

Teach First annual report and accounts for the year ended 31 August 2017



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A WELCOME FROM OUR CHAIR, PAUL DRECHSLER CBE



In the year in which Teach First celebrates its fifteenth anniversary it is appropriate to celebrate the many successes of the last 15 years and to reflect upon the work remaining to end educational inequality in the UK.

There are many reasons to be proud of Teach First's progress since its launch in 2002, most obviously in helping over a million young people achieve better educational outcomes and assisting them in their career choices into the world of work.

We have now recruited over 11,000 trainee teachers, with almost 1,400 new trainees joining our relaunched Leadership Development Programme (LDP) in 2017. We were disappointed to miss our target of 1,775 new trainees this year, although we remained the largest recruiter of graduates in England and Wales. Through our digital transformation programme, which will streamline many of our processes, we aim to increase the number of trainee teachers we recruit each year.

This year Qualified Teacher Status (QTS) grades for our teachers improved. 91% of our trainee teachers who started in school in September 2016 achieved QTS, with 68% of our trainees achieving an 'Outstanding' grade, a higher proportion than in previous years (2016 cohort 67%; 2015: 67%; 2014: 62%). The relaunched LDP that we started to deliver in the summer of 2017 was designed using the latest global research on what makes teachers effective in the classroom.

The network of Teach First ambassadors (people who have completed our LDP) at August 2017 is over 7,000 and continues to grow. We now have more ambassadors in school leadership positions than ever before, with 30 ambassador head-teachers and over 1,400 ambassadors in senior and mid-level school leadership roles. For the first time, two Teach First alumni have been elected to the UK Parliament representing the Conservative and Labour parties. Supporting the progress of ambassadors into roles as leaders in teaching, social enterprise, business and the public sector expands the number of people in the UK focused on delivering our vision of ending educational inequality.

We remain hugely grateful for the support of our patron, His Royal Highness, the Prince of Wales. The hosting of the 15th anniversary celebration at Buckingham Palace was a highlight of the year for many of our teachers, ambassadors, supporters and staff of the charity who have given so much over the years. Despite these many achievements, there still remains much to be done. In March we embarked on "Challenge the Impossible", a series of campaigns, policy reports and events to increase the profile of our mission to ensure that disadvantaged children and young people in our society are able to access the same opportunities that their more well-off peers take for granted. We are delighted to have been selected by the Department for Education to launch our new Leading Together programme, supporting schools in areas of high deprivation in England to build strong leadership teams.

I would like to extend the Charity's thanks to Lord Andrew Adonis, Sir David Bell, Lou McCrimlisk, Mary Meaney and Sarah Shillingford, all of whom retired from the Board and who during their time as trustees brought considerable experience and commitment to our charity's purpose and mission. We were delighted to welcome Dame Mary Marsh and Lord Jonathan Hill to the Board. We also give special thanks to Teach First's Founder Brett Wigdortz, who stepped down as Chief Executive in October 2017, without whom the charity simply would not exist. We are pleased to welcome Russell Hobby as our new Chief Executive, who joins us from his previous role as General Secretary of the National Association of Head Teachers, bringing with him a wealth of experience in education. Finally, on behalf of our trustees I would like to thank every single member of our community for their relentless focus on achieving our vision.

CHIEF EXECUTIVE OFFICER'S INTRODUCTION



Every child deserves a great education. For too many, and despite the brilliant work of teachers, this is still an aspiration rather than reality.

The most important contribution that Teach First makes to this challenge is to place more great teachers where they are most needed. Educational equality begins in the classroom. And it is our most vulnerable and disadvantaged young people who most rely on their teachers.

But our contribution does not end there. Unless schools receive the full backing of the system, services and society around them, they cannot excel at their jobs. Teach First can get people who would not otherwise consider teaching to work in schools that might otherwise struggle to recruit enough good teachers. But we also explicitly build a bridge between schools and the society around them through our ambassadors, who bring the knowledge and credibility from working in schools to a wide variety of roles in business, government and the third sector and who retain their passion and commitment to ending educational inequality.

It was these strengths that first attracted me to the role of Chief Executive of Teach First. The organisation I join is healthy, successful and necessary. It is staffed by talented and dedicated people and benefits from a generous community of partners, donors and supporters. It is fortunate that many talented people choose to join its core programme and to remain committed supporters for life.

My task in the year ahead is to focus this energy and talent more keenly on the most pressing problems of our education system, to organise the work of the charity for maximum impact for young people, and to make the most of a large community of ambassadors and supporters that is now 'coming of age' in terms of scale and influence.

With a vision as ambitious and compelling as Teach First's, it can be difficult to decide between projects that might make a difference. Yet energy dissipated is energy wasted. We need more focus on the work that Teach First itself can do best.

In the light of this, it is clear that our foundation, our mandate and our greatest contribution remains that of our original task: getting more great teachers and leaders where they are needed. We are already the largest single graduate recruitment scheme in England and Wales; and we are the fourth most prestigious (The Times Top 100 Graduate Employers survey). We need to grow our numbers further and we can only do this by exploring new sources of talented candidates in addition to the top graduates we currently recruit on campus. Career switchers and people returning to teaching will be key targets in the years ahead.

Teach First does not seek a permanent commitment to the classroom. There are many ways to contribute to education outside the classroom, and our diverse network of ambassadors is one of our strengths. The time spent in the classroom is, however, time spent at the front line of our mission. We are keen for teachers to stay as long as they are able and to feel that they can thrive and make a difference while there. We will continue to offer a two-year programme but we will add further opportunities for career progression beyond that. As well as constructive engagement on policy issues affecting teachers' experience, we will take a more structured approach to supporting ambassadors into senior leadership positions and head teacher roles in school.

Finally, we need to mobilise society in support of schools and young people. Our ambassador community is at the heart of this. We need to magnify their voice, support their activities, connect them to each other and help more of them into positions of influence.

Our work is therefore motivated by three goals:

- To get more great teachers where they are most needed.
- To help the teachers we recruit to thrive in post so that they can have the greatest positive impact on their students and develop their careers to their full potential.
- To work with the talented leaders we develop beyond the classroom and school through well designed policies and services, networks, volunteering and increased awareness of and respect for the work of schools.

We have begun a review of our strategy in light of these goals, for launch in September 2018. It is an exciting time for Teach First and I am delighted to be able to be part of it.



TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

OUR PURPOSE AND ACTIVITIES

Our purpose

Our vision

Teach First is working towards a day when no child's educational success is limited by their socio-economic background.

Our mission

Building a movement of leaders who change lives within classrooms, schools and across society.

Millions of British children live in poverty. Only one in three teenagers from low-income communities passes five good GCSEs (at A%-C or 4-7 grades), including English and maths, as compared to twice as many of their wealthier peers. This gap between the attainment of pupils from low income backgrounds and those from wealthier backgrounds is a significant problem in our education system and for our country.

In 2002, London was the worst place for children from low-income communities to be educated, with schools struggling to attract and retain high-quality teachers. Our Leadership Development Programme (LDP) was developed to tackle this and our first cohort of 186 trainee teachers started in the capital's schools in 2003. Since then, GCSE results in inner London have moved from being the lowest in England to the highest, and independent research identified Teach First as one of four key factors in this transformation of London schools.

In London, as across the country, Teach First did not succeed alone. We worked, and continue to work, alongside thousands of schools, businesses, universities and charities that are equally impatient to improve the life chances of children and young people from low-income backgrounds.

Given the transformation in London's results, the 65% of our work and of our placements now occur outside London, working in other urban centres and, increasingly in the rural and coastal communities that most need support.

Teach First evaluates the impact our teachers are having in the classroom. Early results from our anonymised 'Pupil Progress Tracker' are promising, suggesting that pupils taught by secondary teachers on our programme make above nationally-expected progress every year. Similarly, our early 'iKnow My Class' online pupil survey results are also encouraging, with over 45,000 pupils engaging with the survey annually. The latest data reveals that 87% of pupils agree with the statement 'I respect my teacher' and 82% agree that 'my teacher expects me to be successful'.

In 2012 we established the Fair Education Impact Goals to provide overall direction on what the country needs to do to close the gap between pupils from low-income backgrounds and their wealthier peers. These goals have informed our activities toward achieving our vision. The Fair Education Impact Goals are now owned and stewarded by the Fair Education Alliance.

Our activities

Our strategy for the period 2015/19 focuses on four areas of activity we believe will make the greatest difference towards achieving our vision:

- **Participant impact:** through recruiting, training, developing and supporting trainee teachers (participants) on our Leadership Development Programme (LDP) to be inspiring teachers and leaders; ensuring our teachers are fully equipped to tackle educational inequality in the classroom; growing the number of schools we partner with and placing teachers in the areas of greatest need.
- **Ambassador impact:** after our trainee teachers complete the LDP and gain Qualified Teacher Status working in a school in a low-income community they become our ambassadors and they continue to work or volunteer in support of our vision. We continue to give our ambassadors support whatever direction their career takes them in.
- **Access:** improving opportunities for young people from low-income backgrounds to access higher education and employment after leaving school. Ensuring our teachers and schools are equipped to support young people in preparing for, and making decisions about, the post-school opportunities available to them.
- **Collective action:** collaborating with schools, businesses and other partner organisations to develop new solutions that deliver impact upon ending educational inequality.



STRATEGIC REPORT

Achievements and performance

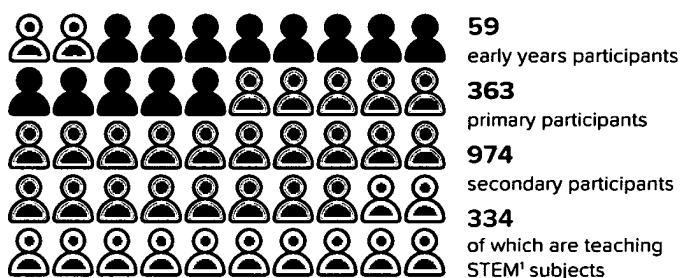
Participant impact: recruitment, training and developing teachers

In 2017 Teach First recruited its 15th cohort of trainee teachers (our participants), placing 1,396 teachers in schools across England and Wales (2016: 1,441). We placed 59 teachers in Early Years settings (2016: 60), 363 in primary schools (2016: 375) and 974 in secondary schools (2016: 1,006). Of our 2017 secondary participants, 334 (34%) are teaching crucial STEM subjects – Science, Technology, Engineering and Maths (2016: 37%).

WHO HAVE WE HIRED?

1,396

Participants joined
our 2017 cohort



In total, we have now trained more than 11,000 teachers and placed them in more than 1,600 schools throughout England and Wales, where they have taught more than one million young people.

The total of 1,396 new teachers was lower than we hoped for; both lower than the previous year and short of our target of 1,775.

Despite a challenging back-drop, Teach First has remained in The Times 'Top 5 Graduate Employers' (at number four, increasing our vote by 18%). This was at a time of record numbers of graduate opportunities, many of which commanded a higher salary than that offered to our trainee teachers. In addition, the appeal of the teaching profession fell to its lowest level across the top universities (below 10% for the first time); and applications to continue further study in higher education were at their highest levels since 2008/09.

To further our ambition of greater impact in our schools across the country, we are implementing a range of initiatives for 2017/18 including:

- Streamlined application process for our Leadership Development Programme (LDP), driven by digital improvements.
- A new marketing approach.
- Expanding our Insight Programme (our teaching experience programme for 2nd year undergraduates) to develop a sustainable pipeline of science, technology, engineering and mathematics candidates for the LDP.
- Speeding up the process of confirming schools to our new participants, giving them more time to prepare for a move to new parts of England and Wales, thereby removing barriers for some career changers.
- Focused efforts on the retention of incoming participants between receiving an offer and beginning the programme, to reduce the significant drop out rate at this stage of the pipeline.

88% of the 2016 teacher cohort completed their first year and have now started the second year of their teaching career. 90% of the 2016 cohort will gain Qualified Teacher Status once extensions have been completed. This was slightly below our target of 91%.

The trainee teachers who joined our Leadership Development Programme (LDP) in July 2017 will be the first to earn a Postgraduate Diploma in Education (PGDE). This change was informed by UK and global research, and is supported by feedback from our stakeholders in schools and current teachers. Our trainees will now benefit from an integrated two-year qualification in teaching and leadership, the first of its kind. This new model will give them even more of the practical skills needed to become effective in the classroom from day

one and greater specialised supporting during the programme. They will have access to university support in both years of the programme rather than just their first, and they will now be supported over both years by a Teach First employee with experience in teacher education. The PGDE is worth twice the number of credits towards a Master's degree than the previous qualification.

Teach First will also be providing training support for in-school mentors, addressing findings from our research that found that one of the biggest reasons for participant drop-out was lack of effective support from in-school mentors.

Ambassador impact: supporting our alumni to work toward our vision

Our charitable mission is to build a movement of leaders to address educational inequality, so developing our ambassadors' network and skills is central to our work to maximise our impact on the lives of children from low income communities. Our teachers who completed their training in 2017 bring the total number of Teach First ambassadors to 7,042. We enhanced our School Pathway programme this year, which supports them to progress into positions of seniority within schools where they can have wider impact on delivering our vision. We also offer guidance to those committed to the vision who are seeking to enter or progress their career in the charity and social enterprise sector, or the policy and research sector. Almost 5,000 ambassadors accessed these services this year.

Through having Teach First ambassadors at each level of leadership in schools in low income communities, we believe that we will be able to accelerate our impact on educational inequality. There are over 1,400 ambassadors in middle and senior leadership roles in schools, exceeding our overall target. The number of ambassador head teachers also grew to 30.

7,042
Teach First
AMBASSADORS

Teach First stories

Fran Grimes

Teach First ambassador, Head of Year, Reach Academy Feltham

"I joined the Teach First programme in 2013 as a trainee science teacher in the North East. I loved my school, but seeing my peers with fluid careers made me wonder if there was something out there I could love more. So, after two years I took the hard decision to leave in order to experience something new.

It was a role at ParentHub which caught my eye. They help to improve communication between teachers and parents, and I knew I'd be able to draw on my teaching experience to help improve our education system.

I loved the job – I worked with interesting people and learned new things – but it quickly dawned on me that I missed being in the classroom. And it was around this time I saw a head of department job advertised at my former school. I was thrilled when I was offered the position.

Going back into teaching was really exciting and the skills I'd developed over the previous year helped me to think more strategically. I'm now working as a Head of Year at a new school and I don't regret my time out of the classroom at all – in many ways it helped me to realise that teaching is the job I want for life."

"My time out of the classroom... helped me to realise that teaching is the job I want for life."

Access: improving the post-school opportunities of young people

We supported 739 sixth form students (2016: 789) from low-income backgrounds on our Futures programme, which aimed to inspire informed and ambitious choices when planning their next steps when leaving school. Using UCAS benchmarked data, we found that Futures pupils are more likely to apply, receive offers and progress to university than similar pupils who do not take part in the Futures programme. 47% achieved a place at one of the top 25% of the most selective universities in the UK, as defined by the average UCAS (Universities and Colleges Admissions Service) score from the top three A-Level grades of entrants. We exceeded our target of 40% but showed a slight decrease from last year's 49%.

739
pupils on the
FUTURES
programme



Our post-school success toolkit, which includes free resources for teachers to use in the classroom, was downloaded over 5,500 times from our website and 731 of our trainee teachers have been given training to help them support their pupils.

Our Careers and Employability Leadership Programme, to develop school middle leaders to be able to deliver careers advice, grew from 15 participating schools in one of our local areas in 2015 to 43 schools across three of our local areas in 2017. We trained 393 teachers in partner schools in careers and employability this year against a target of 250.

Teach First stories



Sara Harb

History undergraduate, Mansfield College,
The University of Oxford

"I moved to England from Jordan when I was six. It was an exciting time, but when I arrived at primary school I couldn't speak a word of English.

Secondary school was even harder and my behaviour got so bad I was nearly excluded.

But my Teach First teachers saw beyond my frustration. Thanks to them, I started to work hard, and was rewarded with really good GCSE results.

In year 12 they recommended me for Teach First's Futures programme, and I was encouraged to apply to Oxbridge. No one in my family had ever gone to university and I was really scared about being rejected.

But it began to seem like a real possibility when I was given the opportunity to visit Oxford to experience university life. This was a turning point for me, so I applied and I got the place!

I did the work and I deserve the results, but Teach First levelled the playing field for me.

I've got big goals for the future. I'd love to become a human rights lawyer to fight injustice and help others less fortunate than me."

**"Teach First
levelled the
playing field
for me"**

Collective action: working in partnership

In May we published a manifesto for improving educational equality and social mobility following the announcement of a snap general election. In a period of just a few weeks our supporters shared our manifesto with more than half of the parliamentary candidates in England and Wales and have since seen several of our ideas accepted as Government policy. The Government has pledged to act on reducing student debt for teachers going into shortage subjects, look at the public sector pay cap and protect the Pupil Premium.

Education Minister Anne Milton has already announced the careers strategy draws heavily upon our policy report entitled 'Impossible? Improving Careers Provision in Schools' where we stated that it would cost less than £13 per pupil for every state secondary school to have a trained careers middle leader. We published another report, looking at the equality of university access entitled 'Beyond Access: Getting to university and succeeding there?'. Both reports received media coverage in national and specialist publications and have formed the core of our lobbying efforts with Government and Parliamentarians in the last few months.

Our strategy for supporting schools focuses on connecting them to quality assured services. We set up 20 partnerships with organisations who can help fill schools' capacity gaps in pupil attainment, socio-cognitive skills, mental health and progression. Internationally, we continued to work with Teach For All in their 10th year through an affiliation arrangement, sharing best practice to improve how we work to end educational inequality.

We worked with over 200 social entrepreneurs at early stages in their development to build their ideas. We chose five social entrepreneurs to support (out of 73 applicants) to scale up to hit target levels of development and sustainability to help end educational inequality in the UK. We also provided intensive, tailored support to 15 Innovation Partners to deepen their impact and expand their programme to reach more than 517,000 pupils in over 2,000 schools.

517,000
pupils reached by our
INNOVATION PARTNERS



Financial review

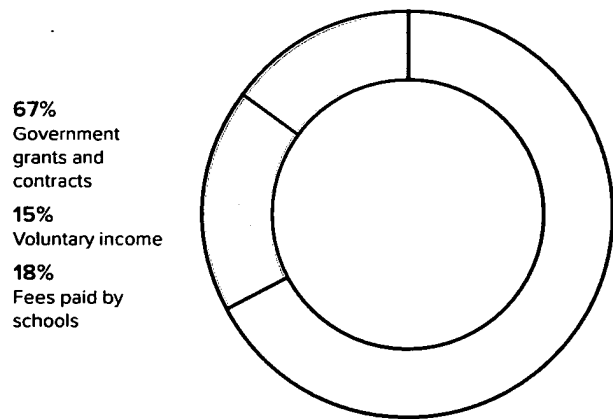
Our finances

Teach First maintained a healthy financial position following a year when we continued our main activities of recruiting, training and supporting teachers, and expanded other projects in our mission to end educational equality.

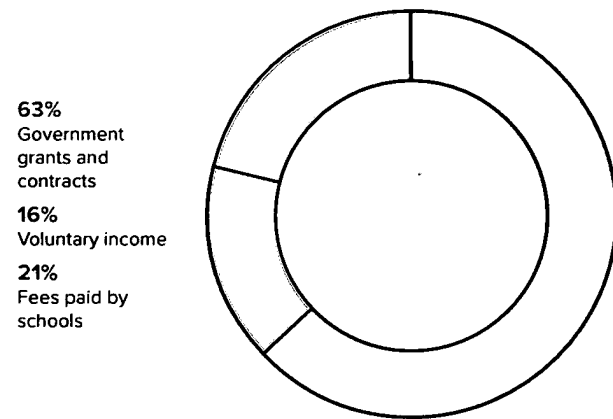
Income

Total income, at £61.0m, was 5% lower than our income of £64.0m last year. This is partly due to the fall in overall participant numbers, which reduced our income from Governmental sources and schools. The chart below shows the split of total income across the various sources.

Where our income came from 2015-16



Where our income came from 2016-17



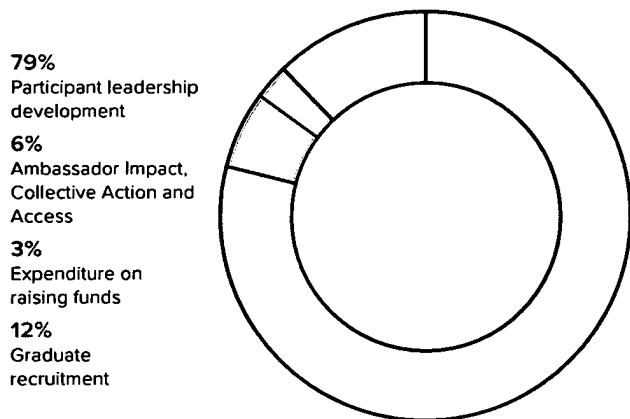
Voluntary income, which supports our core work across the Leadership Development Programme (LDP), Ambassador Impact, Collective Action and Access areas of work, grew by 4% from £8.8m to £9.1m in 2016-17. Our fundraising highlights included over 3,000 people taking part in our annual Run the River event along the banks of the Thames, raising over £170k towards our work. We hosted our annual fundraising Gala Dinner with businesses, philanthropists, ambassadors and representatives from our school communities at an inspiring evening at the Science Museum, which raised £300k.

Teach First Trading Limited contributed a surplus of £0.6m to the voluntary income targets from the licensing of the Teach First brand.

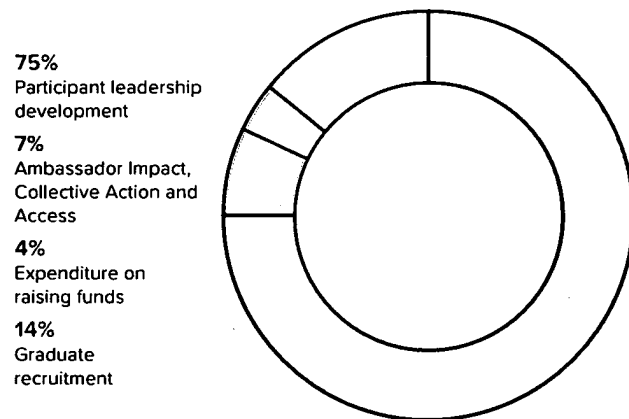
Expenditure

Total expenditure for 2016-17 reduced by 6% to £57.9m from £61.5m last year. Of the total, £55.5m (96%) was spent on charitable activities, compared to £59.6m (97%) in 2015-16.

How we spent our money 2015-16



How we spent our money 2016-17



The chart above shows the split of total expenditure across the types of activity. A change in contractual arrangements and LDP design, as well the total number of participants on the LDP being lower than in previous years, led to lower direct staff and university costs. In 2016-17, £43.4m of expenditure related to participant leadership development, compared to £48.5m last year. £18.3m was managed by Teach First Initial Teacher Development, to provide training to those entering the profession on the first year of the LDP. Significant expenditure administered by Teach First Initial Teacher Development included:

- Grants paid to schools for the provision of mentors; and
- Expenditure incurred by universities sub-contracted by Teach First to deliver initial teacher training and assessment.

Expenditure on graduate recruitment in 2016-17 was £7.9m compared to £7.6m last year. This 4% increase reflects additional activities undertaken to recruit high calibre graduates from university campuses, and also campaigns to broaden our reach to more experienced career changers. Teach First recognises the need to be innovative in a competitive environment to ensure that teaching remains an attractive option for both of these groups. Expenditure increased on the creation of tools to make it easier to attract and retain candidates, through digital and visual materials.

Expenditure on Ambassador Impact, Collective Action and Access work increased by 20% to £4.2m to reflect the growing size of these areas of activity. We received additional donations to support the scaling up of our Innovation and Partnerships work.

As we sought to increase our Voluntary Income and try new innovations, our expenditure on raising funds increased in 16/17. Our income to expenditure ratio for our fundraising work remains strong for the sector, raising £6 for every £1 spent.

Staff costs were 43% (15/16: 39%) of our total expenditure above increasing from £23.8m last year to £24.8m in 2016-17. Average headcount for the year increased to 543 from 521 in 15/16. This growth in employee numbers reflected changes to the design of our new LDP through which our staff now have more contact hours with participants for support, supervision and training to improve impact in the classroom.

Reserves policy

Our unrestricted (or ‘free’) reserves are the net current assets of our general unrestricted funds. We hold these funds in order to:

- Provide a safeguard against the risk of downturn in support of our activities (which could lead to expenditure exceeding income)
- Provide working capital to finance our day-to-day operations;
- Provide a safeguard against failure to deliver contractual obligations we have entered into; and
- Protect our solvency in the event of any curtailment of our income-generating activities.

Given our commitments, we review our reserves policy on an annual basis. We carry out a risk-based assessment of factors likely to reduce our income or increase our expenditure to ensure our free reserves are appropriate. We estimate that the additional costs that we might incur require our free reserves to be between a target range of £12m and £15m. At 31 August 2017, our total reserves were £20.7m, of which £1.1m were restricted and £19.6m unrestricted. Free reserves were £13.3m as detailed in [note 15](#) to the financial statements. A designated fund of £3m has been set up to fulfil a plan of investment in digital transformation to improve the way that we achieve our mission through our work with participants, schools and ambassadors to allow them to better collaborate. Work already completed includes a new website which was launched in September 2017 to improve our ability to communicate with participants and raise awareness and a digital platform for networking our ambassadors which is currently being piloted with 200 of our ambassadors; and an improved candidate application process. Future work planned includes improvements to candidates’ post-offer experience, a new schools’ portal and an upgraded Salesforce implementation. We did not have any investments during the financial year, including those with a social investment focus.

Going concern

We recognise the importance of maintaining a healthy cash balance and an appropriate level of free reserves to meet our commitments. Our forecast cash-flow shows that we have adequate free cash to meet our obligations as they fall due. In confirming our going concern status, we have reviewed our contracted income from provision of initial teacher training, which is contracted until 2019/20 financial year. We have also reviewed expenditure plans and are content that these can be met from existing resources and expected future income.

Our financial planning considers the current economic climate and we believe that we have adequate resources to fund the activities of the charity for the foreseeable future. The trustees are of the view that the charity is a going concern and therefore we have prepared our accounts and financial statements on that basis.

Plans for 2017/18

We believe that we can make our greatest impact on educational inequality if we can place as many great teachers as possible where they are most needed; if we help them to thrive when they are there and if we can mobilise society in support of schools and young people. Our plans for the year ahead centre on these issues.

Despite being one of the largest and most prestigious graduate recruitment schemes in the UK, we face a challenging and competitive recruitment market. In 2017/18 we will review our recruitment operations to ensure we hit our high aspirations for new participants. We are implementing a new marketing campaign, deploying new technology to many of our recruitment processes and investing in the retention of incoming participants. We are significantly expanding our Insight programme, which offers STEM undergraduates an insight into the work of teaching and which has a high conversion rate into applications to our LDP. We are heavily focused on placing our trainee teachers into the government's 'Opportunity Areas', which are specific communities targeted for additional support.

In 2016-17 we launched a redesigned Leadership Development Programme (LDP). In 2017-18 we must embed the new LDP and ensure it lives up to our high expectations for quality and impact. Initial evaluations of the early phases are positive, particularly the investment in the core 'gateway' skills for effectiveness in the classroom.

We will launch our Leading Together programme, backed by the Department for Education's Teaching and Learning Innovation Fund. This is a two-year programme to develop whole school leadership teams and help them create environments in which all teachers can have their greatest impact. This will be an early test of our growing contribution to helping teachers and school leaders thrive in post. We will continue our access work and the Careers and Employability Leadership Programme, directly increasing opportunities for young people to progress to higher education and employment.

We are investing in new platforms to help our ambassadors connect with and support each other. This should enable this community to take more of a lead in organising activity and steering our work. With a community of 10,000 participants and ambassadors, we have a powerful force for change. We want to build two-way dialogue with our ambassadors, help them develop their careers inside and outside school so that they can create opportunities for young people and provide them a voice to campaign for positive change.

We are investing in our digital capability more broadly across the charity to improve our service delivery and our value for money.

Our risks and uncertainties

Effective risk management is critical to ensuring our success in meeting our vision and achieving our goals. All employees should be able to identify and manage key risks within their areas and communicate and escalate these, as appropriate. This ensures that responsibility for risks is distributed across, and embedded in the operations of, the charity.

We manage risks in line with our risk management policy. All identified key organisational risks are collated on a risk register which sets out the risks; assesses their likelihood and impact; tracks the internal controls in place and actions taken to reduce, eliminate or mitigate against each risk; and sets future mitigating actions which would further reduce the likelihood and impact of the risk materialising.

The Executive Committee has responsibility and accountability for the risk register and is supported in this role by its Charity Effectiveness Board. The Board of trustees maintains overall accountability for ensuring that effective risk management arrangements are in place and is supported in this role by its Finance Committee, which also reviews risks escalated from the executive on a quarterly basis.

The principal risks which we identified and managed during 2016/17 were:

- **Income and fundraising:** failure to secure sufficient Government funding and voluntary income to fund our activities; and misalignment between restricted income and the activities we believe will have most impact. Mitigations: continue to work closely with Government partners to ensure that our services meet their needs to ensure a sustainable flow of contracted income for the future. Further refined our “area of activity” budgeting and costing model to better understand activities that require funding. Continue to grow our voluntary income to diversify our funding sources.
- **Recruitment of our participant cohort for 2017:** failure to meet participant recruitment target. Mitigations: the implementation of a series of targeted interventions, including a national and local media campaign and further refinements to our assessment and selection process, to recruit in a highly competitive market. We redesigned the application process and candidate portal.
- **Implementation of our new contract with the Department for Education:** failure to implement new programme model on time and to budget. Mitigations: the implementation of a programme plan, led by an experienced programme manager and extended governance controls including regular financial reporting.
- **Workforce stability and organisational capacity:** possible impacts of lower than targeted retention and/or a lack of capacity on our ability to achieve our goals. Mitigations: interventions have been put in place to retain key personnel and knowledge and to minimise workforce instability. Developed a new career architecture and reward framework which was implemented in September 2017.
- **Child safeguarding:** risk of a child safeguarding incident occurring. Mitigations: all participants (trainee teachers) receive DBS checks and are required to comply with their schools’ safeguarding policies and procedures. An executive-level Child Safeguarding Committee, chaired by the Child Safeguarding Officer, has been established and training of key Teach First employees has taken place.
- **Reputation:** as a charity that benefits from wide support and press and public attention, incidents adversely affecting our reputation could damage our success and performance. Mitigations: we monitor incidents which might damage the charity and also assess potential harm to our reputation in all work that we carry out and activity we engage in.

OUR GOVERNANCE AND MANAGEMENT

Teach First is a charitable company limited by guarantee and not having share capital. We operate in England and Wales (company number 4478840 and charity number 1098294).

We are governed by our Memorandum of Association and Articles of Association, which were last amended in April 2012. Our Memorandum of Association sets out our charitable purpose, which is to advance the education of the public.

New trustees are appointed by the Board of Trustees and appointments are for a term of three years. Trustees may be reappointed by the Board to serve for a maximum of two further three-year terms (nine years in total). During the reporting year the Board appointed two new trustees, with three trustees retiring. A further two trustees retired following the end of the reporting year. The Board reappointed four trustees, including the Chair. At the end of the reporting year, there were 13 trustees. The balance and diversity of trustees is kept under review by the Board. Emphasis is placed on ensuring that our trustees provide the specific mix of skills and experience that have been identified as important to our objectives and activities, as well as the charity's ongoing development. To ensure the voice of a key stakeholder group, two trustees are Teach First ambassadors, having completed our Leadership Development Programme (LDP). All new trustees receive a full induction programme to ensure they understand the organisation, their role and their responsibilities. New and existing trustees are also offered development opportunities to help them meet these responsibilities.

The Board of Trustees meets regularly to govern the charity. This year it held five meetings, including a strategy meeting. The Board has a written schedule of matters reserved for decision by the Board. Matters not reserved for decision by the Board are delegated to one of the Board committees or to the Chief Executive Officer (CEO). The schedule of matters reserved was unchanged during the year.

At its meetings in 2016-17 the Board reviewed organisational performance and impact and risk throughout the year. At a strategic level the Board considered plans for our Challenge the Impossible campaign, a new fundraising proposition, and value for money. It approved investment in the strategic areas of whole school leadership and the charity's digital capabilities. It also led several in-depth reviews, which included graduate recruitment and HR (workforce strategy).

Finance Committee

The Finance Committee assists the Board of Trustees with: financial review; review of internal financial controls; risk management policy and processes; monitoring the effectiveness of the external audit function and making recommendations to the board on the appointment of the external auditor; and employee salary and benefits management, including the CEO's remuneration. This year the Finance Committee held five meetings.

The Finance Committee regularly reviews the financial performance of the charity and ensures appropriate financial planning and policies are in place. As part of this, it reviews and recommends the charity's budget to the Board on an annual basis. To assist with risk management, the Finance Committee regularly reviews the organisational risk register and reviews and recommends the risk management policy to the full Board. It is the responsibility of the Finance Committee to recommend the appointment of the external auditor; review audit findings and meet with the external auditor; and report to the Board on matters of significance arising from the annual audit. The Finance Committee also reviews the Trustees' Annual Report and Accounts and recommends these to the Board for approval.

During 2016-17 the Finance Committee recommended to the Board a new staff pay and performance reward framework, which was approved, and continued to assist the Board by monitoring progress in respect of value for money.

Nomination Committee

The Nominations Committee assists the Board of Trustees with succession planning.

The Nominations Committee recommends to the Board suitable candidates for Board appointments, including

the Chair. Where appropriate it also recommends the reappointment of trustees. This year the Nominations Committee recommended the appointment of two new trustees and reappointment of four trustees, including the Chair. The Vice Chair led the Nominations Committee in its consideration of the reappointment of Paul Drechsler as trustee and Chair, ensuring a fair and transparent process.

The Board also set up a succession committee to select the new CEO in the reporting year and the appointment was made by the Board.

Organisational structure

The Board of Trustees delegates the day-to-day management of Teach First to the CEO and the Executive Team. The CEO and Executive Team meet regularly as the Executive Committee to manage activities undertaken by Teach First.

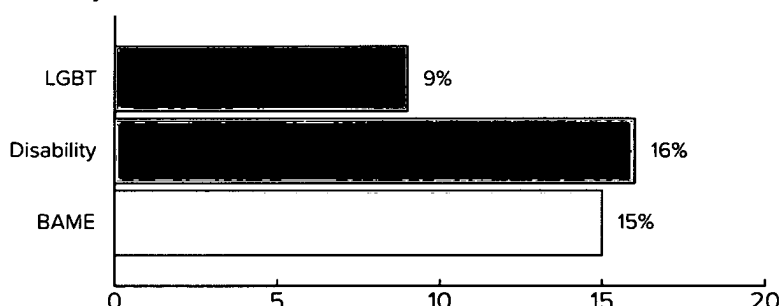
For the first part of the reporting year the organisation was structured as five divisions: Graduate Recruitment; Delivery; Programmes; External Relations; and Operations. A reorganisation took place during the year, with changes phased in and fully implemented from January 2017. The names of the members of the Executive Committee can be found under the 'Administrative details' section (on [page 23](#)).

Equality, diversity and inclusion

We continue to promote equality, diversity and inclusion (including disability) in recruitment practices for both our employees and the trainee teachers whom we recruit to the LDP. Our commitment to giving full and fair consideration to all applicants for vacancies is outlined in our internal Recruitment and Selection Policy and Procedures, for staff vacancies, and published on our website for LDP applicants (under various sections of the LDP recruitment sub-site).

We remain committed to ensuring an organisational culture and working environment which is inclusive, respectful, and in which the dignity and diversity of every individual is maintained and valued.

Diversity of our 2017 teacher cohort



We recognise the diversity within the pupil population that our participants teach and aim to ensure we recruit a diverse cohort each year. Based on self-reporting, the diversity of our trainees who started teaching in September 2017 included: 15% (down 1%) Black, Asian, Minority, Ethnic (BAME); 9% (up 2%) Lesbian, Gay, Bisexual, Transgender (LGBT); and 16% (up 6%) with a disability

As a charity working with schools in low income communities, we are also mindful of the importance of the educational diversity of our participants. Based on self-reporting the educational diversity of participants who started teaching in September 2017 included: 40% (down 3%) who were the first in their families to go to university; 22% (down 2%) who were eligible for Educational Maintenance Allowance and/or Free School Meals, and 25% (down 4%) who attended a Teach First eligible secondary school.

We held a session at our 2017 Summer Institute led by the organisation's LGBTQ+ network. This enabled participants to speak with senior leaders within the organisation, and ambassadors and other programme participants, about their experiences when identifying as LGBTQ+. This was well received and there is opportunity to further build on and learn from this engagement.

Having a diverse workforce where our staff represent the communities we serve is fundamental to the way we work. At April 2017, we employed 551 permanent and fixed term workers, with a mean pay gap of 6.9% in favour of men. The mean gender pay gap is the difference in average female earnings compared to average male earnings.

Women make up 76% of Teach First's workforce overall, with a proportionately higher percentage of women than men in lower and lower-middle pay quartiles. Some of the actions we have put in place to ensure equality and diversity in the workplace include:

- A rigorous assessment and capability-based approach to selection for all appointments, with selection being based solely on merit
- A performance management approach that rewards contribution and is rigorously calibrated
- A simple, fair and transparent pay framework. Pay is determined with reference to an objective and non-discriminatory job evaluation system. In addition, Teach First salaries are informed by independent market testing of roles.
- Strong support for those on maternity leave to facilitate their return to work.
- A wide range of flexible working options that enable our employees to effectively manage their work / life balance. These are available to all employees, regardless of gender or personal circumstances.
- Mandatory diversity training for all employees.
- The right to shared parental leave will be extended to both sexes on equal terms during 2018.

We continue to look for ways to improve our current practices in relation to equality, diversity and inclusion and a cross-section of employees, sponsored by the Executive Director of HR, meet regularly to agree and implement a plan of action. Our key areas of focus are to improve gender balance, increase socio-economic diversity, and increase Black, African and Minority and Ethnic (BAME) representation at all levels of the organisation. Future targeted initiatives include a pilot of 'blind' recruiting practices, manager diversity training with our most recent recruitment of Participant Development Leads as well as the introduction of an apprenticeship scheme targeted at widening access to entry level roles. Teach First also, for the first time, took part in London Pride in July 2017. This saw over 30 staff and members of the community taking part on behalf of Teach First. This was a significant event in marking and celebrating the diversity we have as an organisation and which we continue to build on.

Employees' involvement and engagement

We believe employees should be engaged with and involved in how Teach First is managed. Employees attend regular strategy and team days, including an offsite event, where we discuss organisational developments and generate ideas about new ways of working. We also keep employees updated through all-staff broadcasts (in person and online), via an employee intranet site and through regular e-newsletters. An employee engagement survey was issued during the year, which was completed by 80% of staff. The results of this were communicated across the organisation, and reflected significant strengths, including employee commitment to our purpose, and satisfaction with the work environment and benefits package. Areas for improvement, which are being actively addressed included a focus on how organisational change is managed, and availability of development and career progression opportunities. The Executive Committee is committed to this important exercise and is focusing on organisation-wide improvement actions. Progress will be monitored over the coming year.

Employee engagement with our charitable mission is very important to us. We enable employees to take time to visit schools, mentor sixth form pupils on our Futures programme, fundraise for us or undertake other activities to keep them engaged with our charitable activities.

Remuneration

The Board of Trustees is responsible for the CEO's remuneration and our employee salary and benefits management framework. These are reviewed by the Finance Committee regularly and are recommended by the Committee to the Board for approval. Each year the Finance Committee is responsible for reviewing and approving our performance reward strategy for employees.

In 2015-16, we initiated a full review of job levels and of our staff pay and performance reward framework, which included a comprehensive salary benchmarking exercise. During this reporting year the Board approved the new staff pay and performance reward framework, which was implemented in the autumn of 2017.

Teach First subsidiaries

Teach First has two subsidiary companies: Teach First Initial Teacher Development Limited; and Teach First Trading Limited.

Teach First Initial Teacher Development was established to manage a now fulfilled contract awarded by the Department for Education. This contract related to the delivery of participants' initial teacher training in England for participants starting the programme in the years 2013-2016. This contract ended on 31 July 2017. A new contract was awarded by the National College for Teaching and Leadership to Teach First (Teach First Initial Teacher Development Limited's parent) for the provision of initial teacher training in England in the years 2017-19. Therefore, with the end of the only income-generating activity of Teach First Initial Teacher Development, it will become dormant in the near future.

Teach First Trading Limited continues to raise funds to support the delivery of Teach First's charitable purposes. Details of the financial performance of Teach First's subsidiaries are included in [note 2](#) to the financial statements.

Public benefit

All our activities are undertaken to further our charitable purpose, which is to advance the education of the public. More specifically, the charity is working towards a day when no child's educational success is limited by their socio-economic background. In working towards this vision, we also envisage having a positive impact on wider society.

The trustees have a duty to consider public benefit guidance published by the Charity Commission. We are satisfied that the purpose and activities of the charity continue to satisfy the requirements of the public benefit test set out in section 17 of the Charities Act 2011. We have demonstrated how we have worked towards our charitable purposes, by setting out our achievements during the year in our Trustees' Report (on [pages 6 to 24](#)).

Compliance information

Modern Slavery Transparency Statement

We are required to publish an annual statement on the steps we have taken to ensure that modern slavery is not present in the charity's supply chains or operations. We are committed to upholding the letter and spirit of the Modern Slavery Act; and our Modern Slavery Transparency Statement for 2016-17 is published on our website. This sets out what steps we have taken to prevent modern slavery from occurring within the charity and our supply chains, along with future plans in this area.

Fundraising

The Charity Act 2011 (as amended) now requires all charities subject to audit to provide information on their fundraising practices within the trustees' annual report. This is to help protect the public from intrusive practices.

The majority of our income comes from statutory contracts for the provision of initial teacher training. However, voluntary funding is crucial for our newer areas of activity; specifically, our work with our ambassador community, in Access, and in the area of Collective Action. We therefore undertake a range of fundraising activities in support of our charitable aims. Our approach to fundraising includes:

- partnerships with corporate supporters;
- securing grants from trusts and foundations;
- donations from individuals (mainly from philanthropists but also, on a smaller scale, the wider public);
- entry fees and sponsorship raised by individuals for challenge events, e.g. Run the River; and
- sponsorship related to other events, e.g. sponsorship of the venue for our 2017 Teacher Development Conference.

Most of our fundraising activity is managed in-house. During the year we did use the services of some specialist providers, to support us in certain areas. This included: a specialist research agency, to support our efforts to seek donations from philanthropists; use of advertising agencies to publicise our fundraising events; and events management companies, to provide logistical support in organising larger events. All of this is undertaken under the supervision of our in-house fundraising team.

We did not engage the services of any professional fundraising agencies to undertake direct response fundraising solicitation or cultivation either by phone or face-to-face, during the year.

We are committed to observing the highest possible standards in fundraising. We are required to comply with all relevant law and regulations. We have a number of fundraising professionals in-house and have developed a Fundraising Handbook for all fundraising staff. We are registered with the Fundraising Regulator and thereby committed to the Fundraising Promise. As part of this registration, along with our membership of the Institute of Fundraising, we are committed to compliance with the requirements of the Code of Fundraising Practice. Our commitment to the Fundraising Regulator's Fundraising Promise is published on our website, which also includes information on how to make a complaint related to our fundraising practices.

Trustees' statement of responsibilities

The trustees, who are also directors of Teach First for the purposes of company law, are responsible for preparing our trustees' report and financial statements in accordance with applicable law and regulations.

Company law requires that trustees prepare financial statements for each financial year. Under this we are required to prepare the group and parent company financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 the Charities Statement of Recommended Practice (SORP);
- make judgements and accounting 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 charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

The trustees confirm that:

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

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487 (2) of the Companies Act 2006 unless the company receives notice under Section 488 (1) of the Companies Act 2006.

Liability of members of the Board of Trustees

Teach First is limited by guarantee and has no share capital. The trustees are members of the company and every member is liable to contribute a sum not exceeding £1 in the event of the company being wound up while he or she is a member or up to one year thereafter. At 31 August 2017 there were 13 members.

Declaration

This Trustees' Annual Report on pages 6 to 24, including the Strategic Report on pages 8 to 16, is presented and approved by the Board of Trustees and signed on its behalf.

Signed



Date 07.02.2018

Paul Drechsler, CBE
Chair of the Board of Trustees

ADMINISTRATIVE DETAILS

Teach First

Registered name: Teach First

Charity number: 1098294

Company number: 4478840

Principal and registered office: 6 Mitre Passage, Greenwich Peninsula, London, SE10 0ER

Website: www.teachfirst.org.uk

Patron

His Royal Highness The Prince of Wales KG KT GCB AK QSO ADC

Vice Patron

Dame Julia Cleverdon DCVO CBE

Board of Trustees

Paul Drechsler CBE (Chair)

Lord Andrew Adonis (until 6 April 2017)

Sir David Bell (until 10 December 2016)

James Bilefield

Alison Duncan

Glenn Earle (Senior Independent Director)

Alison Eynon

Lorna Gratton

Lord Jonathan Hill (from 20 March 2017)

Dame Mary Marsh (from 4 April 2017)

Lou McCrimlisk (until 30 November 2017)

Mary Meaney (until 30 November 2017)

Richard Meddings

Dame Alison Peacock

Sarah Shillingford (until 18 February 2017)

Robert Swannell CBE

Company Secretary

Gillian Budd

Finance Committee

Alison Duncan (Chair)

Glenn Earle

Richard Meddings

Dame Alison Peacock (from 19 October 2017)

Nominations Committee

Paul Drechsler CBE (Chair)

Glenn Earle

Lorna Gratton (from 19 October 2017)

Lou McCrimlisk (until 30 November 2017)

Mary Meaney (until 30 November 2017)

Richard Meddings

Executive Committee

Graeme Danton, Chief Operating Officer (until 2 January 2017)
Sam Freedman, Executive Director – Participant Impact and Delivery
Russell Hobby, Chief Executive Officer (from 18 September 2017)
Julie Lombardo, Executive Director – Finance (until 2 January 2017)
Ndidi Okezie, Executive Director – Access, Ambassadors and Community Impact
Isabelle Perrett, Executive Director – Human Resources
James Westhead, Executive Director – Development, Communications and Technology
Brett Wigdortz OBE, Founder and Chief Executive Officer (until 17 September 2017)
Darren Xiberras, Executive Director – Finance and Strategy (from 3 January 2017)

All members of the Executive Committee are deemed key management personnel.

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Solicitors

Clifford Chance
10 Upper Bank Street
London E14 5JJ

Ashurst
Broadwalk House
5 Appold Street
London EC2A 2HA

External Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEACH FIRST

Opinion

We have audited the financial statements of Teach First (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2017 and of the group's and the parent charitable company's incoming resources and application of resources including, the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the

going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in A welcome from our Chair, Paul Drechsler CBE; Chief Executive Officer's introduction; and the Trustees' Report, set out on pages 3 to 24 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.

Opinion 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Trustees' Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' statement of responsibilities set out on page 21, the trustees (who are also the directors of the charitable company 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 group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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.

Grant Thornton UK LLP

Jennifer Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants, London

7 FEBRUARY 2018

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account).

For the year ended 31 August 2017.

	Note	Unrestricted funds	Restricted funds	Total 2017	Total 2016
		£'000	£'000	£'000	£'000
Income:					
Charitable activities	<u>2</u>	25,862	18,254	44,116	39,508
Donations	<u>2</u>	11,621	5,160	16,781	24,176
Investments		70	-	70	187
Income from other trading activities		44	-	44	105
Total income		37,597	23,414	61,011	63,976
Expenditure:					
Cost of raising funds	<u>3</u>	2,377	-	2,377	1,857
Expenditure on charitable activities	<u>3</u>	31,724	23,771	55,495	59,632
Total expenditure		34,101	23,771	57,872	61,489
Net income (expenditure) for the year	<u>5</u>	3,496	(357)	3,139	2,487
Reconciliation of funds:					
Total funds brought forward at 1 September 2016		16,141	1,442	17,583	15,096
Total funds carried forward at 31 August 2017		19,637	1,085	20,722	17,583

All income and expenditure derives from continuing activities.

The Statement of Financial Activities include all gains and losses recognised in the year.

The notes on pages 31 to 49 form an integral part of these financial statements.

A Statement of Financial Activities for the Charity is set out in note 20.

CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 August 2017.

	Note	Group Consolidated 2017	Charity 2017	Restated Group Consolidated 2016	Restated Charity 2016
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	<u>9</u>	3,377	3,377	3,679	3,679
Investments in trading subsidiaries	<u>10</u>	-	-	-	-
Total fixed assets		3,377	3,377	3,679	3,679
Current assets:					
Debtors	<u>11</u>	24,112	24,808	22,572	26,702
Cash at bank and in hand		25,486	21,386	20,323	10,061
Total current assets		49,598	46,194	42,895	36,763
Creditors: amounts falling due within one year	<u>12</u>	(31,169)	(27,765)	(26,975)	(21,344)
Net current assets		18,429	18,429	15,920	15,419
Total assets less current liabilities		21,806	21,806	19,599	19,098
Creditors: amounts falling due over one year	<u>12</u>	-	-	(1,414)	(1,414)
Provisions for liabilities	<u>13</u>	(1,084)	(1,084)	(602)	(602)
Net assets		20,722	20,722	17,583	17,082
Funds					
Restricted funds	<u>14</u>	1,085	1,085	1,442	1,442
Unrestricted funds	<u>14</u>	19,637	19,637	16,141	15,640
Total		20,722	20,722	17,583	17,082

The restatement of the 2016 Group Consolidated and Charity Balance Sheets is explained in [note 21](#).

The notes on [pages 31 to 49](#) form an integral part of these financial statements.

The financial statements on [pages 28 to 49](#) were approved and authorised for issue by the Board of Trustees on 7 February 2018, and were signed on its behalf by:

Paul J. Drechsler 07.02.2018

Paul Drechsler CBE
Chair of the Board
Company Registration Number 4478840

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 August 2017.

	Note	2017	2016
		£'000	£'000
Cash flows from operating activities:			
Net cash provided by/ (used on) operating activities		5,376	(2,031)
Cash flows from investing activities:			
Interest from investments		70	187
Purchase of property, plant and equipment	9	(283)	(3,657)
Net cash used in investing activities		(213)	(3,470)
Net movement in funds			
Change in cash and cash equivalents in the reporting period		5,163	(5,501)
Cash and cash equivalents at beginning of the year		20,323	25,824
Cash and cash equivalents at end of the year		25,486	20,323

Reconciliation of net incoming resources to net cash inflow from operating activities:

	Note	2017	2016
		£'000	£'000
Net income for the year		3,139	2,487
Adjustments for:			
Deposit interest and investment income receivable		(70)	(187)
Depreciation and amortisation charges	9	584	627
(Increase) in debtors	11	(1,540)	(2,062)
Increase /(Decrease) in creditors	12	2,780	(3,506)
Increase in provisions	13	482	602
Loss on disposal of tangible assets		1	8
Net cash provided by / (used in) operating activities		5,376	(2,031)

	2017	2016
	£'000	£'000
Cash at bank and in hand	25,486	20,323
Total cash and cash equivalents	25,486	20,323

The notes on [pages 31 to 49](#) form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006. Teach First meets the definition of a public benefit entity under FRS 102. The Financial Statements are presented in Sterling (£) which is the functional currency of the group and entity. Teach First, and its subsidiaries are incorporated in England and Wales.

b) Going Concern

The trustees have a reasonable expectation that Teach First has adequate resources to continue in operational existence for the foreseeable future. The Board consider Teach First's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing this report. Therefore, the company continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Teach First Trading Limited and Teach First Initial Teacher Development Limited on a line by line basis.

A separate statement of financial activities and income and expenditure accounts are not presented for the charity itself in accordance with the applicable exemptions afforded by section 408 of the Companies Act 2006. All group entities have uniform accounting policies.

d) Income

Income is recognised when the charity has entitlement to the funds; any performance conditions attached to the term(s) of income have been met; it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably.

All grants to which Teach First was entitled at 31 August 2017 have been recognised as income in the accounts, except where the terms of the grant require that the funds granted are spent after 31 August 2017, where there are conditions attached to the grants which we are uncertain will be met or where the charity is yet to meet performance related conditions attached to the grant.

e) Donated goods, facilities and services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Fund accounting

Restricted funds are those funds received with specific conditions attached are restricted for use in those activities only. All other funds received are considered unrestricted funds and are available to spend on activities that further any purposes of the Charity. Designated Funds are unrestricted funds set aside by the trustees for use on specific future projects.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources.

Support costs include the management and administration of Teach First and include staffing and the associated costs of supporting, monitoring and evaluating the work of the charity and irrecoverable VAT. These costs have been split between costs of generating funds and charitable activity. The bases on which support costs have been allocated are set out in note 4. Contributions in respect of the charity's defined contribution pension scheme are charged to the income and expenditure account in the year in which they are payable to the scheme.

Direct costs on costs of raising funds and charitable activity, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of the charity.

h) Operating Leases

The charity classifies the lease of office space and photocopying equipment as operating leases. The title to the assets remains with the lessor and the items are held for significantly less than the useful life of the asset. Payments under operating leases are charged to the income and expenditure account on a straight-line basis.

i) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the time of transaction.

j) Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental costs of acquisition. Individual assets are capitalised only when their cost of acquisition is over £500.

Tangible fixed assets are depreciated based on original cost or valuation, less any residual value, on a straight-line basis over the expected useful economic lives of the assets concerned.

Depreciation is charged from the month of purchase, and none in the year of disposal. The annual rates used for this purpose are:

- Computer equipment – 33.3%
- Equipment, fixtures and fittings – 20%
- Leasehold improvement – depreciated over the term of the lease

k) Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

l) Debtors

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

m) 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 less than 12 months from the balance sheet date.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation as a result of a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably.

o) Volunteers

Approximately 1,300 volunteers give their time freely to nurture and develop the young people and teachers we work with. The value of this is not recognised in the accounts.

p) Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. It is in the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Trustees note that the dilapidations provision (see [note 13](#)) is a material estimate and includes judgement around the monetary rate for dilapidations, the inflation rate applied and the discount factor used in the net present value calculation.

2. Incoming resources

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	Unrestricted	Restricted	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Charitable activities				
Fees paid by schools	12,977	-	12,977	11,510
Initial Teacher Training	12,885	18,254	31,139	27,998
Total charitable activities	25,862	18,254	44,116	39,508
Donations				
Government grants	7,245	-	7,245	14,890
Voluntary income from Corporates, Trusts and Foundations and Individuals	3,959	5,160	9,119	8,795
Donations in kind	417	-	417	491
Total donations	11,621	5,160	16,781	24,176

Further information is provided on the generous support of gifts and services donated in kind:

	2017 Total	2016 Total
	£'000	£'000
Premises, venue and event services	1	9
Training and professional services	235	414
IT services	51	68
Marketing	130	-
Total	417	491

Voluntary income from Corporates, Trusts and Foundations and Individuals includes donations and income from supporters who licence the Teach First brand. The non-primary purpose trading is recognised through the wholly-owned trading subsidiary Teach First Trading Limited (company number: 08159283), which pays the entirety of its profits to the charity by gift aid. The charity owns the entire share capital of the company of 1 share at £1.

Government grants were provided to support our work with participants on the second year of our Leadership Development Programme.

1

A summary of the trading results of Teach First Trading Limited is shown below:

	2017	2016
	£'000	£'000
Turnover	699	677
Cost of sales and administration costs	(109)	(89)
Net profit	590	588
Tax on profit	87	14
Profit for the financial year	677	602
The assets and liabilities of the subsidiary were:		
Current assets	1,010	820
Current liabilities	(1,010)	(319)
Retained in subsidiary	-	501

Teach First Initial Teacher Development Limited (company number: 8331526) supports our teachers through their first year of teaching to achieve Newly Qualified Teacher status; in collaboration with schools and university partners, this work is funded by a contract awarded by the National College for Teaching and Leadership in place until 2016-17.

A summary of trading results for Teach First Initial Teacher Development Ltd is shown below:

	2017	2016
	£'000	£'000
Income	18,254	28,000
Expenditure	(18,254)	(28,000)
Surplus for the year	-	-
Accumulated surplus brought forward	-	-
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	4,910	11,814
Current liabilities	(4,910)	(11,814)
Total net assets	-	-

3. Expenditure

	Unrestricted	Restricted	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Expenditure on raising funds	725	1,652	2,377	1,857

	Unrestricted	Restricted	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Expenditure on charitable activities				
Graduate recruitment	1,936	5,972	7,908	7,630
Participant leadership development	6,767	36,588	43,355	48,495
Ambassador Impact, Collective Action and Access	1,057	3,175	4,232	3,507
Expenditure on charitable activities	9,760	45,735	55,495	59,632

4. Allocation of support costs and overheads

Support costs have been allocated on the basis of staff costs for each type of expenditure activity.

	Total 2017	Total 2016
	£'000	£'000
Expenditure on raising funds	725	590
Expenditure on charitable activities	9,760	9,775
Total	10,485	10,365

	Total 2017	Total 2016
	£'000	£'000
Salaries and staff costs	4,659	4,277
Premises cost and rent	2,072	2,528
Operations and office management	2,294	2,057
Information technology	788	804
Depreciation and amortisation	584	627
Governance costs	88	72
Total	10,485	10,365

5. Net income for the year

This is stated after charging:

	Total 2017	Total 2016
	£'000	£'000
Depreciation	584	627
Auditor remuneration payable:		
Fees payable to the company's auditor for the audit of the company's annual accounts relating to the current year	25	22
Fees payable to the company's auditor for other services:		
Audit of the accounts of subsidiaries	13	11
Tax compliance services	3	3
Operating lease charges: rent and equipment	1,373	1,865

6. Analysis of staff costs and the cost of key management personnel

	Total 2017	Total 2016
	£'000	£'000
Wages and salaries	21,297	20,736
Employer's national insurance costs	2,100	1,901
Pensions and other staff costs	1,395	1,206
Total	24,792	23,843

The cost of key management personnel, comprising the Executive Committee, was £898,784 (2016: £769,895). The members of the Executive Committee are listed on page 24. During the financial year, the number of key management personnel was increased by 1 role to reflect the complexity of the organisation. Employer pension contributions paid in respect of these employees amounted to £127,295 (2016 - £95,173). Under the terms of an agreement dated 24 January 2017, Mr B Wigdortz ended his employment with Teach First on 24 October 2017 and was paid the remainder of his contractual entitlement to notice as pay in lieu of notice. His pay in lieu of notice was included within the cost of key management personnel for the year ending 31 August 2017.

The total of termination payments were £107,599 (2016: £50,855). The nature of these payments were lump sum payments and have been recognised when the charity became legally obliged to make these payments.

Number of employees whose remuneration paid during the year (excluding pay in lieu of notice amounting to £45,000 due to Mr Wigdortz, payable in a future accounting period) was in the following salary bands:

Salary band	2017	2016
60,000 – 69,999	12	8
70,000 – 79,999	2	3
80,000 – 89,999	2	1
90,000 – 99,999	6	3
100,000 – 109,999	5	5
160,000 – 169,999	1	1

Pension contributions

Teach First contributes to defined contribution pension policies for its qualifying employees. Employer contributions payable for the year amounted to £905,063 (2016 - £881,874), of which £153,506 (2016 - £131,600) was outstanding at the balance sheet date.

7. Staff numbers

Salary band	2017	2016
The average number of employees on a Full Time Equivalent basis during the year were:	543	521
The average number of employees on a Headcount basis during the year were:	566	537

All employees are employed by Teach First.

8. Taxation

Teach First is a registered charity under the Charities Act 2011 and as such is exempt from tax on its income and gains to the extent that such income and gains are applied for charitable purposes. Teach First is parent to Teach First Trading Limited. The company made a profit of £677,000, which it will distribute under a deed of covenant and has been recognised in 2017.

9. Consolidated and Charity tangible fixed assets

	Unrestricted	Restricted	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2016	3,159	519	368	4,046
Additions	32	152	99	283
Disposals	-	(1)	-	(1)
Transfer	(37)	37	-	-
At 31 August 2017	3,154	707	467	4,328
Depreciation and amortisation				
At 1 September 2016	74	152	141	367
Charge for the year	320	203	61	584
Disposals	-	-	-	-
Transfers	(23)	23	-	-
At 31 August 2017	371	378	202	951
Net book value				
At 31 August 2017	2,783	329	265	3,377
At 1 September 2016	3,085	367	227	3,679

10. Charity investment in trading subsidiaries

Cost and net book value	Subsidiary undertakings 2017 £
At 31 August 2017	1

Details of the subsidiary undertakings are set out below:

	Country of incorporation	% held	Activity
Teach First Trading Limited 1 Ordinary share of £1 each	England	100	Sponsorships
Teach First ITD Limited Limited by guarantee	England	100	Education (Training)

11. Debtors

	Consolidated 2017	Charity 2017	Consolidated 2016	Charity 2016
	£'000	£'000	£'000	£'000
Trade debtors	23,080	21,312	21,330	18,965
Other debtors	6	6	30	30
Accrued income	221	169	754	747
Prepayments	805	805	458	458
Intercompany debtors	-	2,516	-	6,502
Total	24,112	24,808	22,572	26,702

12. Creditors

	Consolidated 2017	Charity 2017	Restated Consolidated 2016	Restated Charity 2016
	£'000	£'000	£'000	£'000
Creditors: amounts falling due within one year				
Trade creditors	1,993	1,903	1,764	1,738
Other creditors	156	156	167	167
Funds held on behalf of third parties (see i)	430	430	1,931	1,931
Accruals	5,865	2,708	7,619	2,266
Taxation and social security costs	5,478	5,478	2,605	2,518
Deferred income (see ii)	16,095	15,938	12,428	12,263
Rent provision	1,152	1,152	461	461
Total	31,169	27,765	26,975	21,344
Creditors: amounts falling due over one year				
Funds held on behalf of third parties (see i)	-	-	1,414	1,414
Total	-	-	1,414	1,414

The accounts have been restated to correct a misclassification of creditors in the year ending 31 August 2016. £1,931,000 was due within one year as at 31 August 2016. These funds were payable either to universities or returned to schools within the 16/17 financial year based on the dates of participants undertaking the masters. The impact on the balance sheet is detailed in [note 21](#).

i. Funds held on behalf of third parties

	Brought forward	Paid in	Paid out	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements				
Master's programme	3,345	-	(2,915)	430
Total	3,345	-	(2,915)	430

Master's programme

Teach First received funds from schools for a two-year Master's programme in Educational Leadership then passed it on to university partners or refunded the schools accordingly in the year of enrolment. Some funds are held to pay for the second year of the Master's. From 2016, new funds were not collected for Master's.

ii. Deferred income

Consolidated	Brought forward	Net invoiced	Recognised as income this year	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements				
School fees	12,112	13,354	(12,977)	12,489
Initial Teacher Training and Government Grants	165	22,328	(18,975)	3,518
Other income	151	88	(151)	88
Total	12,428	35,770	(32,103)	16,095

Charity	Brought forward	Net invoiced	Recognised as income this year	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements			/	
School fees	12,112	13,354	(12,977)	12,489
Initial Teacher Training and Government Grants	-	22,171	(18,810)	3,361
Other income	151	88	(151)	88
Total	12,263	35,613	(31,938)	15,938

School fees

Some of our schools' fees for trainee teachers are billed in advance. This income is recognised upon achievement of specific milestones.

Initial Teacher Training and other income

This represents contractual income relating to future periods, which is recognised on achievement of specific milestones.

13. Consolidated and Charity Provisions

	Brought forward	Provided in year	Used in year	Carried forward
	£'000	£'000	£'000	£'000
Analysis of movements				
Dilapidations	602	482	-	1,084
Total	602	482	-	1,084

Dilapidations

The provision at 31 August 2017 is in respect of dilapidation costs expected to be payable on the termination of the lease of Teach First's head office in 2026.

14. Analysis of charitable funds at 31 August 2017

Consolidated	Brought forward	Incoming resources	Resources expended	Transfer between funds	Carried forward
	£'000	£'000	£'000	£'000	£'000
Restricted funds					
Access	556	1,398	(1,425)	-	529
Ambassador impact	-	469	(402)	-	67
Collective action	171	954	(1,015)	-	110
Participant impact	715	20,460	(20,796)	-	379
Charity effectiveness	-	133	(133)	-	-
Total restricted funds	1,442	23,414	(23,771)	-	1,085
General Unrestricted funds	16,141	37,597	(34,101)	(3,000)	16,637
Designated funds	-	-	-	3,000	3,000
Total funds	17,583	61,011	(57,872)	-	20,722

Charity	Brought forward	Incoming resources	Resources expended	Transfer between funds	Carried forward
	£'000	£'000	£'000	£'000	£'000
Restricted funds					
Access	556	1,398	(1,425)	-	529
Ambassador impact	-	469	(402)	-	67
Collective action	171	954	(1,015)	-	110
Participant impact	715	2,206	(2,542)	-	379
Charity effectiveness	-	133	(133)	-	-
Total restricted funds	1,442	5,160	(5,517)	-	1,085
General Unrestricted funds	15,640	38,076	(34,079)	(3,000)	16,637
Designated funds	-	-	-	3,000	3,000
Total funds	17,082	43,236	(39,596)	-	20,722

Access

Access includes Futures, which aims to improve pupil progression from schools in low income communities to top universities, and employability, where Teach First supports schools and trains teachers to deliver high quality careers education.

Ambassador impact

Ambassador Impact includes funds for our Pathways programmes to accelerate our ambassadors to middle and senior leadership roles in schools and to support our alumni network in order that they continue to be advocates for our mission.

Collective action

Collective Action includes the Innovation Unit, which supports social entrepreneurs to generate, test and scale new innovations to help end educational inequality in the UK and The Fair Education Alliance is an alliance of 81 member organisations, working together to achieve the Fair Education Impact Goals to reduce educational disadvantage in the UK.

Participant impact

Support for our leadership development programme to recruit, train and place excellent people into schools servicing low income communities across England and Wales, as well as our Insight Programme, providing current university students with an internship at a school.

Unrestricted

Unrestricted funds are received from a range of donors and supporters.

Designated funds

Unrestricted funds are designated for a 3-year programme of investment in digital transformation, contributing to how we achieve our mission through our work with schools, LDP participants and ambassadors as well as HR and finance systems. Work already completed includes a new website which was launched in September 2017 to improve our ability to communicate with participants and raise awareness and a digital platform for networking our ambassadors which is currently being piloted with 200 of our ambassadors; and an improved candidate application process. Future work planned includes improvements to candidates' post-offer experience, a new schools' portal and an upgraded Salesforce implementation.

15. Analysis of net assets between consolidated funds

Consolidated	General unrestricted funds	Designated funds	Restricted funds	2017 Total	Restated 2016 Total
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:					
Fixed assets	3,377	-	-	3,377	3,679
Debtors	22,681	-	1,431	24,112	22,572
Cash in bank and in hand	19,007	3,000	3,479	25,486	20,323
Creditors: amounts falling due within one year	(27,344)	-	(3,825)	(31,169)	(26,975)
Total	17,721	3,000	1,085	21,806	19,599
Creditors: amounts falling due over one year	-	-	-	-	(1,414)
Provisions	(1,084)	-	-	(1,084)	(602)
Total funds carried forward	16,637	3,000	1,085	20,722	17,583

Free reserves, which are defined as General Unrestricted Reserves excluding fixed assets, were £13.3m at 31 August 2017 (2016 - £12.5m).

Charity	General unrestricted funds	Designated funds	Restricted funds	2017 Total	Restated 2016 Total
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:					
Fixed assets	3,377	-	-	3,377	3,679
Net current assets	14,344	3,000	1,085	18,429	15,419
Total	17,721	3,000	1,085	21,806	19,098
Creditors: amounts falling due over one year	-	-	-	-	(1,414)
Provisions	(1,084)	-	-	(1,084)	(602)
Total funds carried forward	16,637	3,000	1,085	20,722	17,082

16. Financial commitments

There were capital commitments of £nil existing at 31 August 2017 (31 August 2016 - £nil).

The company was committed to making the following total future payments in respect of operating leases:

	2017	2016
	£'000	£'000
Leases which expire:		
Within one year	1,144	424
Within two to five years	3,706	2,616
Over five years	2,880	4,319
Total	7,730	7,359

17. Related party transactions

At the time Mr B Wigdortz gave notice to end his employment and in order to facilitate a smooth transition of the charity's long standing leadership arrangements and stakeholder relationships, Teach First entered into an agreement dated 24 January 2017 and amended by a deed of amendment dated 28 June 2017, with Nogil Limited, a company controlled by Mr Wigdortz, for provision of consultancy services. Delivery of services pursuant to this agreement commenced on 25 January 2018 and ceases no later than 31 July 2018. The maximum amount payable under this agreement, £96,000, is included in the results for the year ending 31 August 2017 all of which remained outstanding at this date.

Teach First entered into agreement dated 21 December 2016 with Blue Consulting (Cardiff) Limited, a company controlled by Mr D Xiberras, for provision of an Interim Executive Director of Finance service. The total sums payable under the terms of this agreement were £70,114. The agreement with Blue Consulting (Cardiff) Limited was terminated on 30 April 2017 with Mr Xiberras' appointment as a permanent member of staff. No sums remained outstanding at 31 August 2017.

The charity has taken advantage of the exemption in FRS102 "Related Party Disclosures" from disclosing transactions with other members of the group. No member of the Board of Trustees received any remuneration during the year. Trustees were reimbursed £1,881 for travel and subsistence costs (2016: £2,628).

18. Funding agreement disclosures

Listed below are those funds that were received during the year which are required to be disclosed under the terms of their funding agreements and have been applied in accordance with the terms thereof. These are the largest of the funds received, all of which have contributed to the activities undertaken during the year.

Fund provider	Purpose of the funds	2017
		£'000
NCTL (TA)	Initial Teacher Development	18,254

19. Comparative Consolidated Statement of Financial Activities

For the Year Ended 31 August 2016.

Consolidated	Unrestricted funds	Restricted funds	Total 2016
	£'000	£'000	£'000
Income:			
Charitable activities	11,510	27,998	39,508
Donations	18,266	5,910	24,176
Investments	185	2	187
Income from other trading activities	105	-	105
Total income	30,066	33,910	63,976
Expenditure:			
Cost of raising funds	1,857	-	1,857
Expenditure on charitable activities	25,647	33,985	59,632
Total expenditure	27,504	33,985	61,489
Net income/(expenditure) for the year	2,562	(75)	2,487
Reconciliation of funds:			
Total funds brought forward at 1 September 2015	13,579	1,517	15,096
Total funds carried forward at 31 August 2016	16,141	1,442	17,583

20. Charity Statement of Financial Activities

For the Year Ended 31 August 2017.

Charity	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Income:				
Charitable activities	25,862	-	25,862	11,510
Donations	10,927	5,160	16,087	23,500
Investments	70	-	70	184
Income from other trading activities	1,217	-	1,217	765
Total income	38,076	5,160	43,236	35,959
Expenditure:				
Cost of raising funds	1,828	-	1,828	1,177
Expenditure on charitable activities	32,251	5,517	37,768	32,238
Total expenditure	34,079	5,517	39,596	33,415
Net income / (expenditure) for the year	3,997	(357)	3,640	2,544
Reconciliation of funds:				
Total funds brought forward at 1 September	15,640	1,442	17,082	14,538
Total funds carried forward at 31 August	19,637	1,085	20,722	17,082

21. Restatement of Consolidated and Charity Balance Sheet

For the Year Ended 31 August 2016.

The corrects a misclassification of creditors in the year ending 31 August 2016 between creditors due over one year to creditors due within one year has been explained in [note 12](#).

Consolidated	Previously reported 2016	Re-classification of funds held on behalf of third parties	Restated 2016
	£'000	£'000	£'000
Fixed assets			
Tangible assets	3,679	-	3,679
Investments in trading subsidiaries	-	-	-
Total fixed assets	3,679	-	3,679
Current assets			
Debtors	22,572	-	22,572
Cash at bank and in hand	20,323	-	20,323
Total current assets	42,895	-	42,895
Creditors: amounts falling due within one year	(25,044)	(1,931)	(26,975)
Net current assets	17,851	(1,931)	15,920
Total assets less current liabilities	21,530	(1,931)	19,599
Creditors: amounts falling due over one year	(3,345)	1,931	(1,414)
Provisions for liabilities	(602)		(602)
Net assets	17,583	-	17,583
Funds			
Restricted funds	1,442	-	1,442
Unrestricted funds	16,141		16,141
Total	17,583	-	17,583

Charity	Previously reported 2016	Re-classification of funds held on behalf of third parties	Restated 2016
	£'000	£'000	£'000
Fixed assets			
Tangible assets	3,679		3,679
Investments in trading subsidiaries	-		-
Total fixed assets	3,679		3,679
Current assets			
Debtors	26,702		26,702
Cash at bank and in hand	10,061		10,061
Total current assets	36,763	-	36,763
Creditors: amounts falling due within one year	(19,413)	(1,931)	(21,344)
Net current assets	17,350	(1,931)	15,419
Total assets less current liabilities	21,029	(1,931)	19,098
Creditors: amounts falling due over one year	(3,345)	1,931	(1,414)
Provisions for liabilities	(602)		(602)
Net assets	17,082	-	17,082
Funds			
Restricted funds	1,442	-	1,442
Unrestricted funds	15,640		15,640
Total	17,082	-	17,082

THANK YOU

Our work and its transformative impact on disadvantaged young people would not have been possible without the support of our partners. Their generosity and expertise have enabled us to found and develop innovative programmes, expand into new areas and ultimately help over a million children since 2002.

Transformation partners

- Accenture
- Citi
- Credit Suisse EMEA Foundation
- Deloitte
- Goldman Sachs
- HSBC

Platinum partners

- Ashurst
- Bank of America Merrill Lynch
- Barclays
- Bloomberg LP
- Civil Service
- Clifford Chance
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- Education Endowment Foundation
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- The Burberry Foundation
- The Huo Family Foundation
- The Queen's Trust
- The Sackler Trust

Gold partners

- Careers and Enterprise Company
- Edge Foundation
- Jupiter Asset Management
- Independent Franchise Partners
- National Apprenticeship Service
- National Grid
- Oliver Wyman
- PZ Cussons
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Silver partners

- British Army
- BP
- Green Foundation
- John Laing Charitable Trust
- KPMG
- Mishcon de Reya
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- Sparx
- The Eranda Rothschild Foundation
- The Haberdashers' Company

Bronze partners

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- Bank of Ireland
- BlueSky
- Bright Network
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- Kirby Laing Foundation
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- Neil and Julie Record
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- The Goldsmiths' Company
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- United Utilities plc
- University of Cambridge
- Western Union
- Winton Philanthropies

University partners

We would like to thank our university partners for playing a vital role in the delivery of our Leadership Development Programme, and enabling our participants to maximise their impact on the lives of children and young people from disadvantaged communities in England and Wales.

- Bath Spa University
- Birmingham City University
- Canterbury Christ Church University
- Cardiff Metropolitan University
- Northumbria University
- Sheffield Hallam University
- UCL Institute of Education
- University of Bristol
- University of Exeter
- University of Manchester
- University of Nottingham
- University of Wales Trinity St David's

Governmental partners

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Donations in kind

Organisations, including Clifford Chance, Ashurst, Salesforce.com, Oliver Wyman, Deloitte and PA Consulting, supported our work with pro-bono support, including legal support in relation to our office move, consultancy support and IT software licences.

Support of our campaign events and policy reports

Over the course of our campaign year, Challenge the Impossible, we have hosted a series of events, and policy reports, which wouldn't have been possible without the generous support of our sponsors and event partners. These have included:

15th Anniversary Gala Dinner

- **Headline sponsor:** Deloitte
- **Event partners:** Jupiter Asset Management and Ashurst LLP

Teacher Development Conference

- **Headline supporter:** NatWest MoneySense

Run the River

- **Headline sponsor:** Citi
- **Event partner:** Jupiter Asset Management

Impact Conference

- **Headline supporter:** SSE
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Beyond Access Policy Report

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