

**Schools and Teachers Innovating for Results**

**Annual Report and Financial Statements**

Year ended 31 March 2019

Company Limited by Guarantee  
Registration Number:  
08186440 (England and Wales)

Charity Registration Number:  
1149143

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## **Reference & Administrative Information**

Status	<p>Schools and Teachers Innovating for Results (STiR) is a charitable company limited by guarantee, incorporated on 21 August 2012 and registered as a charity on 28 September 2012.</p> <p>In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.</p>
Governing document	The organisation was established under a Memorandum of Association, which established the objects and powers of the organisation, and is governed under its Articles of Association.
Trustees	<p>Jonathan Owen (Chair)</p> <p>Rachel Hinton (appointed 11 May 2019)</p> <p>John Austen Knight</p> <p>Paulo Pisano</p> <p>David Rothschild</p> <p>Dr Amrita Bihari Ahuja</p>
Company Secretary	<p>Bates Wells Braithwaite</p> <p>10 Queen Street Place</p> <p>London</p> <p>EC4R 1BE</p>
Chief Executive	Sharath Jeevan
Senior Executives	<p>James Townsend – Chief Programme Officer</p> <p>Tomos Davies – Chief Operating Officer</p> <p>Anamika Srivastava – Global Director, Finance &amp; Administration</p> <p>Jenny Willmott – Country Director, Uganda</p> <p>Nithyambika Gurukumar – Head, Donor Partnerships &amp; Strategic Communication</p> <p>Reinier Terwindt – Head, Strategy and Monitoring &amp; Evaluation</p> <p>John McIntosh – Head, Design and Programme Readiness</p> <p>Eva Namukwaya – Country Director, Uganda (Resigned on 31 December 2018)</p> <p>Sandeep Mishra – Country Director, India (Resigned 31 March 2019)</p>
Registered office	<p>65 Kingsway</p> <p>London</p> <p>WC2B 6TD</p>
Principal office	<p>68-80 Hanbury Street</p> <p>London</p> <p>E1 5JL</p> <p>T: +44 (0)20 3870 1112</p> <p>E: <a href="mailto:info@STiReduction.org">info@STiReduction.org</a></p> <p>W: <a href="http://www.STiReduction.org.uk">www.STiReduction.org.uk</a></p>

Company registration number 08186440 (England and Wales)

Charity registration number 1149143

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## **Trustees' report Year to 31 March 2019**

The trustees of Schools and Teachers Innovating for Results (STiR), present this trustees' report together with the financial statements for the year ended 31 March 2019.

The report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report as required by the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 of this report. The statements comply with the charity's Memorandum and Articles of Association, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later, and all applicable laws.

### **A. STiR's Vision & Values**

STiR's vision is "A world where teachers love teaching and children love learning".

We achieve this through a close partnership and support model with education systems, at both national/state and district levels. These partnerships are guided by the following values:

**Humility:** We don't have all the answers upfront.

**Ownership:** We empower each other with high expectations and support.

**Openness:** We will listen, learn and improve, and lead through obstacles.

**Purpose:** We're united by a shared vision we'll build and achieve together.

### **B. Objectives and STiR's approach to fulfil its objectives**

As set out in the Memorandum and Articles of Association, STiR's objectives are:

1. 'the identification, development and promotion of new educational methods to advance and further education anywhere in the world; and
2. the promotion of such other purposes being exclusively charitable according to the law of England and Wales as the trustees may from time to time determine'.

To fulfil its charitable objectives, STiR undertakes the following key activities

1. Building Local Teacher Networks: groups of 20 to 30 teachers that meet each month and gain exposure to evidence-based ideas for improving their teaching practice. Through these networks they gain autonomy by adapting their ideas to their own contexts, mastery through pushing each other to improve and purpose via a regular discussion of the 'why'. Through this process they are empowered to tangibly improve their classroom practice and consequently children's learning; and
2. Partnering with Education Systems: STiR works at district, state and national levels to ensure buy-in from senior officials and alignment with government priorities. Our work in each of our geography starts by agreeing a memorandum of understanding with state and/or national governments to ensure ownership of this approach from the start. We then work with these governments at all levels to run, support and sustain these teacher networks.

These activities are reflected in STiR's achievements, developments and future plans, which are organised by strategic priorities in the following pages.

## **Statement of trustees' responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of 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.

## **STiR's Board of Trustees**

The Board of Trustees works closely to provide strategic and fiduciary oversight and guidance to the executive team. Trustee meetings take place once a quarter and involve an operational and programme review as well as a focused examination of key strategic priorities. Once a year, Trustees also attend a full day strategy workshop – alongside STiR's key funding partners – in one of our operating geographies. There are regular one to one discussions between Trustees and members of

the executive team between board meetings, including a fortnightly discussion between the Chair and the Chief Executive.

The following trustees were in office at the time this report was approved and served throughout the year, except where shown:

Trustee	Appointed/Resigned
Jonathan Owen (Chair)	
John Austen Knight	Appointed 20 June 2018
David Rothschild	
Paulo Pisano	
Dr Amrita Bihari Ahuja	Appointed 17 September 2018

STiR has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by STiR during the year totalled £743 (2018 – £1,878) and provides cover of up to a maximum of £2m (2018 – £1.5m).

## E. Structure

The Chief Executive and Senior Executives attend meetings of the board of trustees and Finance Committee on a quarterly basis. This enables the business of the board, including strategy development and governance, to be undertaken collaboratively and in accordance with good practice. The Chief Executive manages the day-to-day business of STiR.

## F. Other relationships

STiR has set up an office in Uganda, which is a legally registered non-profit entity. In India it is being incubated by Development Consortium with a fiscal sponsor relationship and has a signed multiyear Memorandum of Understanding agreement.

## G. Key management personnel

The key management personnel of the charity comprise the Trustees together with the Chief Executive and Senior Executives as listed on page 3. The position of India country Director became vacant from 1 April 2019 and hiring process is underway to find a suitable replacement.

## H. Compensation review

This year STiR reviewed its approach to compensation and has adopted a new strategy that helps promote transparency and gender equality. The salary scales of all our staff were updated after benchmarking with comparable organisations across the education sector. STiR's board formally approves any annual or inflationary increments.

## I. Objectives and Achievements

Significant progress has been made against the four core aims and objectives from last year:

**Cost** – STiR has continued to improve financial monitoring and control systems whilst also reducing cost per unit across all contexts. This was helped by the strategic changes and approach to programmes and improved financial planning, monitoring and reporting.

**Governance** – STiR reviewed the current approach to governance and completed a skills audit of the Finance Committee. And also welcomed two new board members with plans to further strengthen the board in the coming year.

**Finances** – STiR's funding gap for the year were successfully closed with particular attention focused on fundraising for the programme in India.

**Organisational Capacity** – STiR has developed and launched its 'Core Offer' to team members that is designed to improve recruitment, retention and professional development of all team members.

#### **J. Public benefit**

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. STiR's activities continue to aid and support the beneficiaries outlined within its charitable objectives including teachers and children across the Ugandan and Indian education systems along with the systems and structures that support them.

#### **K. STiR's fundraising approach**

STiR is supported by 18 of the world's leading funding organisations. The fundraising activities are carried out by a core team of three who are full time employees of the organisation and form part of the Donor Partnerships and Strategic Communications function who are all based in STiR's London office. The team is responsible for scoping potential funding partnerships and taking invited grant applications to fruition. The core activities involve pipeline desk research, establishing new partnerships through contacts/introductions that come through existing funding partners and or supporters of STiR and managing relationships with current/existing funding partners.

Neither STiR as an entity, nor any of its team members within the Donor Partnerships and Strategic Communications function subscribe or are subscribed to any fundraising voluntary regulation schemes or standards. STiR holds its employees to a very high standard of accountability and ownership and there has not been any untoward incidents or complaints arising consequent to its fundraising activities. As part of its fundraising activity, STiR engages only with trusts/foundations/bi-laterals who have invited the organization to apply for funding and therefore does not undertake any in-person/door to door fundraising initiatives currently.

#### **L. Achievements and Performance**

The year to 31 March 2019 was STiR's 'Year of Clarity'. We have determined that in order to create sustainable change at a large scale, our only real option is to partner with governments to embed our approach into their systems. We have therefore completed our move to system learning partnerships in all of our geographies. We have solidified our system learning partnerships with governments in India and Uganda through the signing of long-term memorandums of understanding (MOUs). We now have MOUs with four states in India (Uttar Pradesh (until June 2021), Karnataka (until June 2021), Delhi (until August 2020) and Tamil Nadu (until April 2023), and with the government of Uganda (until December 2023). Each MOU is a negotiated agreement covering the following three key points:

##### *1. Re-focusing our geographic priorities to ensure that we can maintain quality*

The Delhi government was the first to challenge us to scale up and reach every school in its districts. We have since received similar requests from the Ugandan government and from



other states in India, where the national ministry has asked us to reach 40 million children by 2025. While these requests to scale are compelling, we have learned from our Delhi experience that the responsibility for scale lies not with us but with governments, and our role should focus more on empowering and supporting governments in that pursuit.

## 2. *Ensuring that every school and teacher is able to take part*

A critical change in our MOUs has been to move participation from a default opt-in to a default opt-out. Based on positive 'nudge' research, this means that all schools and teachers automatically become part of our model in any district we work, and removes the access barrier which often resulted in low intervention 'dosage' in previous versions of the model. This is especially important since 'dosage' is highly correlated with impact on pupil outcomes.

## 3. *Shifting a higher level of operational and financial responsibility to the governments*

As we build our learning in demonstration districts, we will start to engage with adoption districts (the remaining 75-80% of districts), where District Leads will leverage their impact at a higher level with 'District Champions' (more senior government officials), working directly with them to support Education Leader Managers and Education Leaders to deliver our approach and providing tools and certification. We expect that after 5-7 years, governments will be equipped and capable to sustain the approach on their own with only light-touch support, tools and certification, as well as access to a global knowledge network for systems to learn from each other.

STiR has continued to strengthen its approach to monitoring and evaluation this year and have launched a new measurement framework. We are now using a robust combination of the following tools to support our team across all monitoring and evaluation activities:

- ✦ *Big data for behavioural insights:* using a mobile app, STiR District Leads gather, analyse and share monthly insights on behavioural trends. This data is triangulated and sampled to ensure data reliability and identify district, state and country trends.
- ✦ *Longitudinal study:* data trends are further evaluated by an external partner (Ichuli) who provide an independent assessment based on a sample of officials, teachers and children. This longitudinal sample is designed to show us the behaviours of individuals over time. Key outcome data from all levels of the education system is collected and evaluated to ensure that we are contributing to systemic improvements in education quality.
- ✦ *Rapid learning cycles:* we have adopted a problem-driven iterative adaptation method to quickly design, test and refine new programmatic features to maximise our impact. We will typically trial these features in one geography – if it proves successful, it can be rolled out locally and often more widely around the world.

Finally, we have focused on moving to our next stage of organisational development, ensuring that we have the right foundations in place to support our continued growth. This includes significant improvements in our approaches to financial forecasting, controls and reporting, a re-launched People Strategy, and partnering with a communications agency to help us better articulate our core messages and be more consistent with our internal and external audiences.

## M. Financial Review

The financial position of STiR at the end of the year is set out below.

The balance sheet shows total funds of £2,083,461 at 31 March 2019 (2018 – £1,324,610). At this date, restricted funds amounted to £1,359,839 (2018 – £1,084,042). These funds have either been restricted for use on specific projects or they comprise donations subject to donor-imposed restrictions. Full details of these restricted funds can be found in note 11 to the financial statements together with an analysis of movements in the year.

STiR's funds which are unrestricted represent its 'free reserves' and total £723,622 (2018 – £240,568) at 31 March 2019.

STiR received its income mainly in the form of grants and spent its money on charitable activities set out in paragraph L above.

## N. Plans for 2019-20

Our objectives for the 2019-20 year are as follows:

1. Build on the enhanced clarity of our programmatic approach to ensure strong progress on key behavioural measures, in close partnerships with local and national governments in Uganda and India.
2. Build on our more aligned and professional organisation and realise the next level of organisational maturity for financial, legal, people, administrative and technology functions as well as design and our monitoring and evaluation.
3. Engage and inspire key external audiences and influencers around STiR's approach to intrinsic motivation in systems.
4. STiR is exploring international opportunities for further expansion of the programme that will allow STiR to further increase its reach and impact. We have received initial interest from several countries including Ethiopia and Indonesia.

## O. Key Challenges, principal risks and uncertainties

1. **Staff recruitment and retention-** To mitigate this we have updated our people strategy and focused on improving line management and leadership capabilities.
2. **Limited capacity for officials to take on additional responsibilities-** We are working with the system leadership to create the conditions for success and with our progress pathway and success indicators supporting and assessing this will be much more streamlined.
3. **Funding gap and local philanthropy-** A focus on local philanthropy is now core to our funding strategy. But the space has been slow to show progress and has made us aware of several administrative conditions and processes that come along with it. This learning has meant that STiR refocussed efforts to build partnership with a few local foundations and/or corporates rather than many to support the goal. Along with this it will continue to engage international partners who will play a very important role as anchor funders to support the strategy.
4. **Communications around approach and model-** Feedback around lack of clarity and a common uniform message both internally and externally. Internally-created clear role descriptors and ran

sessions with team to support their understanding. Externally- have worked with strategic consultancy to help us more accurately represent our brand, message and build consistency around it.

**P. Reserves policy**

The Trustees have examined the STiR's requirements for reserves in light of the risks to the organisation. STiR continues to build reserves through planned operating surpluses to meet our working capital requirements of the charity. The Executives are confident that at the current level of reserves they would be able to continue the operating activities of the charity for 3 to 4 months in the event of a significant challenge in funding.

The balance of unrestricted funds at 31s March 2019 is £723K (2018: £240K); this represents over 4 months' current annual operating expenditure (which represents personnel costs and office operations globally).

The Trustees continue to review and manage actively the reserves of STiR. The Board of Trustees are aware of this and keep oversight on this.

**Q. Investment policy**

STiR does not hold any financial investments to date and is in the process of setting up the investment policy.

Trustees' report approved by the trustees and signed on their behalf by:



Trustee: JONATHAN OWEN.

Approved by the trustees on: 1/11/19

Company Registration No. 08186440 (England and Wales)  
Charity Registration No. 1149143

## **Independent Auditor's Report**

### **Opinion**

We have audited the financial statements of Schools and Teachers Innovating for Results for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its 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 for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation 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 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 the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures 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

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

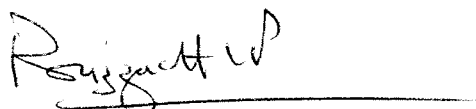
**Auditor's responsibilities for the audit of the financial statements**

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

**Use of our report**

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.



Buzzacott LLP  
Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

8 November 2019

# Statement of financial activities for the year ended 31 March 2019


	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Income and expenditure							
<b>Income from:</b>							
Donations and legacies	1	734,038	2,985,313	3,719,351	552,963	3,364,736	3,917,699
Interest income		10,112	—	10,112	3,516	—	3,516
Other income		3,716	—	3,716	974	—	974
<b>Total income</b>		<b>747,866</b>	<b>2,985,313</b>	<b>3,733,179</b>	<b>557,453</b>	<b>3,364,736</b>	<b>3,922,189</b>
<b>Expenditure on:</b>							
Charitable activities	2	264,812	2,709,516	2,974,328	512,128	3,018,397	3,530,525
<b>Total expenditure</b>		<b>264,812</b>	<b>2,709,516</b>	<b>2,974,328</b>	<b>512,128</b>	<b>3,018,397</b>	<b>3,530,525</b>
Net income for the year and net movement in funds	5	483,054	275,797	758,851	45,325	346,339	391,664
<b>Reconciliation of funds:</b>							
Fund balances brought forward as previously stated		240,568	1,084,042	1,324,610	197,398	998,361	1,195,759
Opening funds adjustment	16	—	—	—	(2,155)	(260,658)	(262,813)
<b>Total funds brought forward</b>	16	<b>240,568</b>	<b>1,084,042</b>	<b>1,324,610</b>	<b>195,243</b>	<b>737,703</b>	<b>932,946</b>
<b>Fund balances carried forward</b>		<b>723,622</b>	<b>1,359,839</b>	<b>2,083,461</b>	<b>240,568</b>	<b>1,084,042</b>	<b>1,324,610</b>

All of the charity's activities derived from continuing operations during the above two financial periods.

## Balance Sheet 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Current assets</b>					
Debtors	9	785,606		469,763	
Cash at bank and in hand		1,556,597		948,702	
		<b>2,342,203</b>		<b>1,418,465</b>	
<b>Creditors:</b> amounts falling due within one year	10	<b>(258,742)</b>		<b>(93,855)</b>	
Net current assets and net assets			<b>2,083,461</b>		<b>1,324,610</b>
The funds of the charity					
Restricted funds	11		<b>1,359,839</b>		<b>1,084,042</b>
Unrestricted funds					
. General fund			<b>723,622</b>		<b>240,568</b>
Total funds brought forward	16		<b>2,083,461</b>		<b>1,324,610</b>

Approved by the trustees and signed on their behalf by:

  
 Trustee: JONATHAN OWEN  
 Approved on: 1/11/19

Company Registration No. 08186440 (England and Wales)

Charity Registration No.1149143



# Statement of cash flows for the year to 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	<b>597,783</b>	169,987
Cash flows from investing activities:			
Interest received		<b>10,112</b>	3,516
Net cash provided by investing activities		<b>10,112</b>	3,516
Change in cash and cash equivalents in the year		<b>607,895</b>	173,503
Cash and cash equivalents at 1 April 2018	B	<b>948,702</b>	775,199
Cash and cash equivalents at 31 March 2019	B	<b>1,556,597</b>	948,702

## Notes to the statement of cash flows for the year to 31 March 2019.

### A) Reconciliation of expenditure for the year to net cash used in operating activities

	2019 £	2018 £
Net income for the year (as per the statement of financial activities)	<b>758,851</b>	391,664
Adjustments for:		
Interest receivable	<b>(10,112)</b>	(3,516)
(Increase) in debtors	<b>(315,843)</b>	(113,448)
Increase (decrease) in creditors	<b>164,887</b>	(104,713)
Net cash used in operating activities	<b>597,783</b>	169,987

### B) Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<b>1,556,597</b>	948,702

### **Principal accounting policies**

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

These financial statements have been prepared for the year to 31 March 2019.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

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

### **Basis of preparation**

Schools and Teaching Innovating for Results (STiR) is a charitable company incorporated on 21 August 2012 in England and Wales and as a registered charity on 28 September 2012. There are three areas of operation – the central governance, fundraising and support functions within the UK and operational activity in both Uganda and India – with a shared vision, mission and business model being adopted. The financial statements therefore incorporate all operations to show the activities of the entire organisation, but for the purposes of local laws, the Uganda and India operations have been separately incorporated.

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

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- Determining the amounts allocated to restricted funds;
- Determining the basis for the allocation of support and governance costs across the charitable activities as shown in note 3; and
- Determining the fund balance carried forward to the next financial year on the basis of income recognised and expenditure allocated.

### **Assessment of going concern**

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

The trustees of the STiR have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2020, the most significant issues that affect the carrying value of the assets held by the charitable company are the availability of grants and funding from institutions, family foundations and other agencies and general economic conditions on the level of commercial sources of income.

### **Income recognition**

Income is recognised on an accruals basis in the year in which the charity is entitled to receipt, it is probable the charity will receive the income and the amount can be measured with reasonable certainty. Income is deferred only when STiR has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises interest receivable on cash held with the charity's bankers and donations and legacies.

Interest on funds held at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Donations and legacies are recognised as income either upon receipt or where the charity has incurred expenditure which is to be reimbursed by a funder.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to expenditure on charitable activities.

All expenditure is incurred as per STiR's charitable purposes as described in the trustees' report. It includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities and also any redundancy payments made. Such costs include direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs (including governance costs) are allocated as described in note 3 to these financial statements.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

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

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund structure**

Restricted funds comprise funds raised for, or which have their use restricted to, a specific purpose, geography or contributions subject to donor-imposed conditions.

General funds are unrestricted funds and represent the net surplus made by the charity during its operations. They are available to be used for the objective of the charity at the discretion of the Trustees.

### **Leased assets**

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

### **Foreign currency**

Transactions in foreign currencies are translated into sterling at the average exchange rate incurred by the charity in the period. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the year-end date. All revaluation differences and foreign exchange differences are taken to the statement of financial activities.

**Taxation**

Provision for corporation tax is not necessary, as STiR is a registered charity. No deferred tax provision is required.

**Pensions**

STiR contributes to pension arrangements on behalf of its employees. Contributions payable for the year are charged to the income and expenditure account.

## Notes to the financial statements

### 1. Donations

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Donations and grants	734,038	2,985,313	3,719,351
	734,038	2,985,313	3,719,351

	Unrestricted funds £	Restricted funds £	2018 Total funds £
Donations and grants	552,963	3,364,736	3,917,699
	552,963	3,364,736	3,917,699

### 2. Expenditure

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<b>India</b>			
Staff costs	—	472,309	472,309
People Development Costs	—	33,012	33,012
Office costs	—	103,126	103,126
Monitoring and evaluation	—	109,266	109,266
Programme training	—	142,462	142,462
Travel and subsistence costs	—	3,242	3,242
Equipment	—	17,976	17,976
Meeting costs	—	9,873	9,873
Support costs (note 3)	132,406	193,646	326,052
	132,406	1,084,912	1,217,318

## 2. Expenditure (continued)

	Unrestricted funds £	Restricted funds £	2018 Total funds £
<b>India</b>			
Staff costs	—	635,578	635,578
People Development Costs	—	30,596	30,596
Office costs	—	95,735	95,735
Technology costs	—	—	—
Monitoring and evaluation	—	34,757	34,757
Programme training	—	190,204	190,204
Travel and subsistence costs	—	11,402	11,402
Equipment	—	17,560	17,560
Meeting costs	—	32,341	32,341
Other costs	—	204,438	204,438
Support costs (note 3)	271,504	55,282	326,786
	<u>271,504</u>	<u>1,307,893</u>	<u>1,579,397</u>
	Unrestricted funds £	Restricted funds £	2019 Total funds £
<b>Uganda</b>			
Staff costs	—	377,553	377,553
People Development Costs	—	19,305	19,305
Office costs	—	72,708	72,708
Monitoring and evaluation	—	89,928	89,928
Programme training	—	556,124	556,124
Equipment	—	11,070	11,070
Meeting costs	—	2,623	2,623
Support costs (note 3)	132,406	495,293	627,699
	<u>132,406</u>	<u>1,624,604</u>	<u>1,757,010</u>
2019 Total funds	<u>264,812</u>	<u>2,709,516</u>	<u>2,974,328</u>

## 2. Expenditure (continued)

	Unrestricted funds £	Restricted funds £	2018 Total funds £
<b>Uganda</b>			
Staff costs	—	434,626	434,626
People Development Costs	—	340	340
Office costs	—	116,889	116,889
Professional fees	—	3,984	3,984
Monitoring and evaluation	—	3,686	3,686
Programme training	—	648,621	648,621
Travel and subsistence costs	—	35,915	35,915
Equipment	—	30,003	30,003
Meeting costs	—	6,351	6,351
Provision for liability (note 10)	—	8,824	8,824
Other costs	—	171,706	171,706
Support costs (note 3)	240,624	249,559	490,183
	<u>240,624</u>	<u>1,710,504</u>	<u>1,951,128</u>
<b>2018 Total funds</b>	<b>512,128</b>	<b>3,018,397</b>	<b>3,530,525</b>

## 3. Support costs

	India £	Uganda £	2019 Total funds £
Staff costs	226,325	447,585	673,910
Pension Costs	7,034	13,064	20,098
People Costs	845	1,569	2,414
Office costs	32,356	54,683	87,039
Meeting costs	30,156	56,004	86,160
Equipment Costs	499	926	1,425
Communications Costs	10,681	19,836	30,517
Design Costs	362	978	1,340
Governance costs (note 4)	8,174	15,181	23,355
Foreign exchange Losses	9,620	17,873	27,493
	<u>326,052</u>	<u>627,699</u>	<u>953,751</u>



### 3. Support costs (continued)

	India £	Uganda £	2018 Total funds £
Staff costs	222,530	333,795	556,325
Pension Costs	10,460	15,691	26,151
Technology costs	240	362	602
Office costs	39,314	58,972	98,286
Meeting costs	14,102	21,152	35,254
Equipment Costs	1,193	1,790	2,983
Travel and subsistence costs	2,963	4,444	7,407
Governance costs (note 4)	9,812	14,719	24,531
Foreign exchange Losses	26,172	39,258	65,430
	<u>326,786</u>	<u>490,183</u>	<u>816,969</u>

Support costs are allocated on the basis of the direct costs incurred on each area.

### 4. Governance costs

	Unrestricted Funds £	Restricted funds £	2019 Total funds £
Audit fees:			
. Buzzacott LLP	—	16,800	16,800
. Component auditors	—	6,555	6,555
2019 Total funds	<u>—</u>	<u>23,355</u>	<u>23,355</u>

	Unrestricted funds £	Restricted funds £	2018 Total funds £
Legal and professional fees	—	7,047	7,047
Audit fees:			
. Buzzacott LLP	—	13,500	13,500
. Component auditors	—	3,984	3,984
2018 Total funds	<u>—</u>	<u>24,531</u>	<u>24,531</u>

## 5. Net income for the year

This is stated after charging:

	2019 Total funds £	2018 Total funds £
Staff costs (note 6)	1,543,870	1,652,680
Auditor's remuneration		
.UK Statutory audit services		
..Current year	14,400	13,500
..Prior year	2,800	—
.Component auditors	6,555	3,984
Operating lease rentals	49,188	42,907

## 6. Employees and staff costs

Staff costs during the period were as follows:

	2019 £	2018 £
Wages and salaries	1,490,287	1,553,389
Social security costs	33,485	73,141
Other pension costs	20,098	26,150
	1,543,870	1,652,680

Included in the above are redundancy/termination payments of £15,019 (2018 – £nil) made to 1 (2018 – zero) employees.

The average number of employees during the period, analysed by function, was as follows:

	2019 No.	2018 No.
Charitable activities		
India	47	79
Uganda	29	43
Support and administration	10	7
	86	129

## 6. Employees and staff costs (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2019 No.	2018 No.
£80,001 - £90,000	—	1
£90,001 - £100,000	2	—
£100,001 - £110,000	1	1

Contributions were made to a defined contribution pension scheme in respect to all the above employees.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Chief Executive, and Senior Executives.

The senior management team comprises the following individuals: Chief Executive Officer, Chief Programme Officer, Chief Operating Officer, Global Director, Finance & Administration, Country Director (Uganda), Head, Donor Partnerships & Strategic Communication, Head, Strategy and Monitoring & Evaluation, Head, Design and Programme Readiness.

The total remuneration (including taxable benefits, employer's pension and national insurance contributions) of the key management personnel for the year was £599,835 (2018 – £399,757).

## 7. Payments in relation to trustees

No trustees were remunerated for the current or prior year. Out of pocket travel and subsistence expenses amounting to £nil (2018 – £nil) were reimbursed to no trustees (2018 – none).

## 8. Taxation

STiR is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 9. Debtors

	2019 £	2018 £
Amounts due from Ark	169,506	300,487
Accrued income	472,574	157,458
Other debtors	143,526	11,818
	<b>785,606</b>	<b>469,763</b>

#### 10. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	118,762	56,713
Accruals	23,355	21,123
Other creditors	116,625	16,019
	<b>258,742</b>	<b>93,855</b>

#### 11. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of grants and funding held to be applied for specific purposes:

	At 31 March 2018 £	Income £	Direct costs £	Support costs £	At 31 March 2019 £
Uganda	255,614	1,867,611	1,129,311	495,293	<b>498,621</b>
India	828,428	1,117,702	891,266	193,646	<b>861,218</b>
	<b>1,084,042</b>	<b>2,985,313</b>	<b>2,020,577</b>	<b>688,939</b>	<b>1,359,839</b>

	Restated At 1 April 2017 £	Income £	Direct costs £	Support costs £	At 31 March 2018 £
Uganda	327,895	1,638,223	1,460,945	249,559	255,614
India	409,808	1,726,513	1,252,611	55,282	828,428
	<b>737,703</b>	<b>3,364,736</b>	<b>2,713,556</b>	<b>304,841</b>	<b>1,084,042</b>

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

##### *Funds restricted to Uganda*

These funds are restricted to funding STiR's operations in Uganda.

##### *Funds restricted to India*

These funds are restricted to funding STiR's operations in India.

## 12. Analysis of net assets between funds

	Restricted funds £	General fund £	2019 Total funds £
Fund balances at 31 March 2019 are represented by:			
Current assets	1,618,581	723,622	2,342,203
Current liabilities	(258,742)	—	(258,742)
Total net assets	1,359,839	723,622	2,083,461

	Restricted funds £	General fund £	2018 Total funds £
Fund balances at 31 March 2018 are represented by:			
Current assets	1,177,897	240,568	1,418,465
Current liabilities	(93,855)	—	(93,855)
Total net assets	1,084,042	240,568	1,324,610

## 13. Operating lease commitments

At 31 March 2019, the charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2019 £	2018 £
Operating lease payments which fall due:		
Within one year	31,929	87,776
Between one and two years	51,174	19,322
Between two and five years	47,334	21,381
	<b>130,437</b>	<b>128,479</b>

## 14. Pension commitments

The charity contributes to defined contribution pension arrangements on behalf of its employees. The pension cost for the year amounted to the figure shown in note 6.

## 15. Related parties

Prior to 1 April 2016, STiR Education was part of Absolute Return for Kids (ARK), registered charity number 1095322, company number 04589451. On 1 April 2016, a one-off transfer was made of the assets, liabilities and activities of Schools and Teachers Innovating for Results to their bank account, and so has been shown as a transfer in of funds of £631,330 in the financial statements for the year ended 31 March 2017.

STiR had a balance of £169,506 due from Ark at 31 March 2019 (2018 – £300,487).

## 16. Prior year and opening funds adjustment

	Unrestricted funds £	Restricted funds £	Total funds £
At 1 April 2017 as previously stated	197,398	998,361	<b>1,195,759</b>
Donations from Ark derecognised as income			
. Uganda	—	(68,894)	<b>(68,894)</b>
. India	—	(191,764)	<b>(191,764)</b>
. Other	(2,155)	—	<b>(2,155)</b>
	(2,155)	(260,658)	<b>(262,813)</b>
<b>At 1 April 2017 as restated</b>	<b>195,243</b>	<b>737,703</b>	<b>932,946</b>

NB: During the year ended 31 March 2018, STiR became aware that donations amounting to £262,813 had been recognised as income for the previous financial year. These funds were direct cash transfers from ARK to the Uganda and India branches of STiR (and not a donation to the UK arm of STiR followed by a disbursement to the branches) and as such the income recognition criteria of entitlement for the charity had not been satisfied. Included within the above are losses on foreign exchange associated with these donations amounting to £15,225 (Uganda – £6,090, India – £9,135). The impact of the adjustment is to reduce the opening reserves and the amounts due from ARK on the balance sheet by the above amount.