

**Oxford Youth Lab
(operating as Right to
Succeed)**

**Annual Report and Financial
statements**

Year to 31 August 2018

Charity Registration Number
1160886

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Legal and administrative information

Trustees	Mr Anthony Harte Dame Joan McVittie Mr Jo Owen Mr David Sheldon Mr Chris White Mrs Jill Finney Mr Charles Scott
Registered office	40 Bowling Green Lane London EC1R 0NE
Charity registration number	1160886
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	CAF Bank 25 King's Hill Avenue West Malling Kent ME19 45Q
Solicitors	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 2018

The trustees present their report together with the financial statements of Oxford Youth Lab (operating as Right to Succeed) for the year to 31 August 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 22 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.

Charity Name

On 29 September 2017 Right to Succeed CIO joined forces with the Oxford Youth Lab. Together we will be helping local partners to design, deliver and scale collective, research-informed solutions to the inequities they face. The registered name of the charity was changed in October 2017 with the Charity Commission as a condition of the two organisations working together. Unfortunately, after submitting trademark applications to the Intellectual Property Office, we received some resistance to operate under this name or variations of this name, so we have continued to operate under Right to Succeed.

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.

Objectives and activities

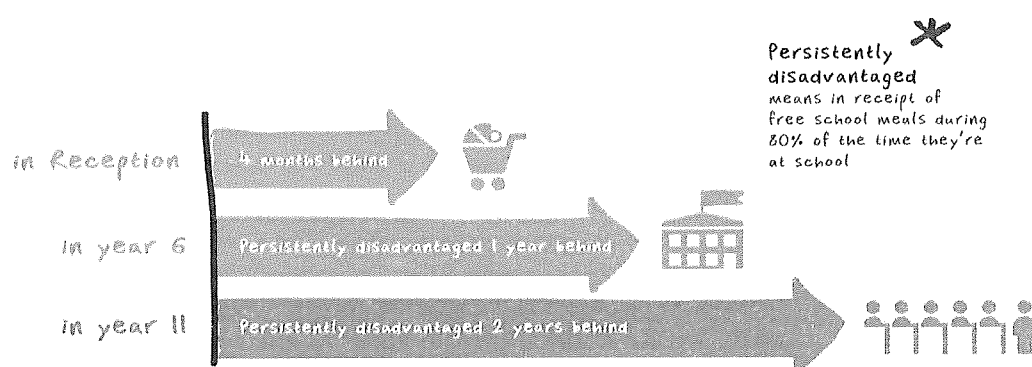
'Bringing people together to drive improvements across education because we believe every child deserves the right to succeed'

No single organisation or charity can solve the problem of educational inequity on their own – but together we can:

We are a collective impact charity that works with schools, local and national partners, to help children and young people in areas of poverty and low social mobility to thrive in education and into adulthood.

Objectives and activities (continued)

We believe that every young person deserves the right to be able succeed in life whatever their background, but for some there are significant barriers to realising their full potential. Pupils living in poverty in the UK begin school up to 4 months behind their peers. This gap widens over time and those living in the greatest poverty are up to two years behind their peers by the time they leave secondary school. There have been many short-term and isolated attempts at removing individual barriers to learning and yet the gap between young people living in poverty and their more advantaged peers has continued to widen. We take a different approach.

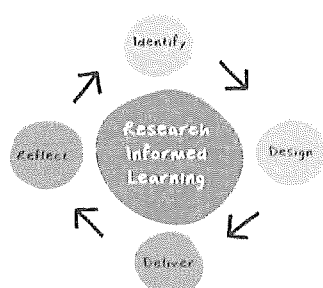


Together with our partners we design and enable positive change for children, and base our reputation on its impact:

We believe these major social issues will only be solved through a collective approach; bringing together the schools, local and national partners, who are focused on delivering a common vision. We coordinate efforts to remove the barriers that young people face by developing and delivering collective solutions that will have a lasting impact.

We convene partnerships around a research informed process, the social lab process, and a set of operating principles that will give each project the greatest chance of success. The aim is to both leave behind an effective intervention that solves the targeted issue, but to also develop the capability of each community to continue to use this approach in the long term to solve further problems.

Our continuous improvement cycle guides how we identify, design, deliver and reflect on our work.



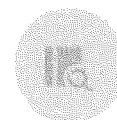
our collective approach

means that we are all active in providing the improvement

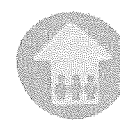
- 1 **Identify the need**, analysing data and holding structured conversations with young people and families.
- 2 **Design the solution** to meet that need, working together to build a shared model for change.
- 3 **Deliver the solution** in partnership, seeking support from those with first hand knowledge and experience.
- 4 **Reflect** on what needs to change in order to help us to reach our shared goal.
- 5 **Repeat**, taking in the learning from the process to date in order to deliver better outcomes the next time.



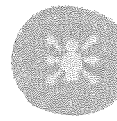
Locally led



Research informed



Collective impact



Capacity building

Objectives and activities (continued)

We work where we are needed most:

At present, the Charity delivers programmes in Blackpool, Doncaster and North Belfast - all areas that have been selected due to high levels of poverty and low social mobility.

Achievements and performance to 31 August 2018

2017/18 was a year of transition for the Charity. We devoted most of our time to putting in foundations for expansion of both programme delivery and the organisation itself.

However at the start of the year we identified four priorities and here we provide an update on how we have performed against them.

Priority 1: Our first priority for 2017/18 was to use the impact and learnings from our pilot in Blackpool to scale the School Improvement programme to new areas, namely Stoke and Liverpool.

Unfortunately, we were unsuccessful in the two bids submitted in October 2017 to the Strategic School Improvement Fund in conjunction with a national strategic partner and local partners in Liverpool and Stoke respectively. Had these been successful we would have expanded our work rapidly into up to 70 primary and secondary schools. In order to be ready to deliver these programmes, significant work in planning the programmes and recruiting a potential team was carried out. These were useful exercises in developing robust structures in the charity for future programme delivery, and have informed our approach to discovery when looking to start in a new area.

Since then the charity has committed to a testing and learning phase and will not seek such rapid expansion for next 3 years at least.

In the absence of immediate significant central government or local co-commissioning funding to support the robust implementation of any new programmes of work in Blackpool, we focused on 3 key areas for 2017/18:

1. Strengthening engagement between key Department for Education, Big Lottery and Blackpool colleagues around the concept of a collective impact approach to place-based change.
2. Maximising the impact of the existing interventions that we had previously supported to sustain and grow
3. Maintaining strong relationships with Senior Leaders across the Blackpool secondary schools

Outcomes:

1. At a strategic level, the outcomes of this work have played an influential role in shaping decisions around both DfE and Big Lottery funding being targeted to support key thematic issues in Blackpool in relation to preventing exclusions and literacy at Key Stage 3.

Achievements and performance to 31 August 2018 (continued)

2. Interventions such as, Place2Be's mental health support, Lexonik's synthetic phonics programme, GL's robust standardised assessment measures, Renaissance Learning's adaptive reading programme and positively framed behavioural tools around mindset have all successfully been incorporated into a range of individual school and MAT-based improvement strategies in the absence of external funding support.
3. Building on our previous work with 7 of the 9 secondary schools in Blackpool, all 9 including the pupil referral unit are now working collaboratively with us focusing on transforming the development and engagement of all pupils in Key Stage 3.

As of May 2018, the final two years of this work (starting in September 2018) is being funded with co-commissioning of over £600,000 from the Department for Education's Opportunity Area, complementing £340,000 of philanthropy that we have raised for the project.

The project, in partnership with the Education Endowment Foundation Research School at St Mary's Catholic Academy, is working to develop senior leaders in each school in the social lab process, enabling them to use it to create solutions to the identified need in their school. The aim of the project is to greatly improve literacy development and pupils' attitudes to themselves and school, using standardised assessments, alongside school data on attendance and exclusion, to understand progress.

The Impact Board, bringing together all school leads around the delivery of the process, and the Steering Board, which brings together the Charity, the Research School and the Department for Education, began working together in 2017/18 to ensure a successful launch in September 2018.

Priority 2: We hoped to start on the delivery of a three-year expansion of our preventing exclusions programme (Reach). We aimed to expand our work to 30 schools (300 pupils) across three areas of the UK. The programme would target pupils in areas of high need and across both the primary and secondary sectors.

Based on the successful pilot in Blackpool delivered in 2017, the Charity secured £1.1m from Big Lottery in early 2018 to take this work to scale across three areas of the UK. The three-year programme called Reach, aims to identify the learning and development needs of c.300 pupils across the three years at risk of exclusion and to embed interventions within schools to meet those needs, using the social lab process of identify, design, deliver and reflect. Delivery commenced in September 2018 in 30 primary and secondary schools in Blackpool, Doncaster and Belfast: areas chosen due to their high levels of poverty and exclusions.

Achievements and performance to 31 August 2018 (continued)

Scaled Pilot

Since starting the programme there has been a huge amount of work to do to embed us within all three areas, enabling us to deliver a programme of this scale and create successful outcomes for children and young people. This has been most notable in the two target areas that are new to our organisation: Doncaster and North Belfast.

In the first six months we have delivered a pre-engagement phase in all three areas. The aim of the pre-engagement phase was to engage local schools, alternative education providers, local council representatives, potential delivery partners, youth sector representatives and other key stakeholders in the programme and stimulate their engagement. In North Belfast, for instance, an area in which we have not worked before, we launched a series of stakeholder workshops to explore the Reach programme and how various organisations could participate. The stakeholder events involved all schools with an interest in the programme, representatives from local stakeholder organisations, and children who had been excluded, were at risk of exclusion and at no risk of exclusion were also consulted. The workshops were designed to identify the key issues facing excluded pupils and headteachers in the area. The workshops also aided a better understanding of the particular contextual issues of the local area.

Outputs

We have recorded the following outputs in the first six months:

1. Team recruitment:

In March 2018, our new Director of Reach, Belinda Logan, joined the team. With 30 years' experience in education at both primary and secondary levels, and a specialism in alternative provision, she brings incredible expertise to the team.

We then recruited three Programme Managers to take a lead in delivering Reach in their areas and by June 2018 all three staff were in post. All three have significant expertise of, and connections within, their area.

2. School recruitment and engagement:

We have now recruited all 30 schools to the programme which represent a mix of primary and secondary settings.

3. Regional office:

We opened a Manchester office in April 2018. This ensures we have the appropriate level of resources and organisational capacity to operate a programme of this scale in the North West region.

4. Governance structures in place:

Since April 2018 we have been establishing governance structures to ensure the successful implementation of the programme. We have set up three Local Steering Groups, and are in the early stages of establishing a National Steering Group which oversees support and challenge across the three areas.

Achievements and performance to 31 August 2018 (continued)

Priority 3: Youth Employment We aimed to 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.

We worked with the Centre for Youth Impact and the Government Outcomes Lab to develop a brief focused on considering how commissioning of youth employment projects could better meet the needs of young people at risk of future unemployment. However, due to constraints beyond our control, we have left the Centre for Youth Impact and Government Outcomes Lab to continue to deliver this research project.

This area of work remains a key priority for the Charity, as can be read about in the next section, Plans for the Future.

Priority 4: Data insights project We said we would work with Deloitte to develop a prototype tool for tracking the impact of our School Improvement and other programmes. The tool would 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.

We completed the prototype project with Deloitte. The prototype brings together national datasets, data held in school's management information systems, open data from the Department for Education and qualitative and quantitative data collected from teachers on our programmes.

The work to develop this beyond the prototype is ongoing with delays caused by the technical development work needed to connect to school Management Information Systems. The tracker will not be used to track or store live data from our schools until this step is complete and advice on data protection has been fully implemented.

Scoping for the next stage of the project took place during the year. This stage comprises the development of an online portal which will allow us to capture data from programme managers and school champions about their research led projects and pupil and staff capabilities. The development for this kicked off after the year end.

At the start of the year, we won funding from the Big Lottery's Big Potential Breakthrough Fund in order to research the feasibility of a commercial market for the prototype once it is further developed. We have worked with an external partner over the past 12 months in exploring the feasibility. The work is ongoing and due to be completed in early 2019.

Plans for the future

We see the next three years as a period of 'testing and learning' as we move from sub-scale, to at-scale and proven and we have agreed a strategy setting out how we will do this. To achieve this we need to do four things:

1. **PROJECT PIPELINE:** Take on a set of projects which are manageable in number but give us sufficient opportunity to test, refine and ultimately validate our approach.
2. **DELIVERY CAPABILITIES:** Build the key capabilities that we have identified as essential for successful delivery.
3. **IMPACT:** Put in place effective mechanisms to demonstrate the impact we are having through the collection of robust evidence.
4. **BACKBONE:** Establish a sustainable backbone organisation that has the right culture, structures and processes to be able to scale up and ultimately achieve our longer-term ambitions.

Working within this strategy, the following priorities have been planned for 2018/19:

1. **PROJECT PIPELINE**

School Improvement

Our priority here is to successfully complete Year 1 in the Blackpool Secondary schools of our KS3 literacy focussed programme.

REACH

In 2018/19 we will fully engage the schools and work with them through the 'identify' and 'design' stages of the programme before starting delivery. The schools will identify the pupils who will become the cohort and take the first baseline measurements.

Youth Employment

We are in the early stages of considering a project focusing on how young people who are excluded from mainstream education are supported into sustainable routes into further education, employment and training after they leave their Pupil Referral Unit or Alternative provision school at age 16.

Discovery

We will also look at carrying our exploratory work in several new places which will inform our decision on where next to deliver our programme.

2. **DELIVERY CAPABILITIES**

We will continue to work on identifying the capabilities required for the successful delivery of our programmes and the expansion of the charity; embedding these into our recruitment processes and our staff development plans.

We are passionate about helping schools better understand the capabilities of their young people; how they start to build on those capabilities and fill any gaps where they exist. We are seeing a growing trend in our projects of the role that capabilities such as improved literacy can play in unlocking children's potential to learn. As a result, we are working to develop systems that enable schools to measure, using asset-based

Plans for the future (continued)

standardised assessments, and understand the insight that the data provides so that effective intervention decisions can be made. (See data insights project below).

We are also very passionate about the role that good implementation of intervention can play in driving improved outcomes, and are working to bring together a coalition of like minded organisations to build the "go to" guidance on toolkit on how schools can successfully implement intervention. This guidance, toolkit and related systems will help scaffold all implementation through our programmes.

3. IMPACT

Data Insights Project

We will work on developing an online portal which will allow us to capture data from programme managers and school champions about their research led projects and pupil and staff capabilities.

We will complete our feasibility work for a commercial market for the impact tracker prototype, exploring various options, one of which we will take forward in 2019.

4. BACKBONE

In 2018/19 we will start to invest in our external communications, building a platform on which to share our learnings from our programmes and data insights project, with a new website and a stronger social media presence. At the same time we will build on our internal communications to support a growing, more dispersed staff team.

We will continue to strengthen the organisation as it grows, by ensuring our policies and procedures are complete, relevant and compliant and continue to embed them into working practice.

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:

- ♦ Funders: Esmée Fairbairn Foundation, Garfield Weston Foundation, Treebeard Trust, Lady Allison and Sir Harvey McGrath, the Big Lottery Fund, Credit Suisse EMEA, CAF Foundation
- ♦ Support, advice and office space: Clifford Chance LLP, Deloitte LLP, Beyond me, Atom, TeachFirst, Rothschild & Co

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. On 29 September 2017 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:

Trustees	Appointed	Resigned
Sir John Bell	29 September 2017	1 May 2018
Mrs Sarah Evans	29 September 2017	2 May 2018
Mrs Jill Finney		
Mr Anthony Harte		
Sir John Hood	29 September 2017	28 March 2018
Ms Bethia McNeil		15 December 2017
Dame Joan McVittie		
Mr Jo Owen		
Mr Charles Scott		
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 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. Each trustee aims to visit the work in schools or similarly informative event on the ground at least once a year.

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
Sarah Connor	Director of Development (September 2017 to August 2018)
Belinda Logan	Programme Director - Reach (from March 2018)
Beth Matheson	Chief Operating Officer
Paul O'Neill	Director of Programmes
Zoya Wallington	Director of Impact (from November 2017)
Olivia Sixsmith	Director of Development (from September 2018)

Structure, governance and management (continued)

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.

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.

Structure, governance and management (continued)

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:

- ♦ **Impact** Failure to deliver impact through our Reach and Blackpool Literacy programmes.
- ♦ **People** Failure both to hire and retain the right staff.
- ♦ **Strategy** Failure to deliver against our three-year strategy.
- ♦ **Stakeholder and partnership strategy** Damage to our reputation for bringing together organisations by a partnership (or set of) that we fail to manage successfully.
- ♦ **Finance** Inability to successfully secure sufficient opportunities or necessary funding to test our approach at scale; failure to secure funding or partnership for development of the data insights technology.
- ♦ **Reputational management** Failure to manage serious untoward incident of any kind resulting in reputational damage.
- ♦ **Legal compliance including data protection and safeguarding** Reportable breach of data protection or a safeguarding concern is raised in relation to a member of our staff or delivery partner.

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 are confident that the charity has established effective systems to mitigate these risks, as well as being able to identify early any risk indicators. The presence of regular monitoring of both Programme and organisational KPIs at Senior Executive and Board level will help identify any early indicators around the Strategy and Impact risks at the top of the above list. The Board is committed to ensuring that staff development and staff welfare are both a priority to ensure retention and recruitment of the right staff.

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.

Structure, governance and management (continued)

Financial report for the year

Results for the year

A summary of the year's results can be found on page 17 of the attached financial statements.

The net income for the year was £45,372 (2017 – net expenditure £976). The charity's total income grew by 37% was £717,591 (2017 - £522,217) which consisted mainly of donations and grants. £564,563 of this was spent on charitable activities (2017 - £483,335) while £107,656 (2017 - £39,858) was spent on raising income.

We increased the amount of voluntary income raised for the year by 55% at £696,416 (2017 - £448,129) of which £332,329 (2017 - £167,595) was restricted: £140,000 towards both the school improvement programme and our work with schools in general, £123,320 towards our work on preventing exclusions and £69,009 towards our data insights project. £385,262 (2017 - £280,534) of voluntary income raised was unrestricted and was spent on the projects described above, as well as on design and planning of the programmes 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 2018 the Charity had free reserves of £95,084 (2017 - £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. The provisional reserves policy is to aim to maintain a level of free reserves equal to 3-6 months' reserves. The current level of free reserves falls slightly short of that target but the trustees aim to increase reserves by up to £100,000 in the next 12 months, also as a response to planned increase in operational costs as the Charity grows.

Approved by the trustees and signed on their behalf by:


Trustee

Approved by the trustees on: 12 February 2019

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 2018 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2018 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
- ◆ 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.

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. This description forms part of our auditor's report.

Use of our report

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.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

9 April 2019

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 2018

		Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Income and expenditure	Notes				
Income from:					
Donations	1	364,087	332,329	696,416	448,129
Charitable activities		20,000	—	20,000	59,706
Other income		1,175	—	1,175	14,382
Total income		385,262	332,329	717,591	522,217
Expenditure on:					
Raising funds		107,656	—	107,656	39,858
Charitable activities:	2				
- School improvement programme		96,459	118,750	215,209	449,693
- Preventing exclusions		105,369	89,094	194,463	33,642
- Youth employment		21,060	—	21,060	—
- Data insights project		106,922	26,909	133,831	—
Total expenditure		437,466	234,753	672,219	523,193
Net (expenditure) income and net movement in funds		(52,204)	97,576	45,372	(976)
Reconciliation of funds					
Fund balances brought forward at 1 September 2017		150,332	21,345	171,677	172,653
Fund balances carried forward at 31 August 2018		98,128	118,921	217,049	171,677

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 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets	7		3,044		2,541
Current assets					
Cash at bank		291,179		208,968	
Debtors	8	9,236		10,112	
		300,415		219,080	
Creditors: amounts falling due within one year	9	(86,410)		(49,944)	
Net current assets			214,005		169,136
Total net assets			217,049		171,677
The funds of the charity					
Funds and reserves					
Unrestricted funds		98,128		150,332	
Restricted funds	10	118,921		21,345	
Total funds			217,049		171,677



Trustee

Approved on: 12 February 2019

Statement of cash flows year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	84,648	16,910
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,437)	(897)
Net cash used in investing activities		(2,437)	(897)
Change in cash and cash equivalents in the year		82,211	16,013
Cash and cash equivalents at 1 September 2017	B	208,968	192,955
Cash and cash equivalents at 31 August 2018	B	291,179	208,968

Notes to the statement of cash flows for the year to 31 August 2018.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	45,372	(976)
Adjustments for:		
Depreciation charge	1,934	1,463
Decrease in debtors	876	25,700
Increase/(decrease) in creditors	36,466	(9,277)
Net cash provided by operating activities	84,648	16,910

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	291,179	208,968
Total cash and cash equivalents	291,179	208,968

Principal accounting policies Year ended 31 August 2018

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 ended 31 August 2018.

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.

Principal accounting policies Year ended 31 August 2018

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 2019, 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 provision of legal advice and specialist consultancy. This is recognised as income in the period in which the advice or service 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 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>Class of asset</i>	<i>UEL</i>
IT equipment	3 years

Subsidiaries

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

Pensions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 5. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

1 Donations

	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Donations	53,637	—	53,637	84,225
Grants	225,000	332,329	557,329	363,904
Donated services	85,450	—	85,450	—
2018 Total funds	364,087	332,329	696,416	448,129
2017 Total funds	280,534	167,595	448,129	

Donated services in 2018 comprise legal advice provided by Clifford Chance, data systems consultancy provided by Deloitte and branding and design funded by Esmée Fairbairn.

2 Charitable activities

	Activities undertaken directly £	Support costs £	2018 £	2017 £
School improvement programme	150,097	65,112	215,209	449,692
Preventing exclusions	98,945	95,518	194,463	33,642
Youth employment	15,224	5,836	21,060	—
Data insights project	125,539	8,292	133,831	—
Total	389,805	174,758	564,563	483,335

Expenditure on charitable activities includes £234,753 (2017 - £156,286) of expenditure from restricted funds, of which £118,750 (2017 - £136,286) related to the school improvement programme, £89,094 (2017 - £20,000) related to preventing exclusion and £26,909 (2017 - nil) was spent on the data insights project. In 2017 work on the feasibility and development of a social impact bond which we had hoped to use as a funding mechanism for our school improvement programme was included as a separate activity. This has now been combined with the School improvement programme as it is no longer a significant work stream in its own right.

3 Support costs

	Raising funds £	School Improvement Programme £	Preventing exclusions £	Youth Employment £	Data Insights Project £	2018 £	2017 £
IT and communications	5,342	11,920	17,487	1,068	1,518	37,335	9,223
Financial administration	3,372	7,525	11,038	674	958	23,567	24,977
Governance (note 4)	7,144	15,943	23,388	1,429	2,031	49,935	28,407
Other	13,320	29,724	43,605	2,665	3,785	93,099	45,791
	29,178	65,112	95,518	5,836	8,292	203,936	108,398

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

4 Governance costs

	2018 £	2017 £
Audit fee	8,620	6,750
Legal fees	12,373	2,950
Trustee meetings and travel	1,987	154
Insurance	3,675	3,473
Staff costs	23,280	15,081
	49,935	28,407

5 Employee and key management remuneration

Summary

Staff costs during the year were as follows:

	2018	2017
Wages and salaries	314,974	213,916
Social security costs	31,920	18,135
Pension contributions	18,544	—
	365,438	232,051

Staff numbers

The average number of staff employed during the year on a headcount basis was 7.6 (2017 - 6). The average number of employees during the year, calculated on a full time equivalent basis (FTE), analysed by function, was as follows:

	2018	2017
Raising funds	0.8	0.5
Charitable activities	3.5	2.8
Core management and support	2.1	1.4
	6.4	4.7

Higher paid employees and remuneration of key management personnel

One employee earned between £70,000 and £80,000 during the year (2017 – no employee earned in excess of £60,000).

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 £322,649 (2017 - £176,668). The Executive Team grew from 3.1 FTE in 2017 to 5.4 2018.

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 £196 (2017 - £154 reimbursed to two trustees).

The Trustees purchased indemnity insurance at a cost of £1,105 (2017 - £1,105) for the year. The policy provides indemnity for the Trustees and professional liability to a limit of £1,500,000.

Notes to the financial statements Year ended 31 August 2018

6 Taxation

Oxford Youth Lab 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

	2018 IT Equipment £
Cost at 1 September 2017	4,462
Additions	2,437
Total cost at 31 August 2018	6,899
Accumulated depreciation at 1 September 2017	(1,921)
Depreciation charge	(1,934)
Accumulated depreciation at 31 August 2018	(3,855)
Net book value at 31 August 2017	2,541
Net book value at 31 August 2018	3,044

8 Debtors

	2018 Total funds £	2017 Total funds £
Accounts receivable	—	532
Prepayments and accrued income	3,998	3,312
Other debtors	5,238	6,269
	9,236	10,112

9 Creditors: amounts falling due within one year

	2018 Total funds £	2017 Total funds £
Accounts payable	26,908	5,537
Taxation and Social Security	12,710	6,040
Accruals and deferred income	40,131	38,367
Other creditors	6,661	—
	86,410	49,944

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 2017 £	Income £	Expenditure £	At 31 August 2018 £
Big Lottery Fund Grant (Big Potential Breakthrough)	—	20,309	(20,309)	—
Big Lottery Fund Grant (Reach)	—	123,320	(89,094)	34,226
Credit Suisse EMEA	—	48,700	(6,600)	42,100
Esmée Fairbairn	—	100,000	(100,000)	—
Rothschild & Co	—	40,000	—	40,000
The Funding Network (various donors)	2,595	—	—	2,595
Treebeard Trust	18,750	—	(18,750)	—
	21,345	332,329	(234,753)	118,921

The Big Lottery Fund has provided the charity with two separate grants. One from the Big Potential Breakthrough fund for feasibility work around the commercial viability of tools being developed as part of the data insights project and the other for the Reach programme around scaling up our work on preventing exclusions.

Credit Suisse EMEA is funding the data insights project. Delays with third party contractors have required most of their funding to be carried over into the new financial year, but should be fully spent in the first 4 months of the new financial year.

Esmée Fairbairn continues to fund core costs, but have restricted their grant to fund those core costs supporting our education work for the collective School Improvement and Reach programmes.

Rothschild & Co is funding the KS3 literacy focussed programme in Blackpool, planning for which took place in the financial year but delivery of which began in September 2018. Therefore, the full amount has been carried forward at 31 August 2018, but has been fully spent in the first 3 months of the new financial year.

Donations given via the Funding Network are restricted to development of our external communications will be fully spent in the new financial year on the new website design and build following some delay.

Treebeard Trust funding was provided specifically for the School Improvement Programme in Blackpool and was fully spent in the year.

11 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	At 31 August 2018 £
Fund balances at 31 August 2018 are represented by:			
Tangible fixed assets	1,833	1,211	3,044
Current assets	133,658	166,757	300,415
Creditors: amounts falling due within one year	(37,363)	(49,047)	(86,410)
Total net assets	<u>98,128</u>	<u>118,921</u>	<u>217,049</u>

12 Related party transactions

The aggregate amount of donations received in the year from related parties was £200,000 (2017: £25,000).

There were no other related party transactions during the year.

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.

