

Now Teach

Annual Report and Financial Statements

31 August 2023

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

Trustees	Graham Elton (Chair) Sonya Branch Graeme Danton James Darley Lucy Heller Bansi Kara Lucy Kellaway Paterno Odong Carole Twiselton
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

Trustees' report Year to 31 August 2023

The trustees present their report together with the financial statements of Now Teach (the 'charitable company') for the year ended 31 August 2023. 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 is a charity that helps experienced, successful professionals change career to become secondary school teachers in England and then thrive in their new career so they stay for the long term. It guides people through the teacher training application process and then the rest of their career – providing a support package of 1-2-1 guidance, wellbeing, subject and career coaching and access to a wider network of peers to soundboard issues and source solutions. The charitable company supports Now Teachers, training providers, schools and the wider education system to realise the full potential of career-changers in education. Now Teach measures its success on the number of experienced career changers it attracts and retains as teachers. The average 'Now Teacher' is aged 47 and has over 25 years of professional experience before entering the classroom.

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 are set out within the remainder of this annual report.

Achievements and performance

In 2022/23 the need for Now Teach was greater than ever as the teacher recruitment and retention crisis continues. We were able to respond to this and recruited our largest ever cohort of Now Teachers (265), training from September 2023.

Retention remains strong with 92% of our 2022 cohort achieving qualified teacher status and at least 87% of our 2021 cohort remaining in teaching after two years.

Achievements and performance (continued)

We continued to develop and improve our programme with an 86% satisfaction score and our Net Promoter score remaining 'Excellent' across all cohort years.

We have also continued to develop our Network, introducing a new platform specifically for our Network of 800 Now Teachers and introducing a new Senior Network Manager role to drive Network activity and impact.

Building on the work completed by ImpactEd, we have developed an evaluation framework that underpins our Theory of Change and has created a solid foundation on which to build our impact work. We have continued to invest in our infrastructure to improve the efficiency and effectiveness of our operations, including introducing new cyber security testing and measures as well as more capacity to develop and continue to support our growing network of career changers. We are also proud to be a Disability Confident Committed employer, to support us to better recruit, support and develop disabled people. We have ambitions to further develop this work over 2023/24 as part of wider equity, diversity and inclusion work both for employees and within our programme.

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

The year in numbers

- ◆ Reach & Quality: Our expressions of interest (EOI) in training to teach have grown by 18% year on year, to 3867 in 2023. The conversion of website user to EOI rate has improved, more than doubling from 1.54% last year to 3.94% this.
- ◆ Recruitment has seen growth of 84% on 2022, leading to the largest ever national cohort of Now Teachers (265) training from September 2023. An incredible 164 of our recruits are in a STEM subject, with Maths making up 22% of the total cohort.
- ◆ Partnership growth: We increased training provider partnerships by 17% from 123 in September 2022 to 144 in September 2023.
- ◆ Value add: 100% of training partners agreed or strongly agreed that Now Teachers' previous career and life experience gives them skills that are useful for their role as a teacher. 95% of Now Teachers reported leveraging their prior experience to enhance educational outcomes.
- ◆ Brand awareness: A recent YouGov estimated that 3.5 million people in England have heard of Now Teach.

Achievements and performance (continued)

Diversity

Our cohort continues to be more diverse against most metrics when compared to national Postgraduate 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 so that we can develop and improve the inclusivity of our programme and ensure all Now Teachers are supported to successfully change career to teaching.

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 Postgraduate training average	Now Teach
Male	30%	44%
Over 25	53%	100%
Minority ethnic	25%	29%
Declared disability	14%	3%

Retention

*"Every career-changer should have Now Teach in their corner", cohort
2022*

As the only organisation dedicated to attracting, recruiting and retaining career-changers into teaching we have developed a dedicated and specialist support offer. The needs of our career changers have developed over time, but our Now Teachers continue to value being able to access our independent and non-judgemental advice to navigate their experiences in schools and teaching. Our two-year Career Change Programme provides opportunities for development and channels of support.

In May 2023, we appointed a dedicated Senior Network Manager to develop our offer for our member-led community of Now Teachers, who have completed our two-year support programme. The Network's aim is to bring their collective skills and experiences from a diverse range of sectors into schools and classrooms enriching young people's experience of and exposure to the real world.

We are pleased that in our summer 2023 survey 95% of respondents reported they had used their previous experience to make a difference in their schools.

We are also thrilled to report that 92% of Now Teachers in Cohort 2022 have achieved or are on track to achieve Qualified Teacher Status by July 2023.

Achievements and performance (continued)

Operations and organisational growth

Over the past year we have focussed on building and improving our infrastructure and the efficiency and effectiveness of our operations. We have taken steps to improve our level of cyber security, appointing external experts to test and evaluate our entire IT solution, allowing us to identify and mitigate potential risks to our data and systems. To ensure organisational efficiency and value for money, we began a review of third-party suppliers in key areas of IT support and HR, with both services due to transfer to new suppliers by June 2024.

We are proud to report that Now Teach continues to be recognised as a caring place to work with a dedicated staff team: 95% of staff agree that the charity cares about their wellbeing and that colleagues are committed to doing high quality work. We continue to embrace hybrid working to offer greater flexibility to our employees and recruit a wider pool of talent to our team. This is core to the development of our people strategy and we continue to ensure our culture and working practices create an inclusive culture.

We are excited to have appointed a new CEO in late October 2023 to drive the future strategy and success of Now Teach.

Financial review

During the reporting period, the charity earned income of £2,079k including £587k of donated services (2022 – £1,943k) and incurred expenditure of £2,165k, including the aforementioned donated services (2022 – £1,685k) resulting in a net expenditure of £86k (2022 – net income of £258k).

The primary source of income for the charitable organisation remained the contract with the Department for Education, accounting for £1,293k (2022 – £1,488k) of total income, alongside donations of £785k (2022 – £454k), which includes £587k of pro-bono services provided to the charity. The charitable company's principal expenditure relates to staff costs which for the reporting period amounted to £1,035k (2022 – £966k).

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 £395k and £1,183k). At the reporting date, the charity holds reserves of £980k which is within this range. 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 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. As part of our approach to risk management the Executive Team carry out scenario planning so that we can proactively assess and mitigate financial risks.

Financial review (continued)

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 CEO 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.. We also review progress against pipeline in monthly meetings with the DfE to ensure early visibility and an opportunity to discuss mitigating actions.
- ◆ Challenges in securing required income. The DfE contract provided nearly 87% of income in 2022/23; however, remaining income will be raised through philanthropic and voluntary donations. Fundraising performance is monitored and reported to our Finance and Risk Committee regularly. For 2023/24 we are investing in outsourced fundraising support to develop our ongoing fundraising strategy. This support is even more crucial as we work closely with our funders and partners to find the right steps to secure the future sustainability of the organisation without a new DfE contract.

Future plans

Now Teach has a target to attract 200 experienced career changers into teaching across England during 2023/24 and in September 2023 began supporting the next cohort of 265 career changers to complete their training. We will also be continuing to support our Network of over 800 career changers previously recruited and supported.

Now Teach intends to continue to support experienced professionals to change career to teaching, recognising the unique contribution this group can make to the sector. Our programme of support helps career changers make the change from their previous career, achieve Qualified Teacher Status (QTS) and remain in the profession. In doing so Now Teach will achieve its charitable objects and continue to normalise career change into teaching; making it attractive and straightforward for great candidates, for the benefit of pupils, schools and the wider system.

Since the end of our 2022/23 financial year we have been notified by the Department of Education (DFE) that the Career Changer contract will not be re-procured. The DfE recognises both that we exceeded our targets last year and that they would like, in due course, to invest more in career changers; they intend to involve Now Teach in planning what this might look like.

Trustees' report Year to 31 August 2023

Future plans (continued)

The DfE will honour our contract for ongoing support to the career changers who are already within our programmes through to December 2026, but this decision means we will not be supported to recruit new cohorts of teachers from September 2024 onwards. The net effect of this is that the income we receive from DfE will reduce by c.£700k in the 2024/25 financial year, representing some 40% of our planned expenditure next year.

We are very proud of what Now Teach has achieved in a relatively short time to change the landscape for career changers moving into teaching, and we remain confident in the value that we continue to deliver at a time when recruitment and retention remains the number one priority for the education sector.

We will be working closely with our partners, funders and trustees to find the right next steps. We believe that the system needs an organisation with deep expertise in bringing in career changers into the sector and supporting them to thrive and that this should be supported by government.

We will continue to recruit our 2024 cohort and provide them with support through their first two years, support our 2022s and our 2023s and mobilise our wider Now Teach Network. Alongside this we will look to develop alternative delivery models and raise funds to maintain momentum, safeguarding future sustainability to ensure that more children have the education that they deserve.

Assessment of going concern

The trustees have considered the impact of the above in their assessment of going concern. At present, there is no intention to wind down the charity or its operations and, as noted above, the charity will be working closely with partners and funders to determine the next steps. As such, whilst the trustees recognise that the decision made by the DfE not to reprocure the Career Changer contract impacts on the charity's existing financial model, and thus presents a material uncertainty with respect to going concern, based on initial plans with respect to raising additional funds and managing organisational costs in light of the reduced activity level, the trustees are of the opinion that it is appropriate that these financial statements should be prepared on a going concern basis. Further details in respect of the trustees' assessment of going concern is provided within the principal accounting policies accompanying the financial statements.

Trustees' report Year to 31 August 2023

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.

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.

Structure, governance and management (continued)

Recruitment process (continued)

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.

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; and
- ◆ 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 21 January 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
Bansi Kara	Appointed 31 October 2023
Lucy Kellaway	
Paterno Odong	Appointed 31 October 2023
Victoria Tillbrook	Resigned 22 January 2024
Carole Twiselton	Appointed 31 October 2023
Robert Craig	Appointed 18 March 2024

Structure, governance and management (continued)

Induction (continued)

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
Deborah Mills	Chief Executive Officer (3 January 2023 - 31 July 2023)
Katie Waldegrave	Co-Founder
Sarah Darrall Shaw	Director of Programme and Network
Meera Moynihan	Director of Operations
Nicholas Cater	Interim Director of Operations (from 1 January 2023)
Maria Floud	Director of Recruitment and Marketing (to 8 December 2022)
Rob Fryer	Director of Recruitment (From 23 January 2023)

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.

Trustees' report Year to 31 August 2023

Statement of trustees' responsibilities (continued)

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:

A handwritten signature in black ink, appearing to read 'Graham Elton', followed by a long horizontal line extending to the right.

Graham Elton, Director and Chair of the Board of Trustees

Date: 07.05.24

Independent auditor's report to the members of Now Teach

Opinion

We have audited the financial statements of Now Teach (the 'charitable company') for the year ended 31 August 2023 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 2023 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.

Material uncertainty related to going concern

We draw attention to the trustees' assessment of going concern as included within the principal accounting policies at page 19 to the financial statements, and the post balance sheet event disclosure provided at note 13 to the financial statements (at page 28). These highlight that the Department for Education (DfE) have notified the charity that the Career Changer contract (which represents circa 60% of the charity's recurring income) will not be repurchased, albeit that the existing contract will be honored for ongoing support to the career changers who are already within the charity's programmes through to December 2026.

Material uncertainty related to going concern (continued)

As noted by the trustees', the decision made by the DfE not to reprocore the contract impacts on the charity's existing financial model which will now require careful review and adjustment. Based on a review of initial revised financial projections, at the time of approving these financial statements, the trustees are of the opinion that Now Teach will have sufficient resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval, and therefore continue to adopt the going concern basis for the preparation of these financial statements.

As noted by the trustees, at present, there is no intention to wind down the charity or its operations. However, the trustees acknowledge that if alternative delivery models and income sources cannot be sourced as anticipated, a safe, phased close down of the charity may be required. Therefore, whilst the pipeline of funding is firmed up and costs reviewed, a material uncertainty exists in relation to the going concern assumption.

Our opinion is not modified in respect of this matter.

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 of 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
- ◆ 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.

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

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;

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 / unexpected relationships; and
- ◆ reviewed journal entries to identify unusual transactions.

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 2023

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 that reads "Buzzacott LLP". The signature is stylized, with the letters "B" and "L" being particularly prominent and connected to the rest of the text.

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

08 May 2024

Statement of financial activities Year to 31 August 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Income from:					
Donations and legacies	1	685	100	785	454
Charitable activities	2	1,294	—	1,294	1,489
Total income		1,979	100	2,079	1,943
Expenditure on:					
Charitable activities	3	2,124	41	2,165	1,685
Total expenditure		2,124	41	2,165	1,685
Net (expenditure) income and net movement in funds					
		(145)	59	(86)	258
Reconciliation of funds:					
Total funds brought forward at 1 September 2022		1,125	19	1,144	886
Total funds carried forward at 31 August 2023		980	78	1,058	1,144

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 2023

	Notes	2023 £'000	2022 £'000
Current assets			
Debtors	9	244	373
Cash at bank and in hand		990	1,034
		1,234	1,407
Creditors: amounts falling due within one year	10	(176)	(263)
Net current assets / net assets		1,058	1,144
The funds of the charity			
Unrestricted funds			
. General funds	11	980	1,125
Restricted funds	11	78	19
		1,058	1,144

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: Graham Elton, Director and Chair of the Board of Trustees

Date: 17.05.24

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

Statement of cash flows Year to 31 August 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash (used in) operating activities	A	(44)	(166)
Change in cash and cash equivalents in the year		(44)	(166)
Cash and cash equivalents at 1 September 2022	B	1,034	1,200
Cash and cash equivalents at 31 August 2023	B	990	1,034

Notes to the statement of cash flows for the period to 31 August 2023**A Reconciliation of net movement in funds to net cash (used in) provided by operating activities**

	2023 £'000	2022 £'000
Net movement in funds (as per the statement of financial activities)	(86)	258
Adjustments for:		
Decrease (increase) in debtors	129	(240)
(Decrease) in creditors	(87)	(184)
Net cash (used in) provided by operating activities	(44)	(166)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	990	1,034

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 2023

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 2023 with comparative information for the year ended 31 August 2022.

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.

In forming their assessment, the trustees have acknowledged that the Career Changer contract (which accounts for circa 60% of the charity's recurring annual income based on the 2022/23 results) is not being reprocured by the Department of Education (DfE) - a decision that was communicated to the charity by the DfE in April 2024. The DfE have, however, confirmed that they will honour the existing DfE contract for ongoing support to the career changers who are already within our programmes through to December 2026.

The trustees recognise that the decision made by the DfE not to reprocure the contract impacts on the charity's existing financial model which will now require careful review and adjustment, and this decision creates a material uncertainty to the charity's ability to operate as a going concern.

Assessment of going concern (continued)

At present, there is no intention to wind down the charity or its operations. Measures are being taken by the trustees to secure alternative means of funding, and to assess the future structure of the organisation in order to manage costs, thus enabling the charity to continue its vital work. Based on a review of initial revised financial projections, at the time of approving these financial statements, the trustees are of the opinion that Now Teach will have sufficient resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval, and therefore continue to adopt the going concern basis for the preparation of these financial statements. However, the trustees acknowledge that if alternative delivery models and income sources cannot be sourced as anticipated, a safe, phased close down of the charity may be required. Therefore, whilst the pipeline of funding is firmed up and costs reviewed, as noted above, a material uncertainty exists in relation to the going concern assumption at the time of approving these financial statements.

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.

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 2023 Cohort Recruitment Target is not met, the 2022/23 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.

Principal accounting policies Year to 31 August 2023

Expenditure recognition (continued)

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.

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 2023

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.

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.

Notes to the financial statements Year to 31 August 2023

1. Income from: Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	2023 £'000	2022 £'000
Donations	98	100	198	454
Pro-bono services and other gifts in kind	587	—	587	—
	685	100	785	454

In the comparative period (i.e. the year ended 31 August 2022) £50k of donations was restricted.

2. Income from: Charitable activities

	Unrestricted funds	
	2023 £'000	2022 £'000
Programme fees	1,293	1,488
Other fees	1	1
	1,294	1,489

3. Expenditure

	Activities undertaken directly £'000	Support costs (note 4) £'000	2023 £'000	2022 £'000
Programme delivery	2,079	87	2,165	1,685
	2,079	87	2,165	1,685

4. Support costs

	2023 £'000	2022 £'000
Finance	6	36
HR	14	9
Governance	17	9
Other overheads and support staff	50	32
	87	86

All support costs were met from unrestricted funds in both the current and prior years.

5. Net movement in funds

This is stated after charging:

	2023 £'000	2022 £'000
Staff costs (note 6)	1,035	966
Auditor's remuneration		
. Audit fee	11	7
. Prior year under provision	3	—
. Other services	3	2
Operating lease rentals	31	8

6.

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

	2023 £'000	2022 £'000
Wages and salaries	852	795
Social security costs	83	83
Pension costs	100	88
	1,035	966

Staff numbers

The average number of persons (including the Executive Management Team) employed by the charitable company during the year ended 31 August 2023 was 22 (2022 – 21).

Higher paid staff

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

	2023 No.	2022 No.
£60,001 - £70,000	1	2

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 and employer social security costs) payable in respect of key management personnel for their services to the charity was £386,500 (2022 – £289,477).

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 (2022 – no trustee made any donations to the charity)

7. Related party transactions (continued)

In the year ended 31 August 2023, Bain and Co (who work with a number of social enterprises in London) provided pro-bono services to Now Teach to the value of £567,000. 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 year ended 31 August 2023, Now Teach received support from Ark for HR and IT support. 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 year ended 31 August 2023, the total included within expenditure as amounts paid to Ark was £38,068 (2022 – £66,641) with no amounts payable at 31 August 2023 (2022 – £7,458).

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). In the prior year, Now Teach incurred costs of £23,400 to Ark Schools for IT and HR support of which £22,000 remained payable at the balance sheet date. No such transactions took place in 2023.

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

	2023 £'000	2022 £'000
Trade debtors	3	148
Prepayments and accrued income	241	225
	244	373

10. Creditors

	2023 £'000	2022 £'000
Trade creditors	36	30
Accruals and deferred income	87	79
VAT liability	27	64
Taxation and social security	22	28
Other creditors	4	62
	176	263

11. Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted funds					
. Research and technology	19	100	(41)	—	78
Total restricted funds	19	100	(41)	—	78
Unrestricted funds					
. General funds	1,125	1,979	(2,124)	—	980
Total unrestricted funds	1,125	1,979	(2,124)	—	980
Total funds	1,144	2,079	(2,165)	—	1,058

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.

The prior year movement in funds is depicted as follows:

	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

12. Analysis of net liabilities between funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Fund balances at 31 August 2023 are represented by:			
Debtors	244	—	244
Cash at bank and in hand	912	78	990
Creditors: amounts falling due within a year	(176)	—	(176)
Total net assets	980	78	1,058

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'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. Post balance sheet event

Since the preparation of these financial statements, Now Teach has been notified that the Department of Education will not be reprocurring the Career Changer contract. This represents a 40% loss to our expected total 2024/25 income. The Trustees and Executive team will be seeking to raise bridging funds, to consider alternative delivery models and income sources and pivot to a more sustainable future state. In the event that this is not possible the Trustees and Executive team would oversee a safe, phased close down of the charity.