

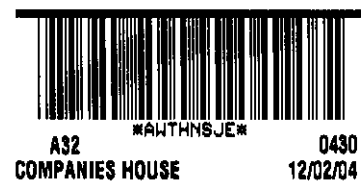
YOUNG ENTERPRISE
ACCOUNTS FOR THE YEAR ENDED
31 JULY 2003

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Company No. 712260

Registered Charity No. 313697



YOUNG ENTERPRISE
HIGHLIGHTS
FOR THE YEAR ENDED 31 JULY 2003

A YEAR OF CELEBRATION, GROWTH, INNOVATION AND REJUVENATION

- 47% growth in student participation 167,302 students
- 61,979 pupils participate in Primary Programme +87%
- 35,947 students participate in Project Business +63%
- 13,576 students take part in Masterclasses +29%
- Graduate Programme expanded from 27 to 34 Universities
- 6,575 students take part in Team Programme + 10%
- Company Programme maintains impact 39,666 students
- Pilot – Learn to Earn 7,452 students
(Formerly - Economics of Staying in School)
- Total other pilot and specialist activity 858
- English Regions lay the foundations for the establishment of autonomous organisations
- New UK Board structure created
- Ambitious goals set for organisational development and programme delivery
- 40th Anniversary Celebration event held at the Guildhall, London.
- UK adopted the world-wide corporate style.
- New Qualifications rolled out through OCR.
- Graduate Programme Celebration Event held at Leicester University.
- Team Programme Link Teacher Conference held at Leicester Tigers.
- Three new UK Primary Programme modules launched.
- HSBC YE Innovation Awards 2003 held at The Savoy Hotel, London.
Winning YE company: Beartas from Scotland.
- JAYE Europe Company of the Year Competition 2003, involving 21 countries hosted
at The Savoy Hotel in London. Winning YE Company: Sky-High AG from Switzerland.
- UK Staff Conference held at Bosworth Hall Hotel, Warwickshire.

YOUNG ENTERPRISE

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 JULY 2003

Once again we're marking another exciting and successful year for Young Enterprise.

I would like to take this opportunity to thank our many corporate supporters, local Board members, business volunteers, teachers and Young Enterprise staff for their dedication, enthusiasm and achievement in bringing us another record year of activity.

40 years of achievement

2002/2003 has been a remarkable year of progress and innovation for Young Enterprise, with record numbers of young people involved, new programme initiatives and the celebration of a landmark anniversary. It is now 40 years since Sir Walter Salomon introduced the Young Enterprise concept to the UK, and Young Enterprise continues to go from strength to strength thanks to the outstanding efforts of all those involved, under the leadership of our invaluable volunteer network.

New UK structure and ambitious objectives

As ever at Young Enterprise however we are looking forward to the future and the next stage of development of our organisation. From 1st August 2003 our UK-wide organisation has a new structure made up of 12 autonomous YE regions, mirroring the nine Government regions of England and our already autonomous YE regions in Scotland, Northern Ireland and Wales. Our aim is to build the capacity of each region to deliver yet more activity to meet the growing demand for our programmes whilst strengthening the engagement of our volunteer and staff structure in local, regional and national strategy development. The UK Board and Executive team held a series of strategy sessions over the past year to sketch out the future direction of the organisation. Ambitious objectives have been set and each region is exploring how it can play its part in lifting the aspirations and capacity of our network.

Adoption of world-wide corporate image

To mark the move to this new regional structure, we have also introduced a new corporate image, adopting the international symbol of the YE/Junior Achievement network world-wide. This new logo style will be introduced across our network and programme materials in the coming year.

I would like to take this opportunity to thank and congratulate the Regional Chairmen, who have also now become colleagues on the YE UK Board, for their tremendous commitment and determination to build strong YE regional organisations. I thank them for their leadership and I wish them and their Board colleagues and staff every success in the coming years.

YOUNG ENTERPRISE

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 JULY 2003

Record levels of student participation

It has been another excellent year of development for Young Enterprise programmes too. A record 167,302 young people took part in our programmes. That is 47% growth year on year. Our organisation's growth curve over the past 40 years shows that the rate of growth is picking up as we build our ability to attract funding and volunteer support.

Finances

Our accounts relate only to the UK organisation and England. The autonomous YE regions of Scotland, Northern Ireland and Wales make their own financial returns as will the regions of England going forward.

Total income grew by 17% in 2002/2003 to £6,822,802. £1,273,056 was generated by the national organisation and £5,549,746 generated collectively by the nine English regions which includes volunteer Boards throughout England. Total expenditure of £6,433,254 was therefore met from income with a surplus of £389,548. England YE Regions and Boards combined created a surplus of £404,615. It should be noted that this surplus is spread across 205 local and eight Regional Boards resulting in an average surplus of just £1,899 each. The National organisation deficit was £15,067.

The surplus on the year's activity has been created by a combination of successful fund-raising, prudent management and timing of donations.

So, a new structure, a new corporate ID, unprecedented growth in activity and a range of programmes delivering enterprise and economic education to students from 5 to 25 years of age. It has been an exhilarating year. We have created the foundation on which our organisation's vision can be realised. With the continued commitment and support of our many volunteers and funders, we can ensure that in the next decade, all young people in the UK will have access to our programmes.



Bill Dalton
Chairman

15 January 2004

YOUNG ENTERPRISE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2003

The Trustees present their report and the audited accounts of the company for the year ended 31 July 2003.

COUNCIL MEMBERS, TRUSTEES AND DIRECTORS

Bill Dalton	Chairman
Trevor Toolan	Deputy Chairman
Geoff Bell	(Appointed 28 November 2002)
John Burke	
Denyse Corfield	
Steve Doig	(Appointed 28 November 2002)
Sue Fowler	
Brian Gillies	
Tony Hillary	(Appointed 28 November 2002)
Noel Hufton	
Mike Keohane	
Chris van der Kuyl	
Neil Makin	
Alan Moody	
Professor Ken O'Neill	
William Salomon	
David Shelley	
Philip Sims	
Phil Smith	
Sukhvinder Stubbs	
Graham Wright	

Members who resigned or retired during the year:

Bev Brown	(Retired 22 May 2003)
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HONORARY TREASURER

Philip Sims

YOUNG ENTERPRISE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2003

COMPANY SECRETARY	Derek Walmsley
REGISTERED OFFICE	Peterley House Peterley Road Oxford OX4 2TZ
REGISTERED CHARITY NUMBER	313697
REGISTERED COMPANY NUMBER	712260
AUDITORS	Critchleys Greyfriars Court Paradise Square Oxford OX1 1BB
BANKERS	HSBC Bank plc Prima House Banbury Road Summertown Oxford OX2 7HY
SOLICITORS	Bates, Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB

YOUNG ENTERPRISE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2003

ORGANISATION

Young Enterprise is a national educational charity (Registered No. 313697) and a company limited by guarantee (No: 712260) which is governed by a Memorandum and Articles of Association.

The mission is, "To inspire and equip young people to learn and succeed through enterprise". Young Enterprise is a volunteer organisation of some 11,500 business people and educationalists operating via regional organisations and local branches ("Boards") in England. The Chairs of the Regional Boards together with the Elected Trustees comprise the membership of Young Enterprise. Every year, one third of the Elected Trustees must retire, but are then available for re-election.

In Scotland, Northern Ireland and Wales Young Enterprise is managed under licence by separate companies: Young Enterprise Scotland, Young Enterprise Northern Ireland and Young Enterprise Wales. The Chairs of Young Enterprise Scotland, Young Enterprise Northern Ireland and Young Enterprise Wales sit on the Young Enterprise UK Board.

The volunteer network is supported by an employed team directed by the Chief Executive who is appointed by the UK Board. This employed team operates nationally to provide programme management and materials for use in schools and colleges, new programme development, administrative and operational systems, insurance cover and national event management together with fundraising, the management of supporter relationships, financial controls and personnel management.

Organisational Structure	Employed Staff	Volunteers
Trustees		UK Board
UK National Structure	UK National Office Senior Field Team	YE Scotland YE Wales YE Northern Ireland 9 England Regions
Local Structure	Development Managers	Strategic Boards Area Boards

Business Advisers – Schools/Colleges

YOUNG PEOPLE

YOUNG ENTERPRISE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2003

PRINCIPLE ACTIVITIES

The key objectives described in the mission statement are met via six core educational programmes designed to give young people a practical understanding of business in preparation for their working lives and to help them to develop their personal skills.

The programmes are:

1. **Primary Programme:** which delivers a variety of hands-on activities to enable children to understand the relationships between learning in school and their role in the economy.
2. **Project Business:** which provides students aged 14-15 with an insight into the economic and business life of the Country and their local community.
3. **Company Programme:** which encourages students aged 15-19 to set up and run a genuine business during an academic year.
4. **Team Programmes:** which meets the special needs of students with learning difficulties through a practical business experience.
5. **Entrepreneurship Masterclasses:** which brings real entrepreneurs into face to face contact with young people to inspire their career plans.
6. **Graduate Programme:** which is delivered in Universities to provide under-graduates with an insight into enterprise and working in a small business.

All six programmes are delivered by volunteer business advisers/partners who share their own experience with participating students using materials developed by Young Enterprise in consultation with leading business organisations and professional bodies.

In addition, Young Enterprise has three pilot programmes currently underway and specialist programmes are also being run or piloted in specific Regions of the UK.

REVIEW OF ACTIVITIES

Activities and performance for the year are summarised in the Chairman's Report on pages 2 to 3.

FUTURE DEVELOPMENTS

Key developments in the coming year fall into two categories:

Organisational Structure and Programme Development.

Organisational Structure

The nine English Regions, having been established as autonomous organisations licensed to operate Young Enterprise programmes by the UK organisation, will be supported in establishing robust systems and organisational structures.

The effect of establishing regional organisations is that all assets and reserves that have been identified as belonging to the region will be transferred to them. This has the effect of reducing the assets and reserves available to the national organisation. In respect of the London region reserves of £157,742 were transferred to them on 1 May 2003, the balance of £2,421,284 for the England regions was transferred to them on 1 August 2003.

YOUNG ENTERPRISE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2003

The new Young Enterprise UK Board of Directors having communicated its ambitious vision for the organisation will draw together the strategic plans of each YE Region and clarify how they and the UK organisation will lead and support development.

We shall inaugurate the Business Leadership Council involving senior business people in the development of our organisation strategic direction and resourcing capability.

Role of National Office

The role of the team in the National Office at Oxford will remain much the same in the short term. However, it is expected that the role will evolve as the new regional organisations build their understanding and capacity to manage their own affairs. It is envisaged that National Office will build on its role in providing cost effective central services, logistical support, organisational guidance and build its reputation as the "centre of excellence" for the development of enterprise education programmes.

Programme Development

It is our aim to complete the UK revision of the final two of the six Primary Programmes by the end of 2004.

The revised "Economics of Staying at School" programme, now titled "Learn to Earn" will be introduced more widely across the UK.

We shall launch a new programme entitled "Enterprise in Action" targeted at lower secondary school students. Enterprise in Action, Learn to Earn and Project Business, Team/Company Programme will then create a suite of linked programmes for secondary school students.

RESERVES

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

The Trustees believe that the level of reserves that are freely available for its general purpose should aim to be the equivalent of one year's total resources expended. This is 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 the end of the financial year the level of unrestricted funds stood at £3,110,434 but after deducting the net book value of Tangible Fixed Assets, freely available reserves stood at £2,918,082. The unrestricted funds for the national organisation going forward after transferring reserves to the England Regions will be £589,150 but after deducting the net book value of Tangible Fixed Assets, freely available reserves will be £537,381.

With annual resources expended currently amounting to £6,433,254 (£1,248,124 for the national organisation) freely available reserves fall short of the above mentioned target. Efforts to build them up 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.

YOUNG ENTERPRISE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2003****RISK MANAGEMENT**

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Critchleys as auditors to the company will be put to the annual general meeting.

Approved by the trustees on 15 January 2004

And signed on their behalf by:



Bill Dalton
Chairman



Philip Sims
Honorary Treasurer

YOUNG ENTERPRISE
STATEMENT OF TRUSTEES' RESPONSIBILITIES

The purpose of this statement is to distinguish the Trustees' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the Trustees to prepare accounts for the financial year which give a true and fair view of the company's financial activities during the year and of its financial position at the end of the year.

In preparing the accounts the Trustees are expected to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the accounts, or to disclose and explain any departures therefrom; and
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will be able to continue to meet its objectives.

The Trustees are responsible for the keeping of proper accounting records of all the company's transactions which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the disclosure regulations. They are also responsible for safeguarding the company's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. The Trustees are responsible for ensuring that the Trustees' Report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YOUNG ENTERPRISE

We have audited the accounts of Young Enterprise for the year ended 31 July 2003 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

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 trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees, who are also the directors of Young Enterprise for the purposes of company law, are responsible for the preparation of the Trustees' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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' Annual Report is not consistent with the accounts, if 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 trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees Annual Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 accounts give a true and fair view of the state of the charity's affairs as at 31 July 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Critchleys
Chartered Accountants
Registered Auditors

Oxford

15 January 2004

YOUNG ENTERPRISE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2003

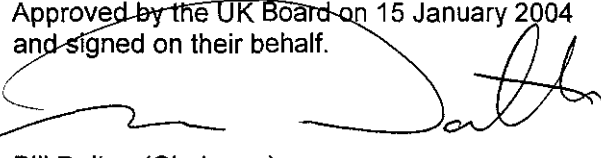
	Notes	Restricted Fund £	Unrestricted Fund £	Total 2003 £	Total 2002 £
INCOME RESOURCES					
Corporate and other donations		109,214	2,214,903	2,324,117	2,496,607
Government funding	4	247,539	3,861,790	4,109,329	2,977,777
Registration and examination fees		-	331,642	331,642	306,896
Gifts in kind		-	19,373	19,373	-
Interest receivable		-	38,341	38,341	34,851
Total incoming resources		<u>356,753</u>	<u>6,466,049</u>	<u>6,822,802</u>	<u>5,816,131</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising costs		-	201,197	201,197	200,435
Charitable expenditure					
Costs of activities in furtherance of the charity's objects:					
Materials		71,741	667,484	739,225	546,461
Regional delivery		114,298	2,789,379	2,903,677	2,004,510
Competitions and awards		170,714	982,628	1,153,342	897,429
Support costs		-	1,278,071	1,278,071	1,221,449
Regional transfers:					
Transfer of reserves to London		-	157,742	157,742	-
		<u>356,753</u>	<u>5,875,304</u>	<u>6,232,057</u>	<u>4,669,849</u>
Total resources expended		<u>356,753</u>	<u>6,076,501</u>	<u>6,433,254</u>	<u>4,870,284</u>
Net (outgoing)/incoming resources before transfers		-	389,548	389,548	945,847
Transfers between funds		-	-	-	-
Net incoming resources	5	-	<u>389,548</u>	<u>389,548</u>	<u>945,847</u>
Net movement in funds:					
Balance brought forward at 1 August 2002		-	2,720,886	2,720,886	1,775,039
Balance carried forward at 31 July 2003		-	<u>3,110,434</u>	<u>3,110,434</u>	<u>2,720,886</u>

The notes on pages 15 to 20 form part of these accounts

YOUNG ENTERPRISE
BALANCE SHEET AS AT 31 JULY 2003

	Notes	£	2003 £	£	2002 £	£
FIXED ASSETS						
Tangible assets	6		192,352		144,752	
CURRENT ASSETS						
Stocks		216,464		210,432		
Debtors	7	703,694		532,524		
Cash at bank and in hand		<u>2,587,829</u>		<u>2,296,732</u>		
		3,507,987		3,039,688		
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(589,905)</u>		<u>(463,554)</u>		
NET CURRENT ASSETS			<u>2,918,082</u>		<u>2,576,134</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,110,434</u>		<u>2,720,886</u>	
REPRESENTED BY:						
RESTRICTED FUNDS	9	—	—	—	—	—
UNRESTRICTED FUNDS						
Development fund	10		100,000		100,000	
General Reserve						
National organisation	11	589,150		604,217		
Regional reserves	11	<u>2,421,284</u>		<u>2,016,669</u>		
			<u>3,010,434</u>		<u>2,620,886</u>	
			<u>3,110,434</u>		<u>2,720,886</u>	

Approved by the UK Board on 15 January 2004
and signed on their behalf.


Bill Dalton (Chairman)


Philip Sims (Honorary Treasurer)

The notes on pages 15 to 20 form part of these accounts.

YOUNG ENTERPRISE
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2003

	Notes	£	2003 £	£	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	13		340,289		511,109
Return on investments and servicing of finance:					
Interest received		<u>38,341</u>		<u>34,851</u>	
Net cash inflow from returns on Investments and servicing of finance:			38,341		34,851
Capital expenditure and financial investment:					
Payments to acquire tangible fixed assets		(135,011)		(140,827)	
Receipts from disposals of tangible fixed assets		<u>47,478</u>		<u>12,269</u>	
Net cash outflow from capital expenditure and financial investment			<u>(87,533)</u>		<u>(128,558)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	14		<u>291,097</u>		<u>417,402</u>

The notes on pages 15 to 20 form part of these accounts.

YOUNG ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003

1 ACCOUNTING POLICIES

a) **Basis of Accounting**

The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (Revised 2000).

b) **Boards**

Boards are committees of the company established for the purpose of extending and supervising the work of the company around the country. The Boards are significantly staffed by voluntary members.

Accounting information in respect of Boards where returns have not yet been received are included on the basis of estimates and will be adjusted to actual in subsequent accounts. These figures are not considered material in the context of the total accounts.

c) **Depreciation**

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

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

d) **Income**

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

- i) Covenanted donations and gift aid.
- ii) Donations
- iii) Company contributions comprising notional taxes and other finance charges levied on Young Enterprise companies.
- iv) Registration fees arising on the registration of Young Enterprise companies.
- v) Examination fees.

e) **Grants**

Grants recognised by the charity in the period they relate.

f) **Covenanted Donations**

Income tax recoverable on covenanted and gift aid donations is recognised by the charity in the period they relate. No account is taken of covenants receivable in the future and of associated income tax recoverable.

g) **Stocks**

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

h) **Leased Assets**

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

i) **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.

j) **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 accounts.

YOUNG ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003
(CONTINUED)

1 ACCOUNTING POLICIES

k) Development Fund

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

l) Gifts in kind

Gifts in kind are recognised in the Statement of Financial Activities in the period they are received and recorded at their monetary equivalent cost. Assets capitalised within fixed assets are depreciated in line with the depreciation policy set out in c) above.

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	2003	2002
Administration and field staff				
- National	17	2	19	18
- Regional	19	1	20	20
- Boards	<u>58</u>	<u>57</u>	<u>115</u>	<u>79</u>
	<u>94</u>	<u>60</u>	<u>154</u>	<u>117</u>
Seconded				
- National	-	-	-	-
- Regional	1	9	10	3
- Boards	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
	<u>1</u>	<u>9</u>	<u>10</u>	<u>11</u>
	<u>95</u>	<u>69</u>	<u>164</u>	<u>128</u>

	2003	2002
	£	£
Cost in respect of administration and field staff:		
Wages and salaries	2,674,845	2,006,873
Social security costs	200,166	186,143
Other pension costs	28,739	32,500
Other staff costs	<u>122,443</u>	<u>118,411</u>
	<u>3,026,193</u>	<u>2,343,927</u>

	No.	No.
Number of employees earning in excess of £50,000:		
£60,000 - £70,000	<u>1</u>	<u>1</u>

Neither the trustees nor persons connected with them received any remuneration or other benefits from the organisation or any connected organisation. No trustees received reimbursed travel expenses.

YOUNG ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003
(CONTINUED)

4 GOVERNMENT FUNDING

Government funding comprises funding from the Department for Trade and Industry, National and Local Learning and Skills Council and the Regional Development Agencies. This represented 60% of incoming resources (2002: 51%).

5 OTHER OPERATING CHARGES

	2003 £	2002 £
Operating charges includes		
Auditors remuneration - audit	13,000	10,800
- other	4,113	10,294
Depreciation	65,663	51,491
Operating lease rentals - land	49,228	41,708
- other	<u>79,131</u>	<u>31,093</u>

6 TANGIBLE ASSETS

	Motor Cars £	Fixtures Fittings & Equipment £	Total £
Cost			
At 1 August 2002	29,517	299,112	328,629
Additions	17,962	136,422	154,384
Disposals	<u>(29,517)</u>	<u>(30,071)</u>	<u>(59,588)</u>
At 31 July 2003	<u>17,962</u>	<u>405,463</u>	<u>423,425</u>
Depreciation			
At 1 August 2002	15,467	168,410	183,877
Charge for the year	5,987	59,676	65,663
Disposals	<u>(15,467)</u>	<u>(3,000)</u>	<u>(18,467)</u>
At 31 July 2003	<u>5,987</u>	<u>225,086</u>	<u>231,073</u>
Net book value			
At 31 July 2003	<u>11,975</u>	<u>180,377</u>	<u>192,352</u>
At 31 July 2002	<u>14,050</u>	<u>130,702</u>	<u>144,752</u>

Tangible fixed assets are all used for direct charitable purposes.

7 DEBTORS

	2003 £	2002 £
Other debtors	523,566	470,016
Prepayments and accrued income	<u>180,128</u>	<u>62,508</u>
	<u>703,694</u>	<u>532,524</u>

YOUNG ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003
(CONTINUED)

8	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003 £	2002 £
	Trade creditors	429,834	310,700
	Taxation and social security costs	77,055	57
	Accruals and deferred income	<u>83,016</u>	<u>152,797</u>
		<u>589,905</u>	<u>463,554</u>

9	RESTRICTED FUND	2003 £	2002 £
	At 1 August 2002	-	19,020
	Net outgoing resources for the year	<u>-</u>	<u>(19,020)</u>
	At 31 July 2003	<u>-</u>	<u>-</u>

The Restricted Fund comprises funding from the Community Fund, Department for Trade and Industry, Department for Education and Skills, The Bridge House Estates Trust Fund and the Esmée Fairbairn Foundation.

10	DEVELOPMENT FUND	2003 £	2002 £
	At 1 August 2002 and 31 July 2003	<u>100,000</u>	<u>100,000</u>

The Development Fund provides a resource which is called upon to fund National activity judged to be important to YE development but for which there is no other funding source.

11	GENERAL RESERVES	National £	Regions £	Total £
	At 1 August 2002	604,217	2,016,669	2,620,886
	Deficit/surplus for the year before			
	transfer of reserves to London region	(15,067)	562,357	547,290
	Transfer of reserves to London region	<u>-</u>	<u>(157,742)</u>	<u>(157,742)</u>
	At 31 July 2003	<u>589,150</u>	<u>2,421,284</u>	<u>3,010,434</u>

Regional reserves cover 205 Local and 8 Regional Boards at 31 July 2003. This represents an average reserve of £11,367 per board (2002: £8,545) to be used for day to day running expenses.

Our reserves policy is in the report of the Trustees on page 8.

YOUNG ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003
(CONTINUED)

12 FINANCIAL COMMITMENTS

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

	2003		2002	
	Land & Buildings £	Other £	Land & Buildings £	Other £
In less than 1 year	38,232	141	-	8,559
Between 2 and 5 years	<u>-</u>	<u>13,008</u>	<u>41,708</u>	<u>7,120</u>
	<u>38,232</u>	<u>13,149</u>	<u>41,708</u>	<u>15,679</u>

13 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Net incoming resources	389,548	945,847
Depreciation charged	65,663	51,491
Gifts in kind	(19,373)	
Movement in stocks	(6,032)	(45,864)
Movement in debtors	(171,170)	(29,889)
Movement in creditors	126,351	(376,568)
Loss/(profit) on disposal of assets	(6,357)	943
Interest received	(38,341)	(34,851)
	<u>340,289</u>	<u>511,109</u>

14 ANALYSIS OF BANK AND CASH BALANCES

	2003 £	2002 £	Movement £
Boards	1,669,548	1,698,031	(28,483)
National Office	<u>918,281</u>	<u>598,701</u>	<u>319,580</u>
	<u>2,587,829</u>	<u>2,296,732</u>	<u>291,097</u>

48 (2002: 37) Board Returns were not received in time for the preparation of these accounts, and balances for these returns have therefore been estimated in accordance with the accounting policy stated in note 1(b).

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH FUNDS LESS LOANS

	2003 £	2002 £
Increase in cash in the year	<u>291,097</u>	<u>417,402</u>
Movement in net funds in the year	291,097	417,402
Net cash funds at 1 August 2002	<u>2,296,732</u>	<u>1,879,330</u>
Net cash funds at 31 July 2003	<u>2,587,829</u>	<u>2,296,732</u>

16 TAXATION

The company is registered as a charity for taxation purposes.

YOUNG ENTERPRISE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003
(CONTINUED)****17 POST BALANCE SHEET EVENTS****Regionalisation**

The activities of Young Enterprise in the UK are now run through 12 separate autonomous regional organisations together with the National organisation. Scotland, Northern Ireland and Wales have had organisations up and running for several years. However, in the last few months England has gone through the process of Regionalisation creating 9 separate autonomous regional organisations. On the 1st May 2003 London became the first England region to achieve this and to be run autonomously from the national organisation. The remaining 8 England regions became autonomous on the 1st August 2003. All assets and reserves that formed part of Young Enterprise within an England Region have been transferred to that region.

The 9 England regions are now incorporated as charitable companies 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 South East
Young Enterprise South West
Young Enterprise West Midlands
Young Enterprise Yorkshire and the Humber