

**Oxford Youth Lab (formerly  
known as Right to Succeed  
CIO)**

**Annual Report and Financial  
statements**

Year to 31 August 2017

Charity Registration Number  
1160886

## Contents

### Reports

Legal and administrative information	1
Trustees' report	2
Independent auditor's report	15

### Financial statements

Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Principal accounting policies	21
Notes to the financial statements	24

## Legal and administrative information

<b>Trustees</b>	Mrs Sarah Evans (appointed 29 September 2017; appointed Chair 11 October 2017) Sir John Bell (appointed 29 September 2017) Mr Anthony Harte Sir John Hood (appointed 29 September 2017) Ms Bethia McNeil (resigned 15 December 2017) Dame Joan McVittie (resigned as Chair 11 October 2017) Mr Jo Owen Mr David Sheldon Mr Chris White Mrs Jill Finney (appointed 16 February 2017) Mr Charles Scott (appointed 16 February 2017)
<b>Registered office</b>	40 Bowling Green Lane London EC1R 0NE
<b>Charity registration number</b>	1160886
<b>Auditor</b>	Buzzacott LLP Statutory Auditor 130 Wood Street London EC2V 6DL
<b>Bankers</b>	CAF Bank 25 King's Hill Avenue West Malling Kent ME19 45Q
<b>Solicitors</b>	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ  Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1BE

## **Trustees' report** year to 31 August 2017

The trustees present their report together with the financial statements of Oxford Youth Lab (formerly Right to Succeed) for the year to 31 August 2017.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 23 therein and comply with the charity's constitutional document, applicable law and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

### **Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's objectives and aims and in planning future activities.

### **Objects**

The objects of the Charity are to advance for the public benefit any purpose or purposes which are exclusively charitable under the laws of England and Wales as the Trustees from time to time see fit with a non-exclusive focus on the education of young people, particularly those from disadvantaged communities including, without limitation by providing educational support to such young people; and providing support to individuals and organisations advancing the education of such people.

### **Vision and mission**

During the year ended 31 August 2017 the organisation was working with the vision, mission and objectives outlined below in mind. These are currently being reviewed and expanded in light of the recent transformation into Oxford Youth Lab as described below in Plans for The Future.

Our vision to date:

To eliminate the effects of poverty and system failure upon the achievement of young people, giving every child the Right to Succeed.

Our mission to date:

To develop, pilot and scale collaborative solutions to the problems of education inequality that arise when system failure meets poverty.

## **Objectives, Activities, Achievements and performance**

### ***Issue***

We are trying to help schools in low-income communities to close the performance gap with schools in more advantaged communities, boosting the prospect of social mobility. Pupils attending schools in the most disadvantaged quartile are three times as likely to attend schools that “require improvement” and are 10 times more likely to attend a school that is “inadequate”.

### ***Aim***

We aim to support every school that we work with to be at least “good” according to OFSTED in all areas of their inspection. We do this by supporting them to become efficient deliverers of outcomes through the forensic understanding and meeting of the often unidentified learning needs of their pupils.

### ***Intervention, Format, and Delivery***

Our focus is on creating a grass root, multi-siloed approach to transforming pupil outcomes in low-income communities, and creating the conditions for such an evidence led approach to be scaled in similar areas.

Our pilot programme in Blackpool began in 2015 is running over four years, and seeks to embed a four-stage continuous improvement cycle approach in schools.

1. Identify: clear diagnosis of pupil needs (cognitive, social and emotional)
2. Design: use the evidence base to identify interventions and partners that best meet the needs, and develop the intervention delivery plan
3. Deliver: roll out the intervention against the delivery plan, with close monitoring enabling mid-stream improvements
4. Reflect: gain qualitative follow-up from pupils and staff involved, and make improvements before scaling the intervention

In 2017/18, the focus of the programme moved from the identification stage to primarily looking at design, delivery and reflection. We supported the school leaders to make evidence-informed intervention choices in relation to addressing the need of their students which resulted in a number of key improvement areas being focused on across the schools:

- ◆ Vision, Mission and Values
- ◆ Social and Emotional Development - Mindset
- ◆ Teaching and Learning

**Objectives, Activities, Achievements and performance** (continued)

***Intervention, Format, and Delivery*** (continued)

- ◆ Literacy
- ◆ Numeracy
- ◆ Assessment
- ◆ Parental Engagement

In order to maximise the effectiveness of the respective interventions it was imperative to both build the capacity of the internal school improvement team and work collaboratively with the school and intervention partners to 'create the conditions' to drive success. In order to facilitate this positive change process our main activity consisted of the following:

- ◆ Connecting intervention partners with schools
- ◆ Coordinating school to school learning visits
- ◆ Co-designing intervention implementation plans
- ◆ Quality assurance/monitoring meetings with schools and partners
- ◆ Preparing reports and information to support Ofsted inspections
- ◆ Delivering, co-designing and co-facilitating staff professional development training, including developing research leads and intervention champions in each school
- ◆ Sharing research and impactful practice within and across schools
- ◆ Supporting schools with data analysis and drawing meaningful insight
- ◆ Providing tools and resources to enable schools to demonstrate impact through case studies
- ◆ Co-writing funding bids to enable schools to develop, pilot and scale impactful practice

***Performance to 31 August 2017***

Whilst the long-term impact of the programme has yet to be seen, both due to the incremental nature of school improvement work and the fact that many of our interventions are key stage 3 focused, impact has been evidenced in a number of areas as outlined below.

**Objectives, Activities, Achievements and performance** (continued)

**Performance to 31 August 2017** (continued)

*Collaborative outputs*

Working alongside seven schools in Blackpool, we have enabled the following collaborative outputs:

- ◆ Schools received 778 hours of intensive support from the Right to Succeed team
- ◆ 65 school staff trained as research-leads and intervention champions
- ◆ 13 hours of professional development for each school champion
- ◆ 614 hours of specialist support from partners
- ◆ 13 specialist partners delivering interventions across 7 schools

*Social and emotional development:*

All schools involved in the programme have developed a greater awareness and understanding regarding their role in supporting a child's social and emotional development. The strongest example of practice in this area has been at Blackpool's pupil referral unit, Ed-Diversity, who have constructed their vision, mission, values and curriculum around identifying and meeting the needs of the child. The results demonstrated that based on a sample of 100 students receiving intensive intervention focusing on social and emotional development these students showed an average improvement of +0.23, where social and emotional development is measured on a scale of 1-10. Data from 3,390 students in Blackpool suggests an expected decrease of around -0.15 per year. So this increase is almost +0.4 when compared to expected progress. Moving forward we are utilising the learning from their impactful practice to encourage other schools to adopt this approach within their setting.

*Quality of experience:*

Schools have realised the value of taking formative feedback from all of their stakeholders in order to learn how to effectively enhance the quality of experience. The best practice in this area was seen in Unity Academy who were passionate about improving the quality of teaching and learning in Science to bring this in line with positive progress in English and Maths. We introduced the 'I Know My Class' survey to identify areas of low student quality of experience and based on the results the school have successfully improved academic outcomes with an intensive focus on how children experience the science curriculum. The Teachers' knowledge of their students "hopes and dreams" improved by 30% in 2017 from below the Blackpool average to above the international benchmark, with each student's response being recorded centrally allowing staff to plan specific links to the personal goals of students.

**Objectives, Activities, Achievements and performance** (continued)

**Performance to 31 August 2017** (continued)

*Quality of experience* (continued)

The relevance of lessons improved by 5% in 2017 with the department ensuring that schemes of work now incorporate "Real World" applications, including guest speakers. Homework has also been a significant development area with student engagement and performance being linked to either an increase in challenge or additional supportive intervention being provided based on the needs of the individual.

*Exclusion rates*

Due to the impact of our work in schools, the work of partners and the Head Start programme, permanent exclusions have fallen by more than half across Blackpool from 51 permanent exclusions in 2016 to 22 in 2017.

This is encouraging progress but there is still much more to do in terms of the town adopting a systematic, evidence-informed approach to identifying need and removing barriers to learning as children in Blackpool lost 3,500 full days of education to fixed term exclusions last year.

*Assessment:*

Through our support, guidance and intervention partner systems, schools have improved their capacity to both accurately identify students' needs and assess their progress. The strongest examples of practice in the area come from Ed-Diversity who have combined the use of Climbing Frames and GL Assessment to increase the percentage of students gaining a recognised qualification and provided consistency across their 5 centres. South Shore Academy who achieved their best ever English results through providing focused period 6 intervention classes and reorganising class groupings based on the assessment data and St Mary's who are now supporting St George's Academy to implement a fine grain analysis re-teach model through the adoption of their Data and Feedback to Inform Teaching and Learning (DAFITAL) approach. Having recommended GL Assessment to all Blackpool schools in late 2015, the schools are now buying into the system through the Strategic School Improvement Fund which if used effectively has the potential to drive an improvement in outcomes across the town moving forward.

*Literacy focus:*

Schools are now able to recognise that a focus on improving literacy across the curriculum is a fundamental component of their improvement journey. There is a consensus across the town's secondary schools regarding adopting one or a combination of our intervention partners, Accelerated Reader, Catch Up Literacy and Lexonik, to drive progress in this area. In addition to this 4 of the schools are utilising the Route Map resource we co-developed with CUREE to improve teaching and learning in the classroom.



**Objectives, Activities, Achievements and performance** (continued)

**Performance to 31 August 2017** (continued)

*Feedback from Ofsted:*

Whilst Ofsted judgements are an extremely crude indicator of our impact, both our work and the work of our intervention partners have been cited or referred to within the reports of the schools that we have worked with. 6 of the 7 schools have improved or maintained their grading with only St George's dropping from Good to Requires Improvement as had been long expected. However, positive references were made within reports in relation to work we were associated with in the areas of social and emotional development, assessment, literacy and numeracy.

*Sustaining momentum:*

Supporting Ed-Diversity to access the Laurel Trust funding to pilot an alternative research-informed approach to preventing exclusions and developing St Mary's EEF bid to become the town's research school have been key pieces of work that have the potential to fully implement our research-informed cycle to improving outcomes for young people and leave a legacy which sustainably embeds this approach within and across the schools. Our work over the next 18-24 months will be focusing on ensuring this successful transition of knowledge and practice occurs.

*Feedback from schools*

We asked our seven Blackpool schools to complete a quality assurance survey to provide us with feedback of their experience working with us. Nine senior staff, including 5 headteachers involved in our programme completed the survey from 6 of the schools:

100% of respondents agreed we met our values of Commitment, Integrity and Collaboration.  
90% of respondents agreed we met our values of Humility and Creativity.

100% of respondents agreed that the Right to Succeed team helped identify need, provided evidence based solution, fostered collaboration, were committed and focused on achieving positive collective outcomes and that the programme itself was value for money.

90% of respondents agreed that the team ensured interventions were monitored effectively and learning was maximised, delivered a high quality service, were responsive to their schools' needs, were creative and transparent in delivery.

And finally, 90% of respondents strongly agreed that they would recommend the Right to Succeed programme to a colleague.

**Objectives, Activities, Achievements and performance** (continued)

***Assessing the feasibility of social impact bonds as a way of scaling***

A social impact bond is a commissioning tool that can enable organisations to deliver outcomes contracts and make funding for services conditional on achieving results. We see the core principles of a social impact bond as closely aligned to the behaviours that our secondary school programme is seeking to embed; namely, a solution based mindset; a rigorous focus on using data to evidence and improve outcomes; and a clear accountability and incentive structure.

The risk profile of the funding mechanism allows schools and education commissioners to test a new way of working, with social investors taking the upfront risk of interventions.

Over the period we completed our work on assessing the feasibility of using social impact bonds as a way of effectively scaling whole school improvement. We will publish the report in the next financial year, and will continue to work with commissioners to consider adopting such an outcomes focused approach to commissioning.

***Preventing exclusions***

During the year, Right to Succeed secured funding for a one-year pilot to explore whether the Chrysalis model developed by Ed-Diversity along with further development around mental toughness, could be adapted and further disseminated, targeting primary schools and a large secondary school in Blackpool with high levels of exclusion.

The impact of early intervention was the central focus of our research, exploring the use of diagnostic assessments and how they are used to identify and develop specific interventions to enable individual student needs, many of which may not have been identified to date, to be met most effectively.

The pilot involved 68 pupils at risk of exclusion from across five schools in Blackpool. Each setting focused on a different aspect, depending upon their developmental journey and the specific needs of the school and the pupils involved.

Prior to diagnostic assessments, 43% were recorded on their special educational needs or disabilities (SEND) registers.

Results from the academic testing showed 59% with scores at least two years below chronological age, and 80% with at least one area of Speech, Language and Communication Needs (SLCN).

This indicates the possibility of previously unidentified needs.

**Objectives, Activities, Achievements and performance** (continued)

***Preventing exclusions*** (continued)

The following approach was taken to the pilot:

- ◆ data collection
- ◆ analysis of school improvement plans, self-evaluation documents and professional development opportunities
- ◆ structured conversations with pupils and staff
- ◆ training for staff around delivery of key interventions
- ◆ need-led targeted interventions delivered
- ◆ approach reviewed and evaluated

Analysis of both objective and subjective data was undertaken. However, as with any action research, there was constant reflection and reviewing of practice which amended the direction of travel.

*Performance*

The main areas focused upon for impact measures were attendance and behaviour. An 87% improvement was observed with reduced or maintained Fixed Term and Internal Fixed Term Exclusions, 51% improvement in attendance and a 75% improvement in behaviour.

The above statistical data, combined with more detailed breakdowns available, has demonstrated to us that when staff take the time to step out of the frame and assess pupils with challenging behaviour from a different viewpoint i.e. learning and SLCN, they sometimes identified previously unmet needs.

With the careful planning and delivery of personalised interventions to support these needs the majority of the very vulnerable pupils, involved in this project, have made improvements with their behaviour and attendance.

It is not suggested that the improvements made have been such to prevent future exclusions in the long term, however it is recognised that this approach to both identifying root causes behind presenting behaviours and then subsequently delivering appropriate support interventions, clearly has promise. With thorough and fully embedded processes, the long-term potential impact is significant.

### Plans for the future

On 29 September 2017 Right to Succeed CIO joined forces with the Oxford Youth Lab, a social lab that works at grass root levels with local partners to help them define key problems, and work to put forward and trial solutions to the most complex problems facing young people. Together we will be working to design, deliver and scale collective, research-informed solutions to the inequities they face. Our approach will combine a social lab process of working as partners, with a commitment to working collectively with those at a local level to create the conditions needed for our children and young people to thrive.

While a longer-term strategy is developed for the wider mission of the newly merged organisation, we will be working towards these key priorities for 2017/18:

1. School Improvement Programme: having collected the impact and learnings from our work in the pilot, our current priority is to use this to scale the programme to new areas. We currently are awaiting a funding bid for expansion of the programme in 2017/18 to Liverpool.
2. Youth employment: we will be working with the Government Outcomes Lab, in the Blavatnik School of Government at Oxford University to fund a social lab process project around improving the commissioning of youth employment projects by local authorities. The project, delivered in partnership with a range of organisations, will consider insights from those working with current projects, as well as local employers. The grass root defined, research-aided interventions that come from the process will help form part of an effective solution and policy change to improve commissioning of local employment programmes.
3. Preventing Exclusions Programme: by April 2018, we will start on the delivery of a three-year expansion of our pilot programme. We intend to expand our work to 30 schools across three areas of the UK. The programme will target pupils in areas of high need and across both the primary and secondary sectors.
4. Impact Tracker: we will be working with Deloitte to develop a tool for tracking the impact of our School Improvement and other programmes. The tool will bring together national datasets, data held in a school's management information systems, our own intervention data and data from several standardised capability measures from different providers.

### Thanks

Over this year we have received significant support in the form of advice, financial support, pro-bono office support and technical expertise from a range of individuals and organisations for which we are sincerely grateful. These supporters include:

- ◆ Philanthropic funders: Esmée Fairbairn Foundation, Garfield Weston Foundation, Montpelier Foundation, Porticus Foundation, Treebeard Trust, Lady Allison and Sir Harvey McGrath, Andrew and Belinda Scott Charitable Trust, Inclusion Trust.
- ◆ Support, advice and office space: Clifford Chance LLP, Deloitte LLP, Beyond me, Atom, TeachFirst.

### Structure, governance and management

#### *Constitution*

Right to Succeed was established as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 13 March 2016. The CIO's constitutional documents are its Articles of Association. On 29 September members voted to change the name to Oxford Youth Lab and appoint 3 new trustees.

#### *Organisation*

Trustees can be appointed by ordinary resolution of the members.

The trustees, who served throughout the financial year, except as stated below, were as follows:

<b>Trustees</b>	<b>Appointed / resigned</b>
Sir John Bell	appointed 29 September 2017
Mrs Sarah Evans	appointed 29 September 2017
Mrs Jill Finney	appointed 16 February 2017
Mr Anthony Harte	
Sir John Hood	appointed 29 September 2017
Ms Bethia McNeil	resigned 15 December 2017
Dame Joan McVittie	
Mr Jo Owen	
Mr Charles Scott	appointed 16 February 2017
Mr David Sheldon	
Mr Chris White	

The trustees of the charity are given information on the roles and responsibilities of trustees of a UK charity and are invited to attend one of the regular Trustee Training Workshops run by Buzzacott LLP and BWB. Trustees are regularly updated on Charity Commission best practice. On becoming a trustee, each trustee goes through an induction process which includes meeting key members of the executive, receiving the organisation's key policies and access to core documents detailing our work and future plans.

**Structure, governance and management** (continued)

***Key management personnel***

The trustees consider that they comprise the key management personnel of the charity along with the Executive Team which comprises:

Graeme Duncan	Chief Executive Officer
Beth Matheson	Chief Operating Officer
Gemma Rocyn Jones	Development Director (resigned 30 June 2017)
Paul O'Neill	Programmes Director

Remuneration of the CEO is set by the board. Remuneration of other senior managers is set by the CEO and reviewed by the Finance Committee on behalf of the board.

***Trustees' responsibilities statement***

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

- ◆ The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these accounts, 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 the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
  - ◆ make judgements and estimates that are reasonable and prudent;
  - ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
  - ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

## Structure, governance and management (continued)

### *Trustees' responsibilities statement (continued)*

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

### *Risk management*

The trustees have reviewed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the Charity and its finances. The trustees review the measures in place and establish policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The most significant risks facing the organisation are:

- ◆ **Managing growth.** Failure to deliver programmes to a high quality as we scale
- ◆ **People.** Loss of key staff.
- ◆ **Finance.** Lack of sufficient funding to deliver activities.
- ◆ **Stakeholder and partnership strategy.** Failure to deliver an effective stakeholder and partnership management strategy. Failure to monitor and manage government relations and policy change.
- ◆ **Reputational management.** Failure to manage serious untoward incident of any kind resulting in reputational damage.
- ◆ **Legal compliance including data protection and safeguarding.** Failure to meet standards for legal compliance around data handling and put appropriate systems and processes in place. Failure of safeguarding.

The trustees believe that many of these risks cannot be fully eliminated but can be managed through reducing their impact and likelihood of occurrence. Having assessed the major risks, the trustees believe that by monitoring reserve levels, ensuring controls exist over key financial systems and examining the operational and business risks faced by the charity they have established effective systems to mitigate those risks.

**Structure, governance and management** (continued)

**Risk management** (continued)

These risks are monitored on a quarterly basis by the Board which reviews movements and risk mitigation strategies. Risks of individual projects are assessed as part of the project planning and reviewed by the Board as part of their decision making process.

**Financial report for the year**

**Results for the year**

A summary of the year's results can be found on page 18 of the attached financial statements.

The net expenditure for the year was £976 (period to 31 August 2016 - net income of £172,653). The charity's total income was £522,217 (period to 31 August 2016 - £636,518) which consisted mainly of donations and income from services provided to the schools in our pilot project. £483,335 of this was expended on charitable activities (period to 31 August 2016 - £423,302).

During the year we secured voluntary income of £448,129 of which £167,595 was restricted: £125,000 towards the Blackpool project, £20,000 towards developing an outcomes focussed commissioning approach to funding the school improvement project, £20,000 towards our work on preventing exclusions and £2,595 towards communications. £280,534 of voluntary income raised was unrestricted and was spent on the projects described above, as well as on design of the programme for future periods and our core costs of running the organisation.

**Reserves policy and financial position**

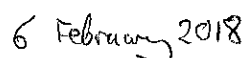
The Charity maintains an unrestricted fund from which core and programme activities are funded in line with the approved annual plan and budget. As at 31 August 2017 the Charity had free reserves of £147,791 which will be used to implement future plans while further funding is sought. Due to the longer-term strategy of the Charity being currently under development, the trustees monitor the level of reserves on a quarterly basis and only commit to projects where the Charity has committed funding.

Approved by the trustees and signed on their behalf by:



Trustee

Approved by the trustees on:





## **Independent auditor's report to the trustees of Oxford Youth Lab**

### **Opinion**

We have audited the financial statements of Oxford Youth Lab (the 'charity') for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the 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).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2017 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 Charities Act 2011.

### **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 charity 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 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

**Conclusions relating to going concern** (continued)

- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; 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.

**Responsibilities of trustees** (continued)

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

*23 February 2018*

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Statement of financial activities** year ended 31 August 2017

	Notes	Unrestricted funds £	Restricted funds £	Year to 31 August 2017 Total funds £	Period to 31 August 2016 Total funds £
<b>Income and expenditure</b>					
<b>Income from:</b>					
Donations	1	280,534	167,595	<b>448,129</b>	587,783
Charitable activities		59,706	—	<b>59,706</b>	34,491
Other income		14,382	—	<b>14,382</b>	14,244
<b>Total income</b>		<b>354,622</b>	<b>167,595</b>	<b>522,217</b>	<b>636,518</b>
<b>Expenditure on:</b>					
Raising funds		39,858	—	<b>39,858</b>	40,562
Charitable activities:	2				
- School improvement programme		287,648	106,250	<b>393,898</b>	288,396
- Social impact bond		25,759	30,036	<b>55,795</b>	134,906
- Preventing exclusions		13,642	20,000	<b>33,642</b>	—
<b>Expenditure</b>		<b>366,907</b>	<b>156,286</b>	<b>523,193</b>	<b>463,864</b>
<b>Net (expenditure) income and net movement in funds</b>		<b>(12,285)</b>	<b>11,309</b>	<b>(976)</b>	<b>172,653</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 September 2016		162,617	10,036	<b>172,653</b>	—
<b>Fund balances carried forward at 31 August 2017</b>		<b>150,332</b>	<b>21,345</b>	<b>171,677</b>	<b>172,653</b>

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

The charity has no recognised gains and losses other than those shown above.

Other than as described in notes 1 and 2, all of the charity's income and expenditure related to unrestricted funds during the above financial periods.

**Balance sheet** as at 31 August 2017

	Notes	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>	7		<b>2,541</b>		<b>3,107</b>
<b>Current assets</b>					
Cash at bank		<b>208,968</b>		192,955	
Debtors	8	<b>10,112</b>		<b>35,812</b>	
		<b>219,080</b>		<b>228,767</b>	
<b>Creditors: amounts falling due within one year</b>	9	<b>(49,944)</b>		<b>(59,221)</b>	
<b>Net current assets</b>			<b>169,136</b>		<b>169,546</b>
<b>Total net assets</b>			<b>171,677</b>		<b>172,653</b>
<b>The funds of the charity</b>					
<b>Funds and reserves</b>					
Unrestricted funds		<b>150,332</b>		162,617	
Restricted funds	10	<b>21,345</b>		<b>10,036</b>	
<b>Total funds</b>			<b>171,677</b>		<b>172,653</b>

*Daniel Sheldon*

Trustee

Approved on:

*6 February 2018*

**Statement of cash flows** year ended 31 August 2017

	Notes	Year to 31 August 2017 £	Period to 31 August 2016 £
<b>Cash inflow from operating activities:</b>			
Net cash provided by operating activities	A	16,910	196,520
<b>Cash outflow from investing activities:</b>			
Purchase of tangible fixed assets		(897)	(3,565)
<b>Net cash used in investing activities</b>		<b>(897)</b>	<b>(3,565)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>16,013</b>	<b>192,955</b>
Cash and cash equivalents at 13 March 2016	B	192,955	—
<b>Cash and cash equivalents at 31 August 2017</b>	<b>B</b>	<b>208,968</b>	<b>192,955</b>

Notes to the statement of cash flows for the year to 31 August 2017.

**A Reconciliation of net movement in funds to net cash flow from operating activities**

	Year to 31 August 2017 £	Period to 31 August 2016 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(976)</b>	<b>172,653</b>
<b>Adjustments for:</b>		
Depreciation charge	1,463	458
Decrease/(increase) in debtors	25,700	(35,812)
(Decrease)/increase in creditors	(9,277)	59,221
<b>Net cash provided by operating activities</b>	<b>16,910</b>	<b>196,520</b>

**B Analysis of cash and cash equivalents**

	Year to 31 August 2017 £	Period to 31 August 2016 £
Cash at bank and in hand	208,968	192,955
<b>Total cash and cash equivalents</b>	<b>208,968</b>	<b>192,955</b>

## **Principal accounting policies** Year ended 31 August 2017

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

### **Basis of preparation**

These statutory financial statements have been prepared for the year from 1 September 2016 to 31 August 2017.

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 financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (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 Charities Act 2011.

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.

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

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

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

- ◆ Estimating the useful economic life of tangible fixed assets;
- ◆ Allocation of support costs based on estimated staff time spent on each activity; and
- ◆ Estimating the value of donated services.

### **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.

**Assessment of going concern** (continued)

The trustees of the charity 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 August 2018, the most significant area that affects the carrying value of the assets held by the charity is the level of donations income achieved (see the risk management section of the trustees' report for more information).

**Income**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, income from the school improvement programme services and other income.

*Donations*

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

*Income from charitable activities*

This includes income charged to deliver our charitable services. This consists of income from schools as part of our school improvement programme piloted in Blackpool, as well as central government contracts.

**Donated services**

Services donated include office space. This is recognised as income in the period in which the space was provided based on the value to the Charity, which for the most part is the comparable market value. An equivalent amount is recognised in the same period as an expense in the relevant section of the Statement of Financial Activities.

**Expenditure and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. Expenditure comprises the following:

- a. Expenditure on raising funds relates mainly to costs of staff time spent on raising funds and awareness of the organisation and the planned programme activities.



**Expenditure and the basis of apportioning costs** (continued)

- b. Expenditure on charitable activities in deliverance of the objectives set out in the Trustees' report relate mainly to costs of staff time and travel and payments to our collaborative partners.
- c. Support costs relate to the costs of governance, IT and communications, Finance and other activities involved in managing the organisation. These have been allocated to activities based on estimates of the number of FTE staff engaged in each activity.

**Debtors**

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

**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.

**Fixed assets**

Fixed assets costing £500 or more are capitalised on the balance sheet and depreciated on a straight line basis over their useful economic life (UEL).

<i><b>Class of asset</b></i>	<i><b>UEL</b></i>
IT equipment	3 years

**Subsidiaries**

Right to Succeed has one wholly owned subsidiary, Right to Succeed Limited (company registration 08689873). The subsidiary is currently dormant.

Notes to the financial statements Year ended 31 August 2017

**1 Donations**

	Unrestricted funds £	Restricted funds £	Year to 31 August 2017 £	Period to 31 August 2016 £
Donations	81,630	2,595	<b>84,225</b>	65,000
Grants	198,904	165,000	<b>363,904</b>	514,083
Donated services	—	—	—	8,700
<b>2017 Total funds</b>	<b>280,534</b>	<b>167,595</b>	<b>448,129</b>	<b>587,783</b>
2016 Total funds	399,095	237,422	<b>587,783</b>	

Donated services in 2016 comprise serviced office space provide to the Charity by Teach First.

**2 Charitable activities**

	Activities undertaken directly £	Support costs £	Year to 31 August 2017 £	Period to 31 August 2016 £
Schools improvement programme	330,288	63,610	<b>393,898</b>	288,396
Social impact bond	38,594	17,201	<b>55,795</b>	134,906
Preventing exclusions	21,300	12,333	<b>33,642</b>	—
	<b>390,191</b>	<b>93,144</b>	<b>483,335</b>	<b>423,302</b>

Expenditure on charitable activities includes £156,286 (2016 - £227,386) of expenditure from restricted funds, of which £106,250 (2016 - £129,573) related to the schools improvement programme, £30,036 (2016 - £97,813) related to the social impact bond and £20,000 (2016 - £nil) related to preventing exclusion.

**3 Support costs**

	Raising funds £	School Improvement Programme £	Social impact bond £	Preventing exclusions £	Year to 31 August 2017 £	Period to 31 August 2016 £
IT and communications	1,298	5,412	1,464	1,049	<b>9,223</b>	5,818
Finance costs	3,515	14,657	3,963	2,842	<b>24,977</b>	2,609
Governance (note 4)	3,997	16,670	4,508	3,232	<b>28,407</b>	16,030
Other	6,444	26,871	7,266	5,210	<b>45,791</b>	80,884
	<b>15,254</b>	<b>63,610</b>	<b>17,201</b>	<b>12,333</b>	<b>108,398</b>	<b>105,341</b>

All support costs are allocated based on estimates of staff time spent on each activity.

**4 Governance costs**

	Year to 31 August 2017 £	Period to 31 August 2016 £
Audit fee	6,750	9,000
Legal fees	2,950	3,195
Trustee expenses	154	—
Insurance	3,473	3,502
Staff costs	15,081	—
Training	—	333
	<b>28,407</b>	<b>16,030</b>

**5 Employee and key management remuneration**

**Summary**

Staff costs during the year were as follows:

	Year to 31 August 2017 £	Period to 31 August 2016 £
Wages and salaries	213,916	172,022
Social security costs	18,135	16,272
	<b>232,051</b>	<b>188,294</b>

Staff costs in the period ended 31 August 2016 included payment for time attributable to the deliverance of the Charity's objects over the six months before the Charity was incorporated.

**Staff numbers**

The average number of employees during the year, calculated on a full time equivalent basis, analysed by function, was as follows:

	Year to 31 August 2017 FTE	Period to 31 August 2016 FTE
Raising funds	0.5	0.3
Charitable activities	2.8	1.6
Support	1.4	0.9
	<b>4.7</b>	<b>2.8</b>

**Higher paid employees and remuneration of key management personnel**

No employees earned in excess of £60,000 during the year (2016 (18 month period): 1 employee).

The key management personnel of the charity are the trustees along with the Executive Team. The trustees do not receive remuneration. The total employee benefits of the key management personnel of the charity were £152,906 (2016 (18 month period): £170,618)

**5 Employee and key management remuneration (continued)**

***Higher paid employees and remuneration of key management personnel (continued)***

No trustee received any remuneration for the period in which they served as a trustee. Two trustees claimed expenses for the period in which they served as a trustee totalling £154 (2016: nil).

The Trustees purchased indemnity insurance at a cost of £1,105 for the year. The policy provides indemnity for the Trustees and professional liability to a limit of £1,500,000.

**6 Taxation**

Right to Succeed 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.

**7 Fixed assets**

	2017 IT Equipment £
Cost at 1 September 2016	3,565
Additions	897
Total cost at 31 August 2017	4,462
Accumulated depreciation at 1 September 2016	(458)
Depreciation charge	(1,463)
Accumulated depreciation at 31 August 2017	(1,921)
Net book value at 1 September 2016	3,107
Net book value at 31 August 2017	2,541

**8 Debtors**

	2017 Total funds £	2016 Total funds £
Accounts receivable	532	9,414
Prepayments and accrued income	3,312	15,385
Other debtors	6,269	11,013
	10,112	35,812

**9 Creditors: amounts falling due within one year**

	2017 Total funds £	2016 Total funds £
Accounts payable	5,537	14,849
Taxation & Social Security	6,040	5,419
Accruals	38,367	38,953
	49,944	59,221

## 10 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations held to be applied for specific purposes:

	At 31 August 2016 £	Income £	Expenditure £	At 31 August 2017 £
Porticus	—	100,000	(100,000)	—
Treebeard Trust	—	25,000	(6,250)	18,750
Montpellier Foundation	—	20,000	(20,000)	—
Big Lottery/Achievement for all	10,036	—	(10,036)	—
Inclusion Trust	—	20,000	(20,000)	—
The Funding Network (various donors)	—	2,595	—	2,595
	<u>10,036</u>	<u>167,595</u>	<u>(156,286)</u>	<u>21,345</u>

Porticus and Treebeard Trust funding was provided specifically for the pilot School Improvement Programme in Blackpool.

The Montpellier Foundation has provided funds for general purposes in the development of a payment by results scheme to reduce inequality in the UK education sector.

The Big Lottery, through our partner Achievement for All, has provided funding for our work on developing a social impact bond.

The Inclusion Trust funded a new pilot project in Blackpool focussing on preventing exclusions.

Several donors contributed to our communications development project at an event held by the Funding Network. This will be used to develop our website in the new financial year.

## 11 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	At 31 August 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>			
Tangible fixed assets	2,541	—	2,541
Current assets	197,735	21,345	219,080
Creditors: amounts falling due within one year	(49,944)	—	(49,944)
<b>Total net assets</b>	<u>150,332</u>	<u>21,345</u>	<u>171,677</u>

## 12 Related party transactions

The aggregate amount of donations received in the year from related parties was nil (2016: £72,184).

The 2016 comparative included a donation from Zing of £15,000 as one of the Charity's trustees was one of the founders of Zing. £18,700 was donated by Teach First to the Charity. One of the Charity's trustees, was also a trustee of Teach First for part of the prior period, although he stood down from his role at Teach First during the prior period. It is also comprised of two grants from Bank of America Charitable Foundation totalling £38,484. Two of the Charity's trustees were employees of Bank of America Merrill Lynch during the prior period, one had a role independent of the Charitable Foundation's grant making decisions and the second currently contributes to those decisions but was not employed in that role until after the 2016 grant was made.

There were no other related party transactions during the year.

None of the trustees received any remuneration in respect of their services during the period in which they served as a trustee. Two trustees received reimbursement for travel expenses totalling £154 (2016: nil) during the period in which they served as a trustee. The trustees purchased indemnity insurance as detailed in note 5.

## 13 Liability of members

The charity is constituted as a charitable incorporated organisation. In the event of the charity being wound up members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

## 14 Post balance sheet event

On 29 September 2017, Right to Succeed and Oxford Youth Lab came together to form a combined organisation. The charity's existing members voted on changing the charity's name to Oxford Youth Lab and voted in three new members and trustees associated with the original Oxford Youth Lab. The original Oxford Youth Lab did not hold any assets or liabilities at this date, and was in its very early days as an organisation and had not yet registered with the Charity Commission. There was therefore no impact to the charity's balance sheet following this event.