

## **Right to Succeed CIO**

### **Annual Report and Financial statements**

Period from  
13 March 2015 to 31 August 2016

Charity Registration Number  
1160886

## Contents

### Reports

Legal and administrative information	1
Trustees' report	2
Independent auditor's report	12

### Financial statements

Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Principal accounting policies	17
Notes to the financial statements	17

## Legal and administrative information

<b>Trustees</b>	Dame Joan McVittie (Chair) Mr Anthony Harte Ms Bethia McNeil Mr Jo Owen Mr David Sheldon Mr Chris White
<b>Registered office</b>	Right to Succeed 32 Cubitt Street London WC1X 0LR
<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 Mailing 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** period from 13 March 2015 to 31 August 2016

The trustees present their report together with the financial statements of Right to Succeed for the period from 13 March 2015 to 31 August 2016.

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 19 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**

Our vision is that the only barriers to success should be hard work and focus. We therefore aim to eliminate the effects of poverty and system failure upon the achievement of young people, giving every child the Right to Succeed.

### **Mission**

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

### **Objectives and Activities: Achievements and performance**

**Objective:** to support challenged secondary schools in low-income communities to become evidence led deliverers of outcomes for their young people.

Our journey towards achieving our vision by working began when we identified our first priority problem:

**Problem:** persistently underperforming schools in areas of high deprivation and disadvantage lack:

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

- a) the data to diagnose the non-academic needs of their school body
- b) support in embedding the use of data analytics
- c) easy access to well evidenced specialist interventions
- d) the additional funding required to finance the adoption of these interventions.

Our focus over the first 18 months since Right to Succeed's inception has been on designing and developing a scalable solution that is collaborative, informed by evidence and locally-led.

During the period we worked towards this objective through the following **activities**:

**1. Developing and piloting a data-led whole school improvement programme**

Within school improvement, there are several gaps to be filled.

First, there is no recognised outcomes framework against which to measure performance in improving schools. There is also no way of comparing the relative performance of schools with similar intakes and similar previous performance against such frameworks. As a result, there is still little science behind our understanding of how to improve schools.

Secondly, whilst there is a growing evidence base of which interventions generate greater academic outcomes, there is still little attention being paid to diagnosing the breadth of a child/teacher/school's needs and identifying the most effective intervention from the existing evidence base.

Thirdly, there are very few collective approaches, where a single point of contact supports a school to bring together the collection of effective interventions required from several funders.

But, with policy and funding moving towards place based, collective change, Right to Succeed will work to fill these gaps.

The programme was initiated in Blackpool and involves providing the schools with the support and resource they need to undergo a four stage change process over a period of four years.

These stages are described below:

***i. Diagnosis (3-6 months)***

A quantitative and qualitative analysis of the strengths and weaknesses within the school using internationally recognised formative assessment tools.

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

**ii. Vision setting and masterplanning (3-4 months)**

Developing a vision that unites and excites staff, pupils, parents and governors, before agreeing the resource required to deliver the change and setting out how the change will be performance managed.

**iii. Delivering the change (3+ years)**

Installing the agreed resource and performance managing its delivery to ensure that outputs, quality measures and outcomes are being delivered.

**iv. Consolidation (6 months)**

Develop a thorough quantitative and qualitative analysis of the school's journey over the 3 years, ensuring learning from the experience is maximised and set in place the school's next 3 year improvement plan.

Key Performance Indicators

To measure our success, we set the following targets which refer to the diagnostic and masterplanning phases of work being done during the year:

- % formative assessments completed
- Data dashboard in use by schools
- School masterplans agreed for year
- Level and depth of engagement of senior leadership teams
- Identification of team of evidence led champions
- RTS and intervention partners featured in school improvement plans
- Social and emotional development of pupils/staff identified as a core SIP objective

Performance to 31 August 2016

We began working in Blackpool schools in September 2015, at the start of the 2015/16 academic year. We ended the year working in seven of the eight secondary schools in Blackpool including the pupil referral unit.

Three formative tools have been run in schools during the diagnostic phase of the programme, the Corwin iKnow My Class Survey (iKMC), Student, Staff and Parent Voice Surveys and the AQR Mental Toughness Questionnaire (MTQ48).

- 9700 iKMC surveys completed by students, covering 150 teachers
- 3400 students completing Mental Toughness Questionnaire 75% completion rate
- 500 staff completing Mental Toughness Questionnaire 75% completion rate
- 400 staff completing Staff Voice Survey
- 2000 pupils completing Student Voice Survey
- 800 parents completing Parent Voice Survey (representing approx. 1,100 students)

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

Throughout the year we have worked closely with the senior and middle leadership teams in each school to train their staff in the use of the formative assessment tools and how to interpret and respond to the emerging data. We introduced nine partner intervention providers to the schools, including Teacher Development Trust, Shine, Place2Be, Achievement for All, Sapere and Family Links. From these meetings and Right to Succeed mapping evidence to need, schools were able to identify appropriate solutions. Right to Succeed drew the latest research coming out of the Education Endowment Foundation combined with John Hattie's work as part of our analysis.

Alongside the schools, we have worked with the Blackpool Challenge Board, supporting its member secondary schools to develop individual pledges for change in the educational outcomes of their students.

The project in Blackpool has progressed well in the first year. We have seen early gains in the quality of experience being delivered in the classroom, in the social and emotional development of pupils and in the GCSE results obtained, seeing the first rise in results in 6 years across the town. Schools have also reported high satisfaction with our work.

During the year we also hosted two high profile visits to Blackpool with a selected group of philanthropic funders, grant makers, VCSE organisations and policy advisors including Dame Julia Cleverdon, the Big Lottery Fund, Teach First, Business in the Community, Department for Education, Porticus Trust, Lankelly Trust and Zing. The first trip focused on bringing business and education together and the second strengthening young people's character and resilience. Both involved visits to primary, secondary and alternative education providers, meetings with the local VCSE, businesses and employers, local government officials and cabinet members.

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

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 have been assessing the feasibility of using social impact bonds as a way of effectively scaling whole school improvement.

### **Objectives and Activities: Achievements and performance (continued)**

In December 2015 we secured a £103,000 development grant from the Big Lottery Fund's Commissioning Better Outcomes and The Social Outcomes Fund (£10,000 of which has been repaid unspent) to assess the feasibility of a social impact bond for school improvement. This grant enabled us to commission experienced economists at Simetrica to assess the economic case for investing in school improvement and Numbers for Good, social finance intermediary.

Simetrica's work, which involved an extensive literature review, benefit analysis and primary research using the British Household Survey, found:

- significant gains in earning power and exchequer contributions for students who are able to achieve even a low (1-4) number of GCSEs A\*-C.
- a significant negative association between achieving at least a GCSE or A-level as highest qualification and behaviours such as smoking before the age of 18, vandalism etc., being bullied, and expressing feelings which express low levels of self-esteem. While we are not able to draw a causal conclusion from these results, it supports our continued emphasis on character as an important component for achieving educational outcomes.

From this analysis we have worked with our steering group which includes representatives of Big Society Capital, the Department for Education, Doncaster Council and the Department for Culture and Media's Centre for Social Impact Bonds, to select outcome indicators that most closely reflect the outcomes and behaviours that our programme aims to incentivize to develop into a financing mechanism. Due to the limited data available concerning the economic benefit of school level improvement, we think that cognitive attainment in the later years of the programme are the most appropriate proxy indicator of sustained whole school improvement.

We continue to work with Doncaster Council and other local commissioners to assess whether there are further economic gains relating to mental health and anti-social behaviour services in the local community. Outcomes that trigger payment are only part of the story and these indicators will sit within a broader monitoring framework for the SIB.

#### Key Performance Indicators

- Completed an economic analysis of the value of education through the lens of pupil, staff and school development
- Developed a draft outcome rate card



## **Objectives and Activities: Achievements and performance** (continued)

### **3. Building and developing operational capacity of Right to Succeed**

At the start of the period the charity appointed its founding CEO. By the end of the first 6 months we had also appointed a Development Director and a Programme Director. At the end of the period, the following interim staff had joined the team: Impact Manager, Finance Director and Team Coordinator.

During this start-up phase we benefited from the technical training and support of several programmes specialising in education start-ups, including the Young Foundation's Young Academy, UnLtd's Fast Growth Team, Teach First's Innovation Unit, Bain Social Incubator, Nesta Impact Investments and BCG consultants. This has helped us put in place initial systems and processes. They have also provided a sounding board for testing and refining our strategy and business model.

#### Key Performance Indicators

- Ability to hire and retain high calibre staff

#### 2016-17 Priorities

In 2016/17 our work is focused on continuing to work with the participating seven schools in Blackpool; further developing our secondary school intervention; replicating this approach in two further areas of need; and creating the conditions for a market for evidence led improvement of schools.

Looking beyond this year we are working with our board to set out a strategic intention for the next three to five years. This builds on the experience of our first year and will define the organisation's strategic objectives and growth ambitions. We know that as an organisation focused on effecting systemic change, developing our core capabilities and investing in deep, continuous learning about our impact is critical at this stage of our development. We aim to have this plan in place by April 2017 and will be involving and listening to all our stakeholders in the process.

#### **Thanks**

Over this period 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:

- ◆ Advisory Group: Professor Sonia Blandford, Leora Cruddas, David Hunter, Joe Ludlow, Bethia McNeil, Jo Owen, Gemma Rocyn Jones, Tom Shirley, Louise Thomas, Chris White.
- ◆ Organisations that support and incubate social innovation: Teach First Innovation Team, the Young Foundation's Young Academy, Nesta Impact Investments, UnLtd Fast Growth team, Bain Social Incubator, New Philanthropy Capital

## Trustees' report period from 13 March 2015 to 31 August 2016

- ◆ Philanthropic funders: Bank of America Merrill Lynch, Stephen Brenninkmeijer, Esmée Fairbairn Foundation, Garfield Weston Foundation, Haberdashers' Benevolent Foundation, Montpelier Foundation, Porticus UK, Prudential, Teach First and Zing.
- ◆ Founding trustees: Professor Sonia Blandford, Anthony Harte, Bethia McNeil, Jo Owen, Gemma Rocyn Jones, David Sheldon and Chris White.

### Structure, governance and management

#### *Constitution*

Right to Succeed was established as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 13 March 2015. The CIO's constitutional documents are its Articles of Association.

#### *Organisation*

Trustees can be appointed by ordinary resolution of the members.

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

<b>Trustees</b>	<b>Appointed / resigned</b>
Professor Sonia Blandford	Appointed 13 March 2015 and resigned 15 July 2015
Mr Anthony Harte	Appointed 13 March 2015
Ms Bethia McNeil	Appointed 13 March 2015
Dame Joan McVittie	Appointed 29 June 2016
Mr Jo Owen	Appointed 13 March 2015
Ms Gemma Rocyn Jones	Appointed 13 March 2015 and resigned 15 July 2015
Mr David Sheldon	Appointed 13 March 2015
Mr Chris White	Appointed 13 March 2015

Gemma Rocyn Jones stood down from the board in May 2015 in order to enter the recruitment process for the role of Development Director, and formally resigned on 15 July 2015. The recruitment process was managed by Anthony Harte, David Sheldon and Jo Owen and an external recruitment agency involved in advertising and shortlisting candidates.

Professor Sonia Blandford stood down from the board in July 2015 to prevent any potential conflict of interest with her appointment as chair of the Blackpool Challenge Board.

Jo Owen stood down from the board of Achievement for All in July 2015 to prevent any potential conflict of interest with Achievement for All as a delivery partner of Right to Succeed.

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. Trustees are regularly updated on Charity Commission best practice.

**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	(appointed 13 March 2015)
Gemma Rocyn Jones	Development Director	(appointed 1 September 2015)
Paul O'Neill	Programmes Director	(appointed 14 October 2015)
Beth Matheson	Finance Director	(appointed 1 July 2016)

Management remuneration is set by 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 period. 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.

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.

## Structure, governance and management (continued)

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

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:

- ◆ **Strategy.** Failure to develop and deliver a mid to long term strategy.
- ◆ **People strategy.** Loss of key staff.
- ◆ **Governance.** Failure to put in place appropriate Governance to monitor effective delivery and performance.
- ◆ **Stakeholder and partnership strategy.** Failure to deliver an effective stakeholder and partnership management strategy. Failure to monitor and manage government relations and policy change.
- ◆ **Finance.** Lack of sufficient funding to deliver activities.
- ◆ **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 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.

These risks are monitored on a quarterly basis by the Finance sub-committee which reviews movements and risk mitigation strategies. Material changes in risk levels are brought to the attention of the Chair of the Finance sub-committee during his monthly review meeting. Minutes of sub-committee meetings and a copy of the key risk register are provided to the full board of trustees for review quarterly.

### **Financial report for the period**

#### ***Results for the period***

The net income for the period was £173,000. The charity's total income was £637,000 which consisted mainly of donations and income from services provided to the schools in our pilot project. £423,000 of this was expended on charitable activities.

#### ***Financial review***

During the period we secured philanthropic donations of £588,000 of which £20,000 was restricted towards the CEO's salary, £110,000 were restricted towards the Blackpool project and £108,000 towards our work on the feasibility of a social impact bond.

#### ***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 2016 the Charity had free reserves of £160,000, 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:

Dame Joan McVittie

Chair of Trustees

Approved by the trustees on: 17 January 2017

**Independent auditor's report to the trustees of Right to Succeed**

We have audited the financial statements of Right to Succeed for the period ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Independent auditor's report** period from 13 March 2015 to 31 August 2016

**Opinion on financial statements**

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2016 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters where 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 accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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.

Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

4 April 2017

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

**Statement of financial activities** period from 13 March 2015 to 31 August 2016

<b>Income and expenditure</b>	Notes	Unrestricted funds £	Restricted funds £	<b>2016 Total funds £</b>
<b>Income from:</b>				
Donations	1	350,361	237,422	<b>587,783</b>
Charitable activities		34,491	—	<b>34,491</b>
Other income		14,243	—	<b>14,243</b>
<b>Total income</b>		<u>399,095</u>	<u>237,422</u>	<u><b>636,517</b></u>
<b>Expenditure on:</b>				
Raising funds		40,562	—	<b>40,562</b>
Charitable activities:				
- School improvement programme	2	158,823	129,573	<b>288,396</b>
- Social impact bond		37,093	97,813	<b>134,906</b>
<b>Expenditure</b>		<u>236,478</u>	<u>227,386</u>	<u><b>463,864</b></u>
 <b>Net income and net movement in funds</b>		 162,617	 10,036	 <b>172,653</b>
<b>Reconciliation of funds</b>				
<b>Fund balances brought forward at 13 March 2015</b>		<u>—</u>	<u>—</u>	<u>—</u>
<b>Fund balances carried forward at 31 August 2016</b>		<u>162,617</u>	<u>10,036</u>	<u><b>172,653</b></u>

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

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



**Balance sheet** as at 31 August 2016

	Notes	2016 £	2016 £
<b>Fixed assets</b>	7		<b>3,107</b>
<b>Current assets</b>			
Cash at bank		<b>192,955</b>	
Debtors	8	<b>35,812</b>	
		<b>228,767</b>	
<b>Creditors:</b> amounts falling due within one year	9	<b>(59,221)</b>	
<b>Net current assets</b>			<b>169,546</b>
<b>Total net assets</b>			<b>172,653</b>
<b>The funds of the charity</b>			
<b>Funds and reserves</b>			
Unrestricted funds		<b>162,617</b>	
Restricted funds	10	<b>10,036</b>	
<b>Total funds</b>			<b>172,653</b>

Dame Joan McVittie

Chair of Trustees

Approved on: 17 January 2017

**Statement of cash flows** period from 13 March 2015 to 31 August 2016

	Notes	2016 £
<b>Cash inflow from operating activities:</b>		
Net cash provided by operating activities	A	196,520
<b>Cash outflow from investing activities:</b>		
Purchase of tangible fixed assets		(3,565)
<b>Net cash used in investing activities</b>		<b>(3,565)</b>
<b>Change in cash and cash equivalents in the period</b>		<b>192,955</b>
Cash and cash equivalents at 13 March 2015	B	—
<b>Cash and cash equivalents at 31 August 2016</b>	B	<b>192,955</b>

Notes to the statement of cash flows for the period to 31 August 2016.

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

	2016 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>172,653</b>
<b>Adjustments for:</b>	
Depreciation charge	458
Increase in debtors	(35,812)
Increase in creditors	59,221
<b>Net cash provided by operating activities</b>	<b>196,520</b>

**B Analysis of cash and cash equivalents**

	2016 £
Cash at bank and in hand	192,955
<b>Total cash and cash equivalents</b>	<b>192,955</b>

## **Notes to the financial statements** period from 13 March 2015 to 31 August 2016

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 period from 13 March 2015 to 31 August 2016.

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 period ending 31 August 2017, 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 is entitled to receipt, it is probable the income will be received, and the amount can be measured with reasonable certainty. Income is deferred only when the charity 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.

**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.
- 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 staff time spent on 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).

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

**Subsidiaries**

Right to Succeed has one wholly owned subsidiary, Right to Succeed Limited (company registration 08689873). One share of £1 was transferred to the charity on 30 June 2016 by Graeme Duncan. The subsidiary is currently dormant.

**Notes to the financial statements** period from 13 March 2015 to 31 August 2016

**1 Donations**

	Unrestricted funds £	Restricted funds £	2016 Total £
Donations	65,000	—	<b>65,000</b>
Grants	276,661	237,422	<b>514,083</b>
Donated services	8,700	—	<b>8,700</b>
<b>Total</b>	<b>350,361</b>	<b>237,422</b>	<b>587,783</b>

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

**2 Charitable activities**

	Activities undertaken directly £	Support costs £	2016 Total £
Schools improvement programme	225,675	62,721	<b>288,396</b>
Social impact bond	111,053	23,853	<b>134,906</b>
	<b>336,728</b>	<b>86,574</b>	<b>423,302</b>

**3 Support costs**

	Raising funds £	School Improvement Programme £	Social impact bond £	2016 Total £
IT and communications	1,057	3,484	1,277	<b>5,818</b>
Finance costs	448	1,537	624	<b>2,609</b>
Governance (note 4)	3,277	9,964	2,789	<b>16,030</b>
Other	13,985	47,736	19,163	<b>80,884</b>
	<b>18,767</b>	<b>62,721</b>	<b>23,853</b>	<b>105,341</b>

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

**4 Governance costs**

	2016 Total funds £
Audit fee	<b>9,000</b>
Legal fees	<b>3,195</b>
Training	<b>333</b>
Insurance	<b>3,502</b>
	<b>16,030</b>

## 5 Employee and key management remuneration

### Summary

Staff costs during the period were as follows:

	2016 £
Wages and salaries	173,260
Social security costs	16,272
	<u>189,532</u>

Staff costs include 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 period, calculated on a full time equivalent basis, analysed by function, was as follows:

	2016 FTE
Raising funds	0.3
Charitable activities	2.5
	<u>2.8</u>

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

One employee earned in excess of £60,000 during the period. This included payment for six months prior to the Charity's incorporation, in addition to the 17½ month period these accounts cover.

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 £170,618.

No trustee received any remuneration or claimed for expenses for the period in which they served as a trustee. Gemma Rocyn Jones was remunerated for her services as an employee from 1 September 2015 after standing down as a trustee in July 2015.

The Trustees purchased indemnity insurance at a cost of £1,105 for the period. 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.

**Notes to the financial statements** period from 13 March 2015 to 31 August 2016

**7 Fixed assets**

	2016 IT Equipment £
Additions	3,565
Total cost at 31 August 2016	<u>3,565</u>
Depreciation charge	(458)
Accumulated depreciation at 31 August 2016	<u>(458)</u>
Net book value at 13 March 2015	—
<b>Net book value at 31 August 2016</b>	<b><u>3,107</u></b>

**8 Debtors**

	2016 Total funds £
Accounts receivable	9,414
Prepayments and accrued income	15,385
Other debtors	11,013
	<u>35,812</u>

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

	2016 Total funds £
Accounts payable	14,849
Taxation & Social Security	5,419
Accruals	38,953
	<u>59,221</u>

**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:

	Income £	Expenditure £	At 31 August 2016 £
UnLtd	20,000	(20,000)	—
Porticus UK	90,000	(90,000)	—
Bank of America Charitable Foundation	19,573	(19,573)	—
Montpelier Foundation	15,000	(15,000)	—
Big Lottery Fund/Achievement for all	92,849	(82,813)	10,036
	<u>237,442</u>	<u>(227,386)</u>	<u>10,036</u>



**10 Restricted funds** (continued)

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

UnLtd's Fast Growth Award has provided funds towards the CEO's salary costs.

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

Porticus UK and Bank of America Charitable Foundation funding was provided specifically for the pilot project in Blackpool.

**11 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	At 31 August 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>			
Tangible fixed assets	3,107	—	<b>3,107</b>
Current assets	218,731	10,036	<b>228,767</b>
Creditors: amounts falling due within one year	(59,221)	—	—
<b>Total net assets</b>	<b>162,617</b>	<b>10,036</b>	<b>172,653</b>

**12 Related party transactions**

The aggregate amount of donations received from related parties was £72,184. This amount comprises 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 period but were independent of the Charitable Foundation's grant making decisions.

This amount also includes a donation from Zing of £15,000 as one of the Charity's trustees, Chris White, is one of the founders of Zing.

Lastly, a total of £18,700 was donated by Teach First to the Charity. Jo Owen, one of the Charity's trustees, was also a trustee of Teach First for part of the period, although he stood down from his role at Teach First during the period.

There were no other related party transactions during the period.

None of the trustees received any remuneration in respect of their services or reimbursement of expenses during the period in which they served as a trustee. Gemma Rocyn Jones was remunerated as an employee after standing down as a trustee part way through the period and relinquishing any influence on the board. 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.