

NEXT STEP FOUNDATION
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

NEXT STEP FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Wellesley-Wesley Mr C Bonas Mr J Higgins Ms A Conway-Hughes
Charity number	1191176
Company number	CE023817
Registered office	Victoria House 1a Gertrude Street London SW10 0JN
Independent examiner	Shorthouse & Martin Limited Worthy House 14 Winchester Road Basingstoke Hampshire RG21 8UQ

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TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The trustees present their report and accounts for the year ended 30 September 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in October 2019.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO), governed by its 'Foundation' Model Constitution dated 21 April 2022.

The trustees who served during the year were:

Mr D Wellesley-Wesley

Mr C Bonas

Mr J Higgins

Ms A Conway-Hughes

(Appointed 24 November 2021)

Recruitment and appointment of trustees

(a) There must be at least three charity trustees. If the number falls below this minimum, the remaining trustee or trustees may act only to call a meeting of the charity trustees, or appoint a new charity trustee.

(b) The maximum number of charity trustees is 12. The charity trustees may not appoint any charity trustee if as a result the number of charity trustees would exceed the maximum.

(c) The first charity trustees are as follows, and are appointed for the following terms:

- Charles Bonas for 3 years and in accordance with Clause 12.(3) would not generally be reappointed for a fourth consecutive term.
- James Higgins for 5 years and would not generally be reappointed for a third consecutive term but may be reappointed by agreement of 75% of the board of trustees.
- David Wellesley-Wesley for 4 years and would not generally be reappointed for a third consecutive term but may be reappointed by agreement of 75% of the board of trustees.

(d) Apart from the first charity trustees, every trustee must be appointed for a term of two years by a resolution passed at a properly convened meeting of the charity trustees.

(e) In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Organisational structure

Mr C Foot was appointed as Chief Executive Officer (CEO) on 13 September 2021. He resigned on 31 October 2022. Ms D Ozanne was appointed as Chief Operations Officer (COO) on 19 September 2022.

Risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The charity's objects are to advance education for the public benefit by delivering courses to students living in the UK who come from underprivileged backgrounds in order to help them make successful applications to undergraduate programmes at UK Universities. For the purpose of this clause, an 'underprivileged background' means that a student adheres to one or more of UK Universities' widening participation criteria.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The main activity of the charity is delivering a 10-month online university preparation programme. To do this, it is essential to establish and maintain relationships with partner schools and multi-academy trusts (MATs), develop resources and materials, conduct a student selection process, onboard, train and employ tutors and experts to deliver the sessions, evaluate the programme and host some events to bring together the community of participants and alumni.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

In shaping objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The charity relies on grants and donations to cover its operating costs. Working in close partnership with multi-academy trusts and schools is critical to select eligible students from underprivileged backgrounds and ensure accessibility.

Use of volunteers

Some voluntary contributions were made by tutors and expert speakers in delivering sessions or extension lectures.

Achievements and performance

Talent is distributed evenly, but opportunity is not. Even the most successful state schools and multi-academy trusts across the country struggle to justify the resource needed to stretch their most able students from disadvantaged backgrounds.

The Sutton Trust expects a 12% reduction in social mobility as a result of COVID and the government's failure to invest in rescuing those lost children. "Stark learning losses, suffered disproportionately by poorer pupils during the pandemic, will leave long-term scars for future generations". A high-quality university education is a game changer.

In this year we enrolled 145 students onto the programme. At the inception of the programme under 1,000 students on Free School Meals (FSM) went on to study at a Russell Group University. We are proud that our current cohort, all from disadvantaged backgrounds and selected for their drive & intellectual curiosity, already represents up to 15% of this number nationally.

Our last five cohorts have a 32% acceptance rate or higher to Oxford or Cambridge universities (which rivals Eton College with 33%) and 97% of our scholars go on to a Russell Group university.

We have a chance to give more students consistent access to exceptional tutors who can support them to bridge the gap in skills and knowledge that will help them reach their educational ambitions.

By ensuring that our scholars not only gain places at the most selective institutions but also are prepared to excel once they are there. The knock-on effect of our growing community of alumni can serve to improve the life chances not only of participants, but also their community, providing support and role models to inspire their peers and future generations.

Our goal was to maintain our excellent track record of results while doubling our intake. We exceeded this target supporting 145 students from across the country in the current cohort.

We aimed to improve our application process and communications with school partners. This was achieved with bi-weekly newsletters and attendance trackers and a moderated online application process.

We refined certain aspects of the programme, in particular changing our tutor groups to coaching groups. This change in format increased participation and engagement in the community. We also introduced careers insight sessions, helping students visualise their career options depending on the studies they wish to pursue.

Finally, we aimed to launch our first full impact evaluation. Baseline, midpoint and endpoint measures have been taken from students, tutors and teachers and the full report will be published in the Spring.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Fundraising achievements

The funding secured for this year enabled us to more than double the current intake, and with continued multi-year grants of £36,000 we are confident in continuing this trajectory and as such have appointed a full time COO.

Financial review

The charity's financial position at the end of the period is considered to be healthy. With an established programme and network of professionals to support in delivering it, we are able to plan with confidence to double in numbers and ensure the necessary level of support costs. We are delighted to have secured funding for the upcoming cohort from the Hiscox Foundation and Garfield Weston Foundation. The confidence demonstrated by our funders and our upcoming impact report will support us in raising funds to continue extending our impact.

Reserves policy

Reserves are needed to bridge the gap between the spending and receiving of income and ensuring that we can offer security to our partner schools and participating students to be able to deliver the programme to increasing numbers of students.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six-month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

On behalf of the board of trustees



.....
Mr D Wellesley-Wesley

Chair

Dated: **01 April 2023**
.....

NEXT STEP FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NEXT STEP FOUNDATION

I report on the accounts of the charity for the year ended 30 September 2022, which are set out on pages 5 to 10.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of Next Step Foundation for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement

In connection with my examination, no matter has come to my attention

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Shorthouse & Martin Limited

Worthy House
14 Winchester Road
Basingstoke
Hampshire
RG21 8UQ

Dated:

NEXT STEP FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	-	-	-	101,010
Investment income	3	2	-	2	-
		2	-	2	101,010
Incoming resources from charitable activities	4	13,520	36,000	49,520	40,000
Total incoming resources		13,522	36,000	49,522	141,010
<u>Resources expended</u>					
5					
<u>Costs of generating funds</u>					
Costs of generating donations and legacies		1,509	-	1,509	2,562
Net incoming resources available		12,013	36,000	48,013	138,448
<u>Charitable activities</u>					
University preparation programme		71,569	18,890	90,459	32,505
Governance costs		2,411	-	2,411	1,620
Total resources expended		75,489	18,890	94,379	36,687
Net (expenditure)/income for the year/ Net movement in funds		(61,967)	17,110	(44,857)	104,323
Fund balances at 1 October 2021		94,323	10,000	104,323	-
Fund balances at 30 September 2022		32,356	27,110	59,466	104,323

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	9	281		-	
Cash at bank and in hand		92,381		140,943	
		<u>92,662</u>		<u>140,943</u>	
Creditors: amounts falling due within one year	10	(33,196)		(36,620)	
Total assets less current liabilities			<u>59,466</u>		<u>104,323</u>
Income funds					
Restricted funds	11		27,110		10,000
Unrestricted funds			<u>32,356</u>		<u>94,323</u>
			<u>59,466</u>		<u>104,323</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2022. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 01 April 2023



Mr D Wellesley-Wesley
Chair

Company Registration No. CE023817

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

2 Donations and legacies

	Total 2022 £	Total 2021 £
Donations and gifts	-	101,010

3 Investment income

	2022 £	2021 £
Interest receivable	2	-

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Grant funding receivable	13,520	36,000	49,520	40,000

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Total resources expended

	2022 £	2021 £
Costs of generating funds		
Costs of generating donations and legacies	1,509	2,562
Charitable activities		
<u>University preparation programme</u>		
Activities undertaken directly	78,517	26,915
Support costs	11,942	5,590
Total	90,459	32,505
Governance costs	2,411	1,620
	<u>94,379</u>	<u>36,687</u>

Governance costs includes payments to the independent examiners of £1,920 (2021: £1,620) for independent examination fees.

6 Support costs

	2022 £	2021 £
Administrative expenses	-	1,675
IT software & maintenance	5,449	1,795
Staff costs	6,493	2,120
	<u>11,942</u>	<u>5,590</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and no relevant expenses were reimbursed.

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Chief Executive Officer	<u>1</u>	<u>1</u>

There were no employees whose annual remuneration was £60,000 or more.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Debtors	2022	2021
	£	£
Prepayments and accrued income	281	-
	<u> </u>	<u> </u>

10 Creditors: amounts falling due within one year	2022	2021
	£	£
Social security and income tax	2,449	-
Accruals	30,747	36,620
	<u> </u>	<u> </u>
	33,196	36,620
	<u> </u>	<u> </u>

11 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 October 2021	Movement in funds		Balance at 30 September 2022
	£	Incoming resources	Resources expended	£
Kensington and Chelsea Innovation and Collaboration Fund	10,000	-	(7,840)	2,160
The Jordan Charitable Foundation	-	30,000	(6,250)	23,750
The Worshipful Company of Pewterers - Seahorse Grant	-	6,000	(4,800)	1,200
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	10,000	36,000	(18,890)	27,110
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Innovation and Collaboration Fund

This fund is supported by the Kensington and Chelsea Foundation and is restricted for the purpose of supporting 14 young people from Kensington and Chelsea through the University Preparation Programme.

The Jordan Charitable Foundation

This fund is restricted to providing the support to increase in student intake on the University Preparation Programme to 120 students and to maintain this in future years.

The Worshipful Company of Pewterers

This fund is restricted for the purpose of supporting 6 young people from Sheffield and South Yorkshire through the University Preparation Programme.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 September 2022 are represented by:			
Current assets	64,757	27,905	92,662
Creditors: amounts falling due within one year	(32,401)	(795)	(33,196)
	<u>32,356</u>	<u>27,110</u>	<u>59,466</u>

13 Related parties

At the end of the year, £0 (2021: £35,000) was owed to Bonas MacFarlane Consulting Limited for reimbursement of expenses incurred on behalf of the charity.

Bonas MarFarlane Consulting Limited is a company of which two of the charity's trustees are also directors.

At the end of the year, £28,032 (2021: £0) was owed to Next Step Education Limited for reimbursement of expenses incurred on behalf of the charity.

Next Step Education Limited is a company of which two of the charity's trustees are also directors.