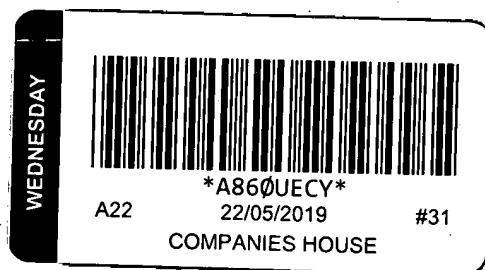


## **TALENT-ED EDUCATION**

### **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of the company for the purposes of company law) present their report together with the financial statements and the independent examiner's report for the year ended 31 August 2018

### Trustees:

The trustees who served during the year were:

Dame Christine Ryan DBE (Chair)

Neil Ehrenzweig (Treasurer)

Raphael Cohen

Martyn Caddick (resigned 1 February 2018)

Sarah Handley

Ruth Ballett

Rowenna Abel

Dr. Simon King

### Contact Information:

Talent-Ed Education

Edspace, Hackney Community College, Falkirk Street, London, England, N1 6HQ (Registered Charity Address)

020 3544 2090

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

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

### Independent Examiner:

Paul Cartwright – Chartered Accountant

31 Melbourn Road

Royston, Hertfordshire, SG8 7DE

### Bank:

Lloyds Bank, PO Box 1000, Andover BX1 1LT

### Legal Status and full registered name:

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

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

### Objectives of the Charity:

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

### Structure, Governance and Management:

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

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

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

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

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

## Strategy:

TalentEd's vision is to give every young person the support, skills and aspirations to realise their potential. Sadly, this is often not the case for young people from low income areas in the UK and educational inequality is highest amongst the brightest students. Our Theory of Change sets out how we achieve 'public benefit' by offering high-ability students from disadvantaged backgrounds a year-long programme of weekly small group sessions. Our qualified teachers aim to improve GCSE grades and academic and career options.

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

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

1. In 2017-18, TalentEd engaged over 90 inspirational tutors to deliver 6,420 hours of personalised support to 215 bright students from disadvantaged and low income backgrounds, making a total of 1,172 students since our pilot in 2012.
2. Our impact measurement this year shows:
  - 86% of students had improved across all 9 of our outcome measures.
  - 80% of our partner schools reported that students on our programme had increased in confidence.
  - 64% of students felt inspired about different career options.
  - 69% of students reported improved revision techniques.
  - 60% of students improved their Maths and English GCSE grades from original targets.
3. In 2017-18 we worked with 21 secondary schools across 12 local authority areas
4. We were very generously supported by significant grant funding and a loan from the Young Foundation to invest in expansion to widen our reach.

## Financial Review

TalentEd increased total income to £242,487 in 2017-18 (2016-17: £212,518). This was largely due to a 31% increase in income from schools, representing 45% (2016-17 39%) of the charity's funding for the year coming from paid-for services.

This income enabled the charity to spend £241,924 (2016-17: £163,194) during the year, of which 89% was on its charitable activities – delivering support to bright students from low income backgrounds, with the remainder on fundraising and other support costs.

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

## Reserves Policy:

- All funds generated by TalentEd are for the charitable purpose of giving young people from low income backgrounds the support, knowledge and skills to realise their aspirations and potential.
- It is necessary for funds to remain in the bank account (reserves) to deliver sessions which have been committed and to plan for longer term projects, if and when these arise.
- The trustees prepare and approve a budget for each financial year based on projected income and expenditure. Financial performance is reviewed quarterly against the budget to ensure funds are being spent, as planned, on the charitable purpose.
- Trustees will also check that reserves are being maintained at a level consistent with that performance, combined with prudent assumptions about funding going forward, to ensure commitments to the schools can be maintained until the end of the academic year and any longer term planned projects can still be delivered.

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- Trustees will ensure that, in the event of any major source of income failing, the organisation has enough reserves to continue to operate for 6 months while alternative income is sourced.
- Prior to the end of the year, the budget is reset, and the planning process restarts for the next academic and financial year.

## TalentEd Future:

In April 2017 TalentEd agreed a three-year business plan to invest in our capacity and expand our reach.

Aided by our loan from the Young Foundation we will expand across London, the Midlands, the North West and the North East of England.

Supported by an extensive network of inspirational tutors and volunteers we intend to develop a series of programmes responding to the educational needs of high ability disadvantaged students in school years 8 to 11.

We also aim to increase the level of digitisation in our processes as well as to improve the quality of both our tutoring and outcome evaluation.

We thereby aim to be the first choice for schools and tutors committed to improving outcomes for all our beneficiaries

## Acknowledgements:

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

## Statement of Trustees' Responsibilities:

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

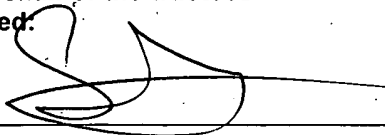
- Select suitable accounting policies and then apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject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

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

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

## On Behalf of the trustees

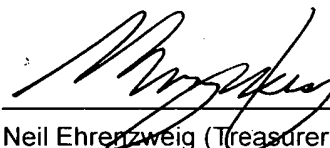
Signed:



Dr Simon King (Trustee)

Date

16/05/2019



Neil Ehrenzweig (Treasurer)

Date

16 May 2019

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TALENT-ED EDUCATION

I report on the financial statements of the charity for the year ended 31 August 2018, which are set out on pages 5 to 10.

### Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') and that an independent examination is needed. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a Member of the Institute of Chartered Accountants in England and Wales (ACA).

It is my responsibility to:

- examine the financial statements (under Section 145 of the 2011 Act);
- follow the procedures laid down in the general directions given by the Charity Commissioners under Section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement below.

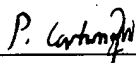
### Independent examiner's statement

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

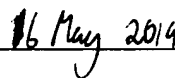
1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act;
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give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

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

**Signed**



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



Date

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income & Expenditure Account)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Income:</b>					
Grants & Donations	2	57,949	73,924	131,873	129,122
<i>Income from Charitable Activities</i>					
Fees from schools	3	109,700	-	109,700	83,396
Other income		714	-	714	-
<b>Total Income</b>		<b>168,363</b>	<b>73,924</b>	<b>242,287</b>	<b>212,518</b>
<b>Expenditure:</b>					
<i>Costs of Raising Funds</i>	4	13,601	13,491	27,092	15,287
<i>Expenditure on charitable activities</i>	5	104,661	110,551	215,212	147,907
<b>Total Expenditure</b>		<b>118,262</b>	<b>124,042</b>	<b>242,304</b>	<b>163,194</b>
<b>Net income (expenditure) and net movement in funds for the year</b>		<b>50,101</b>	<b>(50,118)</b>	<b>(17)</b>	<b>49,324</b>
<b>Reconciliation of funds</b>					
Total Funds Brought Forward		40,794	41,013	81,807	32,483
Fund Transfer		(16,095)	16,095	-	-
<b>Total Funds Carried Forward</b>		<b>74,800</b>	<b>6,990</b>	<b>81,790</b>	<b>81,807</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derives from continuing activities.

The Notes on pages 7 to 10 form an integral part of these accounts.

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## BALANCE SHEET AS AT 31 AUGUST 2018

	Note	2018 £	2017 £
<b>Current Assets:</b>			
Bank & Cash		232,934	85,926
Debtors	9	4,775	108
<b>Liabilities</b>			
Creditors falling due within one year	10	(45)	(65)
Creditors falling due after more than one year	11	(127,319)	-
Deferred School income	12	(28,584)	(4,162)
<b>Net Assets</b>		<b>81,761</b>	<b>81,807</b>
<b>The Funds of the charity:</b>			
Unrestricted income funds		74,800	40,794
Restricted Income funds		6,990	41,013
<b>Total charity funds</b>		<b>81,790</b>	<b>81,807</b>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31 August 2018: -

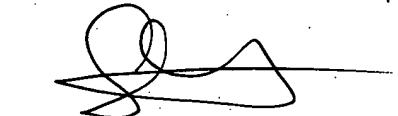
- the company was entitled to exemption from audit under section 477 of the Companies Act 2006, and
- members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act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

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

The Notes on pages 7 to 10 form an integral part of these accounts.

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

The financial statements were approved by the trustees on 16 May 2019 and signed on their behalf:



Dr Simon King  
Director and trustee



Neil Ehrenzweig,  
Director and trustee

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting Policies

#### a Basis of accounting

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

#### b Incoming Resources

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

#### c Resources Expended

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

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

Costs of fund-raising include the time costs of bidding for external funds.

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

#### d Funds

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

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



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## 2) Income from Grants & Donations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Grants Receivable:</b>				
Ann Rylands/Jules Thorn	750	-	750	-
British & Foreign School Society	-	5,232	5,232	6,000
Children in Need	-	7,338	7,338	2,317
Clothworkers	-	4,700	4,700	-
Deloitte	945	-	945	1,301
Dulverton Trust	31,212	-	31,212	-
EY Beyond Me	-	-	-	2,505
Garfield Weston Foundation	-	-	-	30,000
The Grocers Charity	10,000	-	10,000	-
Google Giving	-	-	-	340
John Lyons Charity	-	34,000	34,000	34,000
Leathersellers	10,000	-	10,000	10,000
Newby Trust	-	5,000	5,000	-
Santander	-	10,400	10,400	11,300
Sobell	-	-	-	9,000
St. James Place	-	-	-	8,990
Tallow Chandlers	5,000	-	5,000	-
Trusthouse	-	-	-	6,394
UK Giving Foundation	42	-	42	-
<b>Donations</b>				
Allen & Overy - pro-bono legal advice	-	7,254	7,254	6,975
	<b>97,521</b>	<b>45,912</b>	<b>143,433</b>	<b>129,122</b>

## 3) Income from Charitable Activities

	£	£	£	£
Fees from schools	109,700	-	109,700	83,396
Other income	714	-	714	-
	<b>110,414</b>	<b>-</b>	<b>110,414</b>	<b>83,396</b>

## 4) Costs of Raising Funds

	£	£	£	£
Support costs apportioned (see note 6)	12,466	13,514	25,980	15,287
	<b>12,466</b>	<b>13,514</b>	<b>25,980</b>	<b>15,287</b>

## 5) Expenditure on Charitable activities

	£	£	£	£
Direct costs on school sessions	29,518	47,288	76,806	66,854
Support costs apportioned (see note 6)	75,558	63,580	139,138	81,052
	<b>105,076</b>	<b>110,868</b>	<b>215,944</b>	<b>147,906</b>

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## 6) Analysis of Support Costs

	Charitable Activities £	Raising Funds £	Total 2018 £	Total 2017 £
Staff costs	114,213	11,819	126,032	75,240
Office Costs	24,925	2,769	27,695	14,125
Finance costs	-	4,137	4,137	-
Legal costs	-	7,254	7,254	6,975
	<b>139,138</b>	<b>25,980</b>	<b>165,118</b>	<b>96,340</b>

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

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

Legal costs relate to the pro-bono advice on the same loan provided by Allen & Overy

## 7) Staff Costs

	2018 £	2017 £
Salaries	143,204	82,672
Social Security Costs	19,405	5,646
	<b>162,609</b>	<b>88,318</b>

The charity had an average number of 5.1 full-time equivalent employees during the year (2017 – 3.6).

No employee earned more than £60,000 per annum.

## 8) Trustees' remuneration & expenses

The trustees did not receive any remuneration during the year (2016: Nil) neither were they reimbursed or paid any expenses during the year (2016: Nil)

## 9) Debtors

	£	£
Invoices for next year's programme and other prepayments	4,775	108
	<b>4,775</b>	<b>108</b>

## 10) Creditors falling due within one year

	£	£
Accruals	687	65
	<b>687</b>	<b>65</b>

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

	£	£
Young Foundation Convertible Loan note	126,137	-
	<u>126,137</u>	<u>-</u>

The Young Foundation Convertible Loan note matures on 16 February 2020, at which point redemption is via conversion to a revenue participation loan whose terms are agreed at that time.

## 12) Deferred Income

	2018 £	2017 £
Salaries	143,204	82,672
Social Security Costs	19,405	5,646
	<u>162,609</u>	<u>88,318</u>

## 13) Restricted Funds

	Note	Funds 1 Sep 18 £	Incoming Resources £	Resources Expended £	Transfers £	Funds 31 Aug 18 £
Allen & Overy	a	-	7,254	(7,254)	-	-
BFSS	b	2,576	5,232	(13,365)	5,557	-
Children in Need	c	399	7,338	(14,033)	6,296	-
Clothworkers	d	-	4,700	(4,772)	72	-
John Lyons Charity	e	32,883	34,000	(60,091)	-	6,792
Newby Trust	f	-	5,000	(5,000)	-	-
Santander	g	-	10,400	(10,875)	475	-
Trusthouse	h	5,155	-	(8,991)	3,836	-
		<u>41,013</u>	<u>73,924</u>	<u>(124,382)</u>	<u>16,236</u>	<u>6,792</u>

- a. Allen & Overy provided pro bono legal advice
- b. The British & Foreign School Society (BFSS) provided funding for our work in Northamptonshire.
- c. Children in Need funded projects in Southwark
- d. Clothworkers provided funding towards laptops and software
- e. The John Lyon's Charity provided for activities in specific London boroughs
- e. Newby Trust provided funding towards recruitment of new tutors
- g. Santander funded salaries for paid internships
- h. Trusthouse Charitable Foundation provided funding for work in Bridlington