement of financial activities	16
Balance sheet	17
Principal accounting policies	19
Notes to the financial statements	23

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

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

The trustees present their report together with the financial statements of Now Teach (the 'charitable company') for the year ended 31 August 2022. 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 19 to 22 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 4 Bloomsbury Square, London, WC1A 2RP

Now Teach registered as a legally independent entity in 2019 and began operating independently from 1 September 2020.

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

2021-22 has been a challenging year for the teacher recruitment profession in general and Now Teach has been affected by the same factors. Despite a backdrop of rising inflation, industrial action and a cost-of-living crisis, we were successful in recruiting one of our largest ever cohorts. These 144 new trainees formed part of our first ever national cohort, with recruitment taking place in all areas of England. Though we outperformed the national picture, these external factors led to us falling short of our Department for Education target of 200 trainees.

We have also invested in and improved our processes and systems, in particular our finance function (including service provider); continued to add experience and expertise to our team.

Achievements and performance (continued)

We continue to work with external specialists to examine, review and advise us on our organisational operation and strategy.

The year in numbers

- ◆ 194,000+ website users, an organisational record, generating 3,521 expressions of interest in teaching.
- ◆ The charity continues to receive extensive media coverage which helps generate positive PR activity;
- ◆ 144 Now Teach career changers started Initial Teacher Training in September 2022, against a target of 200.
- ◆ Partnerships with training providers grew to 123, with a net promoter score (NPS) of 65 from our partners.
- ◆ Combined 2020 and 2021 cohort NPS of 74.
- ◆ 86% of our 2021 Now Teachers have gained Qualified Teacher Status.

Diversity

Our 2022 Cohort continues to be more diverse against most metrics when compared to national Initial Teacher Training data as outlined below. We continue to make great progress in helping to diversify the teaching profession, as our gender, age, and ethnicity splits are all above the national averages.

	National Teacher training average	Now Teach
Male	28%	44%
Over 25	47%	100%
Minority ethnic	22%	27%
Disclosed disability	Unknown (DfE data not available at time of writing)	6%

Now Teachers continue to bring diversity of thought and experience into schools. Our 2022 cohort has an average age of 48 (with a maximum of 67) and will bring an average of 23 years of prior professional experience from 23 different industries. The top five previous industries – as a percentage of the overall cohort – are: 1. Financial Services, 2. Engineering & Manufacturing, 3. Business, Consulting & Management, 4. Media, and 5. Science & Pharmaceuticals.

In addition, Now Teachers are also helping to fill the gap in the subjects of highest need in secondary schools. 61% of our cohort are training in a STEM subject (science, technology, engineering, and mathematics), and we are especially putting the 'M' in STEM as 26% of our 2022 Cohort are training to be maths teachers.

Achievements and performance (continued)

Retention

"I wouldn't be teaching now if it wasn't for Now Teach. My initial attempt ended in failure but I learnt so much that I was able to go again the next year and succeed. If it had not been for that little, but very personal, support from Now Teach I would not have had the courage to do that".

As the only organisation dedicated to attracting and recruiting career-changers into teaching and retaining them, we have developed a dedicated and specialist support offer.

We know that the greatest value we can bring to career-changers is to ensure they're sharing their experiences and insight with each other, so our focus for this year was providing more in-person opportunities for Now Teachers to meet others as restrictions around Covid lifted. August 2022 saw us host our Annual Conference in London joined by our first ever national cohort.

As we begin to define the movement of our Now Teach Network, we are proud that 92% of respondents to our end of year survey understand what the Network is trying to achieve and what it is for.

We are also delighted to report that 86% of Now Teachers in Cohort 2021 achieved Qualified Teacher Status with more (training part-time) on track to qualify in July 2023.

Operations and organisational growth

This past year saw us add a variety of roles to the charity, to help us manage the increased workload from larger cohorts, as well as carry our more specific work on areas such as data impact, and communications. In addition to this, we significantly overhauled our finance systems, including a change in outsourced provider, resulting in much improved control over our day-to-day financial processes, as well as improvements to payment processing times and reporting.

Fostering an environment where team members feel an affinity with our work is an important factor – 100% of staff state that they are proud to work at Now Teach and 100% would recommend Now Teach as a place to work (People Survey 2022).

Our people strategy continues to focus on ensuring our people processes are diverse, equitable and inclusive and that our culture encourages and supports diversity and inclusion. We are proud that 100% of team members report that the charity is considerate of their wellbeing.

Financial review

During the reporting period, the charity generated income of £1,943k (2021 – £1,492k) and incurred expenditure of £1,685k (2021 – £1,312k) resulting in a net income of £258k (2021 – £180k) (before accounting for the net assets of £706k transferred from Ark UK Programmes on 1 September 2020, following Now Teach's establishment as an independent legal entity).

Achievements and performance (continued)

Financial review (continued)

The primary source of income for the charitable organisation remained the contract with the Department for Education, accounting for £1,488k (2021 – £1,329k) of total income, alongside donations of £454k (2021 – £163k). The charitable company's principal expenditure relates to staff costs which for the reporting period amounted to £966k (2021 – £793k).

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 £421k and £1,264k). 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 2022/23 is forecast to be approximately 7 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 senior leadership 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 in previous years. We also review progress against pipeline in monthly meetings with the DfE to ensure early visibility and an opportunity to discuss mitigating circumstances.

Achievements and performance (continued)

Risk management (continued)

- ◆ Challenges in securing required income. The DfE contract provided over 90% of required income in 2021/22; with remaining income raised through philanthropic and voluntary donations. Though funding is secured to support the 2022 and 2023 cohorts through the programme up to August 2025, securing an extension to the current contract for the recruitment and support of a 2024 cohort remains a key priority. Based on initial discussions, we are confident that a contract extension is likely; further, we have a strong fundraising pipeline in place for 2022/23 with over 75% of the required fundraising target for 2022/23 already secured, with further funding commitments already in place for 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.

Future plans

Now Teach has a target to attract 250 experienced career changers into teaching across England during 2022/23. We will also be continuing to support our network of over 500 career changers previously recruited.

Now Teach intends to grow the number of experienced professionals it attracts and recruits to Initial Teacher Training via 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 are currently in negotiations to secure an extension year to the existing contract, to support an additional 200 career changers to join the teaching profession in 2024. Our proposed target and financial modelling aim to reflect efficiencies and savings that we have been able to secure to date, as well as allowances for the challenging economic picture.

Alongside DfE funding, we have a fundraising target of approximately £350k in 2022/23 to enable investment in our systems and processes to support efficient scaling, including:

- ◆ Additional marketing spend beyond that allowed under our contract with the Department for Education
- ◆ Data, insight and evaluation reports to improve programme quality and efficiency
- ◆ Small proportions of staff salaries, including our Co-Founder

Structure, governance and management

Now Teach was incorporated on 9 March 2019 and 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.

Structure, governance and management (continued)

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, relevant stakeholder 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.

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 a panel of Trustees, including the Chair of Trustees.
- ◆ A recommendation is made by the NRC and presented to the Board for approval.

Structure, governance and management (continued)

Recruitment process (continued)

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
- ◆ 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:

Trustee	Date of appointment / resignation
Sonya Branch	
Christine Counsell	Resigned 22 February 2023
Graeme Danton	Resigned as Chair 22 February 2023
James Darley	
Graham Elton	Chair – nominated 22 February 2023
Lucy Heller	
Charlotte Hogg	Resigned 24 November 2022
Margaret Johnson	Resigned 24 November 2022
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.

Structure, governance and management (continued)

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 Froud	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.

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).

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.

Statement of trustees' responsibilities (continued)

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:

A handwritten signature in black ink, appearing to read 'Victoria Tillbrook', followed by a period.

Victoria Tillbrook, Director and Chair, Finance and Risk Committee

Date of approval: 22 May 2023

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 year ended 31 August 2022 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 2022 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. This description forms part of our auditor's report.

Independent auditor's report Year to 31 August 2022

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', with a stylized flourish at the end.

24 May 2023

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

Statement of financial activities Year to 31 August 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Income from:					
Donations and legacies	1	404	50	454	163
Charitable activities	2	1,489	—	1,489	1,329
		1,893	50	1,943	1,492
Transfer from Absolute Return for Kids (Ark UK Programmes)	13	—	—	—	706
Total income		1,893	50	1,943	2,198
Expenditure on:					
Charitable activities	3	1,635	50	1,685	1,312
Total expenditure		1,635	50	1,685	1,312
Net income and net movement in funds		258	—	258	886
Reconciliation of funds:					
Total funds brought forward at 1 September 2021		867	19	886	—
Total funds carried forward at 31 August 2022		1,125	19	1,144	886

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 2022

	Notes	2022 £'000	2021 £'000
Current assets			
Debtors	9	373	133
Cash at bank and in hand		1,034	1,200
		1,407	1,333
Creditors: amounts falling due within one year	10	(263)	(447)
Net current assets / net assets		1,144	886
The funds of the charity			
Unrestricted funds			
. General funds	11	1,125	867
Restricted funds	11	19	19
		1,144	886

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:



Trustee: Victoria Tillbrook, Director and Chair, Finance and Risk Committee

Date of approval: 22 May 2023

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

Statement of cash flows Year to 31 August 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(166)	494
Change in cash and cash equivalents in the year		(166)	494
Cash transferred from Absolute Return for Kids (Ark UK Programmes)	13	—	706
Cash and cash equivalents at 1 September 2021	B	1,200	—
Cash and cash equivalents at 31 August 2022	B	1,034	1,200

Notes to the statement of cash flows for the period to 31 August 2022

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2022 £'000	2021 £'000
Net movement in funds (as per the statement of financial activities)	258	886
Adjustments for:		
Transfer from Absolute Return for Kids (Ark)	—	(706)
(Increase) in debtors	(240)	(133)
(Decrease) increase in creditors	(184)	447
Net cash (used in) provided by operating activities	(166)	494

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,034	1,200

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 Year to 31 August 2022

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 year to 31 August 2022 with comparative information for the period from 1 April 2020 to 31 August 2021.

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.

Principal accounting policies Year to 31 August 2022

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 Year to 31 August 2022

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 Year to 31 August 2022

1. Income from: Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000	2021 £'000
Donations	404	50	454	113
Pro-bono services and other gifts in kind	—	—	—	50
	404	50	454	163

2. Income from: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000	2021 £'000
Programme fees	1,488	—	1,488	1,329
Other fees	1	—	1	—
	1,489	—	1,489	1,329

3. Expenditure

	Activities undertaken directly £'000	Support costs (note 4) £'000	2022 £'000	2021 £'000
Programme delivery	1,599	86	1,685	1,312
	1,599	86	1,685	1,312

4. Support costs

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000	2021 £'000
Finance	36	—	36	31
HR	9	—	9	8
Governance	9	—	9	9
Other overheads and support staff	32	—	32	21
	86	—	86	69

5. Net movement in funds

This is stated after charging:

	2022 £'000	2021 £'000
Staff costs (note 6)	966	793
Auditor's remuneration		
. Audit fee	7	7
. Other services	2	2
Operating lease rentals	8	9

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

	2022 £'000	2021 £'000
Wages and salaries	795	658
Social security costs	83	60
Pension costs	88	75
	966	793

Staff numbers

The average number of persons (including the Executive Management Team) employed by the charitable company during the year ended 31 August 2022 was 21 (2021 – 18).

Higher paid staff

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

	2022 No.	2021 No.
£60,001 - £70,000	2	1
£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 £289,477 (2021 – £262,472).

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 year, no trustee made any donations to the charity (2021 – one trustee donated an amount of £1,000, which was matched by Visa).

In the period ended 31 August 2021, Bain and Co (who work with a number of social enterprises in London) provided pro-bono services to Now Teach to the value of £31,310. No such services were provided for the year ended 31 August 2022. One of Now Teach's trustees, Graham Elton, is also a director of Bain and Co.

In the period ending 31 August 2022, Now Teach continued to receive support from Ark for HR, IT support and Finance, despite now acting as a separate legal entity. These services were 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 2022, the total included within expenditure as amounts paid to Ark was £66,641 (2021 - £115,704) with an amount of £7,458 payable at 31 August 2022 (2021 - £6,642).

In the prior year, on 1 September 2021, an amount of £706,000 was transferred from Ark to Now Teach, as disclosed in note 13. For the period ended 31 August 2021, a balance of £166,171 was payable to Ark in respect of services provided whilst Now Teach was part of Ark. An amount of £54,194 remains payable at 31 August 2021 to Ark UK Programmes for direct debits paid from the Ark UK Programmes bank account relating to Now Teach transactions.

As of 1 September 2022, finance support is provided by Cottons Chartered Accountants, a third party accountancy firm providing finance services. Ark now only provide HR and IT support to Now Teach.

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 receive IT support and during the period an amount of £23,400 (2021 – £20,922) was Included within expenditure as amounts paid to Ark Schools with the amount of £22,000 (2021 – £20,922) remaining payable at 31 August 2022.

For the period ended 31 August 2021, a balance of £35,605 was payable to Ark Schools in respect of services provided whilst Now Teach was part of Ark. This balance is now nil at 31 August 2022.

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

	2021 £'000	2020 £'000
Trade debtors	148	121
Prepayments and accrued income	225	12
	373	133

10. Creditors

	2021 £'000	2020 £'000
Trade creditors	30	35
Accruals and deferred income	79	44
VAT liability	64	63
Taxation and social security	28	22
Other creditors	62	283
	263	447

11. Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted funds					
. Research and technology	19	50	(50)	—	19
Total restricted funds	19	50	(50)	—	19
Unrestricted funds					
. General funds	867	1,893	(1,635)	—	1,125
Total unrestricted funds	867	1,893	(1,635)	—	1,125
Total funds	886	1,943	(1,685)	—	1,144

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 2022 £'000
Fund balances at 31 August 2022 are represented by:			
Debtors	373	—	373
Cash at bank and in hand	1,015	19	1,034
Creditors: amounts falling due within a year	(263)	—	(263)
Total net assets	1,125	19	1,144

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)
Total net assets receivable from Ark UK Programmes	706

Of the above net assets, £83k were restricted in nature.