



**YOUNG ENTERPRISE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2007**

**COMPANY NUMBER: 712260**

**CHARITY NUMBER: 313697**

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**YOUNG ENTERPRISE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 JULY 2007**

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Company No 712260

Registered Charity No 313697

## YOUNG ENTERPRISE

### HIGHLIGHTS FOR THE YEAR ENDED 31 JULY 2007

During the 2006/07 academic year, **376,132 students** took part in Young Enterprise programmes representing an **16%** year on year growth in programme delivery

#### **National Company-based programmes**

**40,792 students ran 3,363 Young Enterprise companies during 2006/07 (10.8% of activity)**

- 33,755 students set up their own real companies through the Company Programme
- 5,474 students gained work and life skills through the Team Programme
- 1,139 students gained business start-up experience whilst at University through the Graduate Programme
- 424 students experimented with mini-enterprises through the QuickStart and QuickStart-Music pilots

#### **National Classroom-based programmes**

**6,046 Young Enterprise classroom programmes were delivered to 270,069 students (71.8% of activity)**

- 129,058 pupils learnt about the world of work through the Primary Programme
- 47,158 students took part in the Learn to Earn programme
- 30,377 students experienced a Young Enterprise Entrepreneurship Masterclasses
- 27,992 students participated in the Project Business programme
- 12,542 students developed their enterprise capability through the Enterprise in Action programme
- 11,721 students enhanced their skills for of personal finance through the Personal Economics programme
- 10,321 students took part in a Young Enterprise Industry Masterclasses
- 900 students experienced Northern Ireland's Key Programme

#### **Regional pilot programmes**

**1,054 regional pilot and test programme sessions were run with 65,271 students (17.4% of activity)**

- 18,778 students took part Big School programme pilots in Northern Ireland and London
- 12,757 students participated in London's Enterprising Business programme pilot
- 8,673 students were engaged in Northern Ireland's Moving On programme pilot
- 4,743 students participated in the South East Region's Sell for Success programme pilot
- 4,500 students took part in Scotland's Our Business programme pilot
- 15,820 students engaged with a range of other regional programme pilots

#### **Other Achievements**

- Establishing the Young Enterprise National Council of Regional Chairmen
- Successfully completing the Enterprise Summer Schools pathfinder project, backed by Central Government through DCSF, and delivering excellent evaluation results from Oxford University
- Designing the framework for Company Programme on-line materials, to be launched in September 2008
- Developing and piloting the Young Enterprise QuickStart Music programme through support from Edge and British Music Rights, to be launched nationally in January 2008
- Exporting the Young Enterprise UK core programme suite for adoption by JA-YE Europe as the basis for European core programmes
- Completing renovation of classroom programme suite for 11 to 16 year old students
- Increasing membership of the Young Enterprise Alumni programme to over 700 individuals and launching evaluation programme on the long-term impact of Enterprise Education
- Delivering a number of successful events including the 2006/07 Innovation Awards, Celebration Dinner and Staff Conference

## YOUNG ENTERPRISE

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 JULY 2007

I am delighted to be able to report on another successful year of activity for Young Enterprise across the UK

Whilst each of the autonomous Regional organisations will be reporting separately, we shall provide here a summary of the overall UK activity

## ACHIEVEMENTS AND PERFORMANCE

### 1) Record levels of student participation

It has been another period of solid growth for Young Enterprise. During the 2006/7 year a record 376,132 young people took part in our programmes, representing 16% growth year on year. Details of performance in each programme can be found on the preceding "Highlights" page

### 2) Development of Regional Structure

The reported year saw the new National Council, comprising the Chairs of the 12 regional organisations, come together for its first three meetings as a separate body to the UK Board

Specifically addressing issues of business planning, quality assurance and operational delivery, the National Council's remit is also reflected in a new restructured Executive Team with committees meeting during the year to address Business Planning, Programmes, Operations, Finance and Fundraising

Through Young Enterprise UK's relationship with Junior Achievement Worldwide, the UK Board has introduced a new worldwide statement of core purpose, values and aspirations which has also been adopted by the National Council on behalf of the 12 autonomous YE regions within the UK

Acknowledging the role that enterprise has to play in developing individual and corporate competitiveness on the international stage, our new statement of purpose is "to inspire and prepare young people to succeed in a global economy"

Aligning with this purpose around the globe, each national organisation has its own business plan objectives and targets under ten key areas of focus, and within the UK, each Young Enterprise region has planned its activities for the coming year to align with the overarching UK objectives. Details of the 2007/8 Young Enterprise UK Business Plan can be found in the Trustees Report

### 3) Programme Development

With continuing additional funding support, most notably from the educational foundation Edge, we have this year been able to expand our five-year investment project to develop exciting new programmes and renovate materials for our existing portfolio

#### *QUICKSTART AND QUICKSTART MUSIC PILOTS*

During the reported year, just over 400 students became the first ever to take part in our new QuickStart and QuickStart Music programmes. Supported by Edge and British Music Rights, these programmes build on the success of Company Programme and see students aged 14 to 16 working in teams to set up and run their own real company or real music industry over the course of ten weeks

In addition to initial piloting of both programmes, the reported year saw work begin on the creation of programme web sites, which are being constructed by Oracle and will include video guidance materials. For QuickStart Music, 26 interviews have already been filmed with individuals from the music industry and the resulting video materials will be launched on-line during the 2007/8 year

The first QuickStart Music students, from Bingley School, presented an account of their experiences and unveiled their first signed band, The Marmosets, at the Young Enterprise Celebration Dinner in July 2007

## YOUNG ENTERPRISE

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 JULY 2007

#### *PROGRAMME RENOVATIONS*

The reported year saw the completion of a two-year project to renovate our classroom programme suite for the 11 to 16 year age group. With the re-launch of materials for Enterprise in Action, we now have a core offering of four complementary programmes that develop students' enterprise and financial capability, business understanding and skills, knowledge and attitudes for economic well being.

In the reported year, over 99,000 students participated in this range of programmes, and we were delighted that an announcement in July by the Secretary of State for Children, Schools and Families, Ed Balls confirmed the Government's formal introduction of 'Economic wellbeing and financial capability' as a focus of teaching for 11-16-year-olds. We expect expanding delivery of our classroom programme suite to play an important role in supporting schools to deliver on this agenda.

We have also completed the first of a two-year project to renovate the programme materials for the Company Programme, which will move them to online delivery from September 2008. In future years this will also expand to the Team and Graduate Programmes.

The new web site will combine the traditional guidance materials with facilities for students, teachers, business volunteers and members of our Alumni programme to collaborate, meet, manage their finances, exchange ideas, seek advice, call on mentors and build identities for themselves and their companies on-line. During the reported year, student, teacher and volunteer focus groups have been involved in the design of this new facility, and in filming for a series of podcasts. Next year, consultation will be widened to include members of Young Enterprise's board network, before the web site is constructed.

#### *ENTERPRISE SUMMER SCHOOLS*

In last year's report I highlighted that over the summer of 2006, Young Enterprise had spearheaded a new government-backed pathfinder to extend the enterprise education experience beyond the school term through enterprise summer schools. More than 300 hundred businesses and other organisations got involved with the project which began in May 2006 and concluded in the first few months of the reported year with 23 summer schools opening their doors to students throughout the UK over that time.

In the reported year, Oxford University completed the programme evaluation, having visiting each of the 23 summer schools where they interviewed students, volunteers, teaching staff and our own Development Managers. The evaluation results demonstrated that the project was a huge success.

### **4) Communications**

#### *PROMOTIONAL MATERIALS*

In the reported year, following on from the launch of our new Oracle-built web site, we have also redeveloped our printed promotional materials. A new suite of brochures that focus on individual case study stories has this year been introduced. Titles include Young Enterprise at a Glance, The Value of Volunteering, and Enterprise Education: From Theory to Practice.

#### *ALUMNI PROGRAMME*

Through the support of Edge, we have this year been able to continue our investment into the development of the Young Enterprise Alumni programme. With 700+ members now identified and registered, and some 400 case studies available on-line, work has begun during the reported year on an independent evaluation into the long term impact of enterprise education – the first of its kind in the UK.

#### *REGIONAL OFFICE ADMINISTRATION SYSTEM*

During the reported year, work has continued on the development of our IT communications systems. This time efforts have focused on integrating Young Enterprise's database and Intranet reporting structures to combine and enhance the existing fundraising, volunteering and schools registration databases.

## YOUNG ENTERPRISE

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 JULY 2007

Now live and in use, the new Regional Office Administration System enables cross-stakeholder management reporting and interrogation throughout YE regions, in addition to facilities for storing and sharing communications and other records on-line for wider access by the Young Enterprise networks. Further enhancements to the Intranet facility during the coming year will explore and experiment with new methods of communication and information-sharing within the organisation.

### FINANCIAL REVIEW

Our accounts relate only to the UK organisation. The autonomous Young Enterprise regions make their own financial returns.

Total incoming resources reduced from the previous year to £2.8m (2006: £3.5m). The matching Total resources expended were £2.7m (2006: £3.48m), down £0.7m, after a transfer to the Development Fund of £50,000 we generated a surplus for transfer to the unrestricted income fund of £28,000 (2006: £79,000).

The principal funding sources during the year were HSBC Bank plc, Edge, Cadbury Schweppes Plc, GKN plc and the former government Department for Education and Skills.

A combination of better treasury management, prudent cost management and timing of donations have created the surplus on the year's activity.

I would like to take this opportunity to thank our many corporate supporters, business volunteers and teachers for their dedication, enthusiasm and achievement in delivering this record year of activity. Equally, the Regional Chairmen, their Board members and staff are to be congratulated for their tremendous commitment and determination to build strong Young Enterprise regional organisations.

Finally, but by no means least, I would like to thank my UK Board colleagues and the National Office staff team for their leadership and effective management of our organisation.

We are all looking forward to another successful year of inspiring and enabling yet more young people to Learn by Doing.



Michael Geoghegan  
Chairman

12<sup>th</sup> December 2007

## YOUNG ENTERPRISE

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2007

The Trustees present their report and the audited financial statements of the charitable company for the year ended 31 July 2007

#### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

<b>The name of the charity</b>	Young Enterprise
<b>Registered charity number</b>	313697
<b>Registered company number</b>	712260
<b>Registered office</b>	Peterley House Peterley Road Oxford OX4 2TZ

#### Trustees/Directors – UK Board

Representatives from business, education, public or voluntary sectors

Michael Geoghegan	Chairman	
Neil Makin	Vice Chairman	
Grey Denham		
Kevin Dundas		
David Horner		
Mary Marsh		
Alan Pascoe		(Appointed 18 <sup>th</sup> May 2007)
William Salomon		
Philip Sims	Honorary Treasurer	
Phil Smith		
Miles Templeman		

#### National Council

Each of the company chairs from the 12 Regional Organisations

Tim Allan	Scotland
Geoff Bell	South East
Malcolm Clark (Acting RC)	West Midlands
Charles Cockell	South West
Tony Gill (Acting RC)	North West
Clive Hyman	East of England
Professor Ken O'Neill	Northern Ireland
Paul Oram (Acting RC)	Wales
David Shelley	London
John Watson	Yorkshire and Humber
Mark Henderson	North East
Jon Marx	East Midlands

## YOUNG ENTERPRISE

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2007

#### Trustees who resigned or retired during the year

##### Regional Trustees (National Council)

Tim Allan	Scotland	(Resigned 16 <sup>th</sup> November 2006)
Geoff Bell	South East	(Resigned 16 <sup>th</sup> November 2006)
Charles Cockell	South West	(Resigned 16 <sup>th</sup> November 2006)
Clive Hyman	East of England	(Resigned 16 <sup>th</sup> November 2006)
Professor Ken O'Neill	Northern Ireland	(Resigned 16 <sup>th</sup> November 2006)
David Shelley	London	(Resigned 16 <sup>th</sup> November 2006)
Adriaan Vickery	East Midlands	(Resigned 16 <sup>th</sup> November 2006)
John Watson	Yorkshire and Humber	(Resigned 16 <sup>th</sup> November 2006)
Graham Wright	North East	(Resigned 16 <sup>th</sup> November 2006)
Ray Faulkner	West Midlands	(Appointed & Resigned 16 <sup>th</sup> November 2006)

#### Honorary Company Secretary

Derek Walmsley

#### UK Senior Management Team

Sir Michael Savory

UK Chief Executive

Rachael Anderton

UK Deputy Chief Executive

Mark Collins

UK Finance, Administration and HR Director

Peter Guy

UK Programmes Director

Penny Perry

UK Communications Director

#### Auditors

Critchleys Chartered Accountants  
Greyfriars Court  
Paradise Square  
Oxford  
OX1 1BE

#### Bankers

HSBC Bank plc  
Prima House  
Banbury Road  
Summertown  
Oxford  
OX2 7HY

#### Solicitors

Bates, Wells & Braithwaite  
2-6 Cannon Street  
London  
EC4M 6YH



## **YOUNG ENTERPRISE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2007**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Young Enterprise is a national educational business charity and a company limited by guarantee which, is governed by a Memorandum and Articles of Association

##### **Recruitment and appointment of new trustees**

All new trustees meet with the Chief Executive to go through a formal induction and training process. A Trustee/Director guide is also provided with further information on governance and Young Enterprise

##### **Organisational structure**

Young Enterprise is a national not-for-profit business-education organisation, operating via a structure of 12 licensed autonomous regional organisations and a National Office. During the reported year, the membership and UK Board of Young Enterprise comprised the Trustees of the UK organisation. Every year, one third of the Elected Trustees must retire, but are then available for re-election.

The UK Board appoints the UK Chief Executive who provides leadership to the UK organisation. The UK Chief Executive appoints the UK Deputy Chief Executive who heads up the National Office. The UK Chief Executive is responsible to the UK Board in the execution of his or her duties. The UK Deputy Chief Executive heads up the Senior Management Team at National Office who operate the departments that support the UK Chief Executive and Deputy Chief Executive across the whole Young Enterprise UK network.

The role of the National organisation is, through the UK Board, to govern the UK organisational structure, license YE Regional organisations to operate as Young Enterprise, delivering approved programmes to agreed standards. This relationship is formalised in an Operating Agreement between the UK organisation and each Region.

The National organisation maintains a National Office to manage relationships between the National organisation and the Regions, between the 12 Regional organisations and relationships with International partner organisations in the Junior Achievement World-wide network. The main vehicle for this is the UK Executive Teams. Chaired by the Deputy Chief Executive or the Heads of the relevant National Office Functions, the Executive Teams are formed to address the specific business areas of Business Planning and Performance, Fundraising, Administration, Programme Development and Operations. Each Executive Team comprises the UK Senior Management Team and Regional Chief Executives, or their delegated representatives. The UK Chief Executive represents the UK organisation on the JAYE Europe Executive and the JA World-wide Executive.

The National Office provides support to the Regional organisations and monitors their performance providing management information to the UK Executive Teams, each local staff member and Board and to the UK Board, National Council and the Finance and General Purposes Committee. The relationship is formalised in a Regional Service Agreement that is reviewed annually by the UK Business Planning Executive each Spring.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects**

The objects of the charity are

- The advancement of Education and in particular commercial education if and in so far as such purpose shall be charitable, and
- to educate young people in the United Kingdom in the organisation, methods and practice of commerce and industry and in all subjects related thereto

##### **Core Purpose**

To inspire and prepare young people to succeed in a global economy

## YOUNG ENTERPRISE

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2007

#### Long Range Aspiration

To be recognised by businesses, educators, and policymakers as the premier organisation for inspiring and preparing young people to develop the attitudes and skills for enterprise, personal success, and life long learning and employability to achieve the common goals of creating jobs, building stable economies, and providing higher standards of living

#### Aims

The key objectives described in the statement of core purpose are met via a range of educational programmes designed to help young people to develop a practical understanding of business and enterprise and gain new skills in preparation for their working lives

The UK National Office operates in support of the whole of the UK to provide programme guidance and materials for use in schools, colleges, and universities. Specifically, the National Office has responsibility for programme development, research and evaluation, brand management, administrative and operational systems, insurance cover and national event management. In relation to its own internal operations, other key areas include fundraising, supporter relationship management, financial controls and personnel management

A key activity of the National Office is the development, print and distribution of programmes and support materials. The National Office maintains and regularly updates an agreed core of National Programme materials and supports Regional innovation of new programme development within a framework for new programme development, approval and adoption

The Young Enterprise programmes are

1. **Primary Programme:** Volunteers from business and the local community throw open a window on the world of work and life in their community for pupils aged 4 to 11
2. **Personal Economics:** Encourages students aged 12 to 15 to appreciate their current and future role in society and the economy as consumers, employees, employers, tax payers, investors and borrowers
3. **Enterprise in Action:** Business volunteers challenge students aged 12 to 15 to identify and develop attitudes and capabilities for entrepreneurship through creating a prototype product
4. **Learn to Earn:** Students aged 13 to 15 are challenged to consider the link between their education and their future success and happiness in work and life
5. **Project Business:** Students aged 14 to 15 gain a practical, activity-based insight into economic and business life through sharing in the real life experiences of a volunteer who works in their locality
6. **QuickStart (PILOT):** Students aged 14 to 15 are given a brief introduction to enterprise and business start-up through setting up their own company and taking a product to market over a 10-week period
7. **QuickStart Music (PILOT)** Students aged 14 to 15 gain an insight into the workings of the music industry and key issues such as intellectual property and licensing, through setting up their own mini-industry in school, signing artists and putting on a music event or producing and selling a music-related product
8. **Company Programme:** Students aged 15 to 19 gain practical experience of business and enterprise through setting up and running their own real company
9. **Team Programme:** Young People aged 15 to 19+ who experience difficulties with their learning have the opportunity to develop skills for work through a real-life enterprise experience
10. **Entrepreneurship Masterclass:** Students aged 15 to 19+ are inspired and challenged to consider business start-up through first hand accounts from entrepreneurs
11. **Industry Masterclass:** Business volunteers from a specific industry sector guide students aged 15 to 19+ in exploring careers and opportunities for business start up within that sector

## YOUNG ENTERPRISE

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2007

**12 Graduate Programme:** Students in Higher Education have the opportunity to test-out self-employment and business creation through setting up and running their own company

Young Enterprise programmes are delivered by volunteers from business and the local community, who work in partnership with teachers, sharing their own experiences with participating students using materials developed by Young Enterprise in consultation with leading business organisations and professional bodies. In addition, Young Enterprise has a range of regional pilot and specialist programmes currently underway.

### ACHIEVEMENTS AND PERFORMANCE

Achievements and performance for the year are summarised in the Chairman's Report.

### FINANCIAL REVIEW

A financial review is also summarised in the Chairman's Report.

### AUDIT COMMITTEE

At the November 2006 UK Board meeting it was decided that the Board would assume the responsibilities of the Audit Committee for the foreseeable future.

### PLANS FOR FUTURE PERIODS

Our business plan objectives for the coming year fall into ten categories:

- 1 **Student Delivery:** To deepen delivery of core programmes to all schools and colleges
- 2 **Programmes:** To ensure that accredited programmes challenge students in hands on learning activities
- 3 **Volunteers:** To ensure that volunteers are well prepared and share their business experiences
- 4 **Boards:** To ensure that all board members are equipped to meet our objectives
- 5 **Funding:** To ensure well diversified corporate and government funding
- 6 **Brand:** To be the provider of choice for enterprise education
- 7 **People:** To develop the capacity of our staff to build & maintain our links with business, education and other stakeholders
- 8 **Operations:** To ensure that our systems are fit for purpose and to develop positive lines of communication throughout the organisation
- 9 **Governance:** To ensure that good practice is consistently applied across the organisation
- 10 **Alumni:** To trace and engage with past students to stimulate participation in our objectives

Across the UK, we will seek to expand Young Enterprise's reach into all schools over the coming years. In particular, we will focus our energies on growing and expanding the Company, Team and QuickStart programmes, and will do more to demonstrate how our programme range more-than-meets curriculum objectives for enterprise, work related learning and economic well-being.

Attention will also be turned to maintaining and strengthening the quality of the YE offering, building our brand reputation on high standards of delivery, solid business engagement and business-led learning outcomes. At the same time the organisation will drive for growth in schools penetration, seeking to achieve a presence in every school in the country through demonstrating how the YE programmes more than meet curriculum requirements for enterprise and employability.

## YOUNG ENTERPRISE

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2007

In addition, Young Enterprise will focus attention on developing new media and new modes of delivery for its programmes. Starting with the creation of its next-generation Company Programme, and web-enabled materials for the new QuickStart Programmes, Young Enterprise will develop its offerings to appeal to students in the spaces they choose to inhabit. In addition, a review of the opportunities for accreditation through participation in Young Enterprise programmes will result in a revision and expansion of the Young Enterprise qualifications suite over the coming years and extended mapping to other accreditation routes.

Finally, Young Enterprise will continue to harness the potential of its growing alumni membership to build a profile of enterprise success stories. An external evaluation of the impact of the YE experience on our alumni will this year provide an academically sound evidence base to prove the long term impact of enterprise education – the first of its kind.

### RESERVES

Young Enterprise needs reserves to ensure that it can fulfil and complete the charitable obligations and commitments it enters into.

The trustees have established a policy whereby the unrestricted funds not invested in tangible fixed assets or designated for specific purposes ("free reserves") held by the charity should be between nine and twelve months of the total resources expended.

This is necessary because only a very small proportion of donation and grant income is secured, the remainder being subject to a fresh application each year that is inevitably subject to fluctuation. This policy is reviewed annually by the Trustees.

At 31 July 2007 the charity had free reserves of three months (2006 two months), which amounted to £718,000 (2006 £683,000). This falls short of the minimum nine months total resources expended of £2.0m (2006 £2.6m). Efforts to increase reserves will continue in line with the policy.

### INVESTMENT POWERS

These are governed by the Memorandum and Articles which permit monies not immediately required to be invested in such investments, securities or property as may be thought fit subject to conditions imposed or required by law.

### RISK MANAGEMENT

The major strategic risks to which the charity is exposed, as identified by the trustees, are being addressed through actions under the ten business plan objectives referred to earlier in this report. Work is underway to develop a new Risk Register and, as necessary, to add to and refine the systems and procedures that have previously been established to mitigate risk.

### AUDITORS

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Critchleys will be deemed to be re-appointed for each succeeding financial year.

Approved by the trustees on 12<sup>th</sup> December 2007

And signed on their behalf by

Michael Geoghegan CBE  
Chairman

Philip Sims  
Honorary Treasurer



## YOUNG ENTERPRISE

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

The Trustees are the company's directors. Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the results of the company for that year. In preparing those accounts, the directors are required to select suitable accounting policies and then apply them consistently, state whether applicable accounting standards have been followed, make judgements and estimates that are reasonable and prudent, and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YOUNG ENTERPRISE

We have audited the accounts of Young Enterprise for the year ended 31 July 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Trustees and auditors**

As described in the Statement of Directors' Responsibilities, the Trustees, who are also the directors of Young Enterprise for the purposes of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is consistent with the accounts. In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of Opinion**

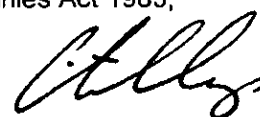
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 July 2007 and of its surplus for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information in the trustees' report is consistent with the financial statements.



Critchleys  
Chartered Accountants  
Registered Auditors

Oxford  
12 December 2007

**YOUNG ENTERPRISE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 JULY 2007**

	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Total 2007	Total 2006
		£'000	£'000	£'000	£'000	£'000
<b>INCOMING RESOURCES</b>						
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>						
<b>Voluntary Income</b>						
Corporate and other donations		1,401	-	-	1,401	963
Government funding	4	-	440	-	440	1,738
Gifts in kind		-	-	-	-	-
<b>Investment income</b>						
Interest receivable		38	-	1	39	19
<b>INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b>						
Young Enterprise Regions		847	-	-	847	743
Examination fees		22	-	-	22	22
Miscellaneous income		2	-	-	2	2
<b>OTHER INCOMING RESOURCES</b>						
<b>TOTAL INCOMING RESOURCES</b>		<b>2,310</b>	<b>440</b>	<b>1</b>	<b>2,751</b>	<b>3,487</b>
<b>RESOURCES EXPENDED</b>						
<b>COST OF GENERATING FUNDS</b>						
<b>Costs of generating voluntary income</b>						
Fundraising costs		130	-	-	130	77
<b>CHARITABLE ACTIVITIES</b>						
Programme materials and regional support	5	1,857	400	-	2,257	3,112
Events and exhibitions		220	40	-	260	201
<b>GOVERNANCE COSTS</b>						
		27	-	-	27	19
<b>OTHER RESOURCES EXPENDED</b>						
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,234</b>	<b>440</b>	<b>-</b>	<b>2,674</b>	<b>3,409</b>
<b>Net incoming/(outgoing) resources before Transfers</b>		<b>76</b>	<b>-</b>	<b>1</b>	<b>77</b>	<b>78</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>76</b>	<b>-</b>	<b>1</b>	<b>77</b>	<b>78</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		791	-	28	819	741
Total funds carried forward		867	-	29	896	819

The notes on pages 16 to 21 form part of these financial statements

**YOUNG ENTERPRISE**  
**BALANCE SHEET AS AT 31 JULY 2007**

	Notes	2007 £'000	£'000	2006 £'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	6		3		8
<b>CURRENT ASSETS</b>					
Stocks		470		487	
Debtors	7	521		1150	
Cash at bank and in hand		<u>628</u>		<u>777</u>	
		1,619		2,414	
<b>LIABILITIES</b>					
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(726)</u>		<u>(1,603)</u>	
<b>NET CURRENT ASSETS</b>			<u>893</u>		<u>811</u>
<b>NET ASSETS</b>			<u>896</u>		<u>819</u>
<b>THE FUNDS OF THE CHARITY:</b>					
<b>ENDOWMENT FUNDS</b>	9		29		28
<b>RESTRICTED INCOME FUNDS</b>	10		-		-
<b>UNRESTRICTED INCOME FUNDS</b>	11				
Development fund		150		100	
Unrestricted income fund		<u>717</u>		<u>691</u>	
			<u>867</u>		<u>791</u>
			<u>896</u>		<u>819</u>

Approved by the UK Board, authorised for issue on 12<sup>th</sup> December 2007 and signed on their behalf

  
Michael Geoghegan  
Chairman

  
Philip Sims  
Honorary Treasurer

The notes on pages 16 to 21 form part of these financial statements



## YOUNG ENTERPRISE

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2007

	Notes	2007 £'000	£'000	2006 £'000	£'000
Net cash inflow from operating activities	13		(186)		672
Return on investments and servicing of finance:					
Interest received		<u>39</u>		<u>19</u>	
Net cash inflow from returns on investments and servicing of finance:			39		19
Capital expenditure and financial investment:		<u>(2)</u>			-
Net cash outflow from capital expenditure and financial investment.			<u>(2)</u>		-
Increase/(decrease) in cash and cash equivalents	14		<u>(149)</u>		<u>691</u>

The notes on pages 16 to 21 form part of these financial statements

## YOUNG ENTERPRISE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

#### 1 ACCOUNTING POLICIES

**a) Basis of Accounting**

The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards and Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005)

**b) Depreciation**

Depreciation is provided on a straight line basis at the following annual rates

Fixtures, fittings and equipment	20%
Motor vehicles	33 1/3%

**c) Incoming resources**

Income is recognised by the charity when it becomes entitled to it and includes the following

- i) Corporate and other donations
- ii) Government funding
- iii) Gifts in kind
- iv) Young Enterprise Regions
- v) Examination fees

Grants are recognised in the Statement of Financial Activities in the period they relate. Income tax recoverable on gift aid donations is recognised by the charity in the period they relate. Gifts in kind are recognised in the period they are received and recorded at their monetary equivalent cost. Gift in kind assets capitalised within fixed assets are depreciated in line with the depreciation policy set out above.

**d) Resources expended**

Expenditure is recognised by the charity when a present obligation exists that is probable and with a reliable estimate.

Costs of generating funds include an allocation of salaries and department costs apportioned on staff time.

Charitable activities are split between the two principle activities of i) Programme materials and regional support and ii) Events and exhibitions.

Governance costs are based on the cost of governance arrangements, which relate to the general running of the charity such as legal and audit fees.

**e) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**f) Leased Assets**

Rentals payable under operating leases are charged to the profit and loss account as incurred.

**g) Pension Scheme**

The entity pays amounts to the personal pension plans of some of its employees and these contributions are charged against the profit and loss account in the year in which they are payable.

**h) Seconded Personnel**

Young Enterprise benefits from personnel seconded by supporting organisations to work for the company. The value to Young Enterprise of such secondees is not quantifiable and is therefore not included within the financial statements.

# YOUNG ENTERPRISE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

### 1 ACCOUNTING POLICIES

#### i) Development Fund

Transfers to and from the development fund are made at the discretion of the UK Board Members

### 2 STATUS

Young Enterprise is a company limited by guarantee and not having a share capital. The liability of each director to contribute to the assets of the company is limited to £1.

### 3 STAFF COSTS

Average number of people employed by the company during the year

	No. of employees		Total	Total
	Full time	Part time	2007	2006
National Office staff	<u>15</u>	<u>5</u>	<u>20</u>	<u>18</u>
Full time equivalent staff of 18 (2006: 15)				
			<b>2007</b>	<b>2006</b>
			<b>£'000</b>	<b>£'000</b>
Cost in respect of National office staff				
Wages and salaries			583	442
Social security costs			62	46
Other pension costs			<u>15</u>	<u>15</u>
			<u>660</u>	<u>503</u>
			<b>£'000</b>	<b>£'000</b>
Pension Scheme				
Defined contributions scheme				
Costs			14	14
Outstanding contributions at 31 07 07			2	2
			<b>No</b>	<b>No</b>
Number of employees earning in excess of £60,000				
£60,001 - £70,000			1	-
£90,001 - £100,000			1	-
Pension Scheme				
Defined contributions scheme			1	-
			<b>£'000</b>	<b>£'000</b>
Costs			4	-

Neither the trustees nor persons connected with them received any remuneration or other benefits from the organisation or any connected organisation.

Trustees received reimbursed travel expenses £ nil (2006: £490)

## YOUNG ENTERPRISE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

## 4 GOVERNMENT FUNDING

Government funding comprises funding from the former government Department for Education and Skills and the Small Business Service of the former government Department of Trade and Industry. This represented 16% of incoming resources (2006: 49%).

## 5 BREAKDOWN OF COSTS OF CHARITABLE ACTIVITIES

Activity	Activities undertaken directly £'000	Grant funding of Activities £'000	Support Costs £'000	Total 2007 £'000
Programme materials and regional support	1,790	328	139	2,257
Events and exhibitions	<u>258</u>	<u>-</u>	<u>2</u>	<u>260</u>
Total	<u>2,048</u>	<u>328</u>	<u>141</u>	<u>2,517</u>

Activity	Activities undertaken directly £'000	Grant funding of Activities £'000	Support Costs £'000	Total 2006 £'000
Programme materials and regional support	1,510	1,483	119	3,112
Events and exhibitions	<u>199</u>	<u>-</u>	<u>2</u>	<u>201</u>
Total	<u>1,709</u>	<u>1,483</u>	<u>121</u>	<u>3,313</u>

## OPERATING CHARGES

		2007 £'000	2006 £'000
Operating charges includes			
Auditors remuneration	- audit	8	8
	- other	2	1
Depreciation		7	9
Operating lease rentals	- land	40	38
	- other	<u>8</u>	<u>8</u>

## YOUNG ENTERPRISE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

## 6 TANGIBLE ASSETS

	Motor Cars £'000	Fixtures Fittings & Equipment £'000	Total £'000
<b>Cost</b>			
At 1 August 2006	18	94	112
Additions	-	2	2
Disposals	<u>-</u>	<u>(6)</u>	<u>(6)</u>
At 31 July 2007	<u>18</u>	<u>90</u>	<u>108</u>
<b>Depreciation</b>			
At 1 August 2006	18	86	104
Charge for the year	-	7	7
Disposals	<u>-</u>	<u>(6)</u>	<u>(6)</u>
At 31 July 2007	<u>18</u>	<u>87</u>	<u>105</u>
<b>Net book value</b>			
At 31 July 2007	<u>-</u>	<u>3</u>	<u>3</u>
At 31 July 2006	<u>-</u>	<u>8</u>	<u>8</u>

Tangible fixed assets are all used for direct charitable purposes

## 7 DEBTORS

	2007 £'000	2006 £'000
Other debtors	410	1,098
Young Enterprise Regions	57	9
Prepayments	51	43
Accrued income	<u>3</u>	<u>-</u>
	<u>521</u>	<u>1,150</u>

## YOUNG ENTERPRISE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

**8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	404	639
Young Enterprise Regions	132	774
Taxation and social security costs	25	15
Accruals	139	43
Deferred income	<u>26</u>	<u>132</u>
	<b><u>726</u></b>	<b><u>1,603</u></b>

Deferred income represents income from the education foundation Edge where the activity for QuickStart pilots has been re-scheduled for autumn 2007 and income from regions for programme materials that will not be required until the coming academic year 2007/8

**9 ENDOWMENT FUNDS**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August 2006	<b>28</b>	<b>28</b>
Incoming resources	<b>1</b>	<b>1</b>
Resources expended	-	(1)
Transfer from Restricted Fund	<u>-</u>	<u>-</u>
At 31 July 2007	<b><u>29</u></b>	<b><u>28</u></b>

The Endowment Fund comprises funding for the Sir John Moores Memorial Award

**10 RESTRICTED INCOME FUNDS**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August 2006	-	-
Incoming resources	440	1,738
Resources expended	<u>(440)</u>	<u>(1,738)</u>
At 31 July 2007	<b><u>-</u></b>	<b><u>-</u></b>

Restricted Income is funding from the former government Department for Education and Skills, mentioned in the Chairman's Report for the pathfinder project to introduce Enterprise Summer Schools, and the Small Business Service at the former government Department of Trade and Industry for the UK Innovation Awards

## YOUNG ENTERPRISE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

**11 UNRESTRICTED INCOME FUNDS**

	Development £'000	Unrestricted £'000	Total £'000
At 1 August 2006	100	691	791
Net incoming resources	-	76	76
Transfer from Unrestricted Fund to Development Fund	<u>50</u>	<u>(50)</u>	-
At 31 July 2007	<u>150</u>	<u>717</u>	<u>867</u>

The Development Fund provides a resource which is called upon to fund National activity judged to be important to Young Enterprise development. The transfer relates to ongoing development of Company based programmes in 2007/8.

Our reserves policy is in the Report of the Trustees.

**12 FINANCIAL COMMITMENTS**

The annual commitments under operating leases are analysed according to the period in which each lease expires, as follows:

	2007		2006	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Within in 1 year	-	-	-	-
In the second to fifth years inclusive	<u>38</u>	<u>9</u>	<u>38</u>	<u>8</u>
	<u>38</u>	<u>9</u>	<u>38</u>	<u>8</u>

**13 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2007 £'000	2006 £'000
Net incoming/(outgoing) resources	77	78
Depreciation charges	7	9
Gifts in kind	-	-
Decrease in stocks	16	(21)
Decrease in debtors	630	(366)
Decrease in creditors	(877)	991
Interest received	<u>(39)</u>	<u>(19)</u>
	<u>(186)</u>	<u>672</u>

# YOUNG ENTERPRISE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

### 14 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH FUNDS LESS LOANS

	2007 £'000	2006 £'000
Increase/(Decrease) in cash in the year	(149)	691
Movement in net funds	(149)	691
Net cash funds at 1 August 2006	<u>777</u>	<u>86</u>
Net cash funds at 31 July 2007	<u>628</u>	<u>777</u>

### 15 TAXATION

The company is registered as a charity for taxation purposes and is not VAT registered

### 16 YOUNG ENTERPRISE ACROSS THE UK

The activities of Young Enterprise in the UK are now run through 12 separate autonomous regional organisations together with the National organisation

The 12 regional organisations that are now incorporated as charitable companies are as follows

Young Enterprise East Midlands  
 Young Enterprise East of England  
 Young Enterprise London Ltd  
 Young Enterprise North East  
 Young Enterprise North West  
 Young Enterprise Northern Ireland  
 Young Enterprise Scotland  
 Young Enterprise South East  
 Young Enterprise South West  
 Young Enterprise Wales  
 Young Enterprise West Midlands  
 Young Enterprise Yorkshire and the Humber