



THE FOYER FEDERATION

A Company Limited by Guarantee and not having a Share Capital

REGISTERED CHARITY NUMBER: 1040482

REGISTERED COMPANY NUMBER: 2699839

Trustees' Report and Financial Statements

For the year ended 30th September 2004



KINGSTON SMITH
ORBITAL HOUSE, 20 EASTERN ROAD, ROMFORD, ESSEX, RM1 3DP

CONTENTS	PAGE
Trustees' Report	1
Legal and Administrative Information	2
Major Donors and Grant Makers	3
Reserves Policy	4
Risk Management	4
Chair's Report	5
Chief Executive's Report	6
Treasurer's Report	7
Statement of Directors' Responsibilities	8
Auditor's Report	9
Financial Statements	
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13



TRUSTEES' REPORT

The Trustees, who act as directors for the purposes of company law, present their Report and Financial Statements for the year ending 30th September 2004.

VISION OF THE FOYER FEDERATION

"All young people need a home, support and a springboard into independent living, learning and work. Some don't get it. Foyers fill the gap."

The Foyer Federation is the umbrella body for the Foyer Movement in the United Kingdom. Its mission is to bring into being and to support a national network of Foyers, providing safe and affordable accommodation with access to training, education and employment opportunities from which young people are empowered to become socially and economically active citizens.

MISSION STATEMENT OF THE FOYER FEDERATION

The goals of the Foyer Federation are:

- To secure long-term, mainstream funding for Foyers and the Federation
- To support the development of Foyer services and to expand the services Foyers offer to their communities
- To improve opportunities for young people, including influencing the development of Government policies and programmes
- To demonstrate quality in delivery through the Foyer Accreditation Scheme
- To communicate with and influence the opinions of a range of professional audiences
- To become ever more professional in the delivery of services.

LEGAL AND ADMINISTRATIVE INFORMATION

The Foyer Federation is a company limited by guarantee, incorporated in 1992 and registered in England and Wales, under Company Number 2699839. The Company obtained charitable status in 1994, under Charity Number 1040482, and changed its name from the Foyer Federation for Youth to the Foyer Federation in 1999.

The governing instrument of the Charity is its Memorandum and Articles of Association, which were drawn up on 29th January 1992 and amended by special resolutions, passed on 17th August 1994 and 14th July 1998.

TRUSTEES

The Trustees who served during the year were:

Non-elected Trustees

Chris Hopson

Chair [Appointed Chair on 26th May 2004, confirmed by the AGM on 22nd July 2004, previously Vice Chair]

Anthony Brophy

Treasurer

Lady Winifred Tumim CBE JP MA

[Stepped down as Chair on 26th May 2004]

Christopher Pearman

Zac Arif

Richard Grant

[Appointed 28th January 2004]

Elected Trustees

David Chesterton

Vice Chair [Appointed Vice Chair on 26th May 2004, previously an Elected Trustee]

Kenneth Milroy

Christine Scott

Judy Tullett

Non-elected Trustees are appointed by a Nominations Committee comprising the Chair, one member appointed by the Board and one member appointed by the UK Foyer Council. Elected Trustees are appointed by the twelve elected members of the UK Foyer Council, who are in turn elected by members of the Foyer Federation. Trustees serve for a period of three years after which they may offer themselves for re-election.

SECRETARY

Michael Chuter

REGISTERED OFFICE AND PRINCIPAL ADDRESS

3rd Floor, 5-9 Hatton Wall, London, EC1N 8HX

BANKERS

CAF Bank Limited

Kings Hill

West Malling, Kent, ME19 4TA

NatWest Bank plc

Liverpool Street Branch

216 Bishopsgate, London, EC2M 4JH

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

AUDITORS

Kingston Smith
Orbital House, 20 Eastern Road
Romford, Essex, RM1 3DP

Kingston Smith have indicated their willingness to continue in office and a resolution reappointing them will be put to the Annual General Meeting.

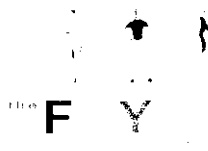
SOLICITORS

Clifford Chance
200 Aldersgate Street, London, EC1A 4JJ

MAJOR DONORS, GRANT MAKERS AND SUPPORTERS

Austin Hope & Pilkington	Barings Foundation
Basic Skills Agency	BBC
Boots Charitable Trust	Business in the Community
Christopher Laing Foundation	City Parochial Trust
CMS Cameron McKenna	Coca Cola Foundation
Countryside Agency	Coutts Charitable Trust
Department for Education and Skills	Department of Health
Diageo Foundation	Drapers' Charitable Trust
Esmée Fairbairn Foundation	Football Foundation
Freshfields Bruckhaus Deringer	Fujitsu
Gatsby Charitable Foundation	George Wimpey
Harold Hyam Wingate	Heart of the City
Home Office	Housing Corporation
Ince & Co	Imperial Tobacco
International Youth Foundation	John Ellermann Foundation
JP Morgan Fleming Educational Trust	KPMG
Lazard Charitable Trust	Learning & Skills Council
Lloyds TSB Foundation	London Housing Foundation
Lovells	Man Group Charitable Trust
Marsh UK Ltd	mmO2
New Opportunities Fund	NM Rothschild and Sons
Norman Family Charitable Trust	Nuffield Foundation
Office of the Deputy Prime Minister	Philanthropic Trust
Severn Trent plc	Streetsmart
Sutton Trust	University for Industry
Vodafone UK Foundation	Wates Foundation
Wragge & Co	Youth Justice Board

The Trustees wish to express their gratitude and thanks to all donors and grant makers who have supported the work of the Foyer Movement during the year.



LEGAL AND ADMINISTRATIVE INFORMATION (continued)

RESERVES POLICY

The Trustees have stated that the Federation should aim to retain unrestricted reserves at least equal to the estimated orderly closure costs of the organisation, which have been calculated to be in the region of £140,000.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charity is exposed, particularly those related to its finances and core operations, and are satisfied that systems are in place to provide early warning of any impending risk and to mitigate, as far as is possible, any adverse consequences.

The Directors have prepared this report in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies and the Statement of Recommended Practice (2000) – Accounting by Charities.

For and on behalf of the Board

Chris Hopson
Chair

Date: 23 February 2005



CHAIR'S REPORT

I was delighted and honoured to be elected Foyer Federation Chair in July 2004, having spent the last six years involved with the Foyer movement. I am also pleased that my predecessor, Lady Winifred Tumim CBE, remains on the Board. We owe her a huge debt of gratitude for the knowledge and experience she has brought to the movement over the last few years.

Carolyn Hayman OBE, our Chief Executive for the last seven years, left the Federation in August 2004 to become Chief Executive of start-up charity Peace Direct. Carolyn spearheaded many new initiatives including:

- the National Service Framework with the Learning and Skills Council
- the introduction of the Foyer Accreditation Scheme
- successfully lobbying for the introduction of the Adult Learning Grant
- the development of 'Safe Moves' aimed at preventing youth homelessness.

Carolyn led the Federation into a new phase of development and made a hugely significant impact. She will be sorely missed. As part of our very fond farewell, we asked Carolyn to identify a piece of work we could fund to mark her contribution and it was very typical that she asked for a Foyer residents' poetry competition – we are all looking forward to the results.

We devoted a considerable amount of time and effort to the recruitment process to find Carolyn's successor and were delighted to attract someone of the calibre of Jane Slowey to fill this vital role. Jane joined us in September 2004 from the Birmingham Voluntary Service Council (BVSC), where she was Chief Executive of one of the country's largest CVSs. She is also Vice Chairman of the National Council of Voluntary Organisations (NCVO) and her unique range of local, regional and national experience has already enabled Jane to make a significant impact on the Federation and its activities.

Partly due to the change in leadership, 2004 – 5 is a transitional year for the Federation - a chance to re-evaluate and reassess our strategic priorities. We aim to have completed a review of our governance arrangements and a new three year strategic plan by September 2005.

My greatest pleasure throughout the year has been to work with three incredible groups of people. The first is our Federation staff and Networkers who, as usual, have achieved miracles – our thanks to them. The second are the Foyer managers who are at the real sharp end of our work. One of my priorities is to ensure that the Federation does as much as it can to support them in their difficult and challenging roles.

But, most importantly, I've particularly enjoyed working with Foyer residents who continue to amaze, inspire and astound. They are the best possible advert for the importance and success of what we do.

CHRIS HOPSON
Foyer Federation Chair



CHIEF EXECUTIVE'S REPORT

This, our 13th Year, marks a significant milestone in the Foyer Federation's development and sees us beginning an important period of transition.

As the Federation's new Chief Executive I have been excited and energised by the welcome I have received. Carolyn Hayman clearly left us with a rich legacy and we are determined to build on the solid foundations she has laid.

Foyers work with 10,000 young people a year and their voice must be at the centre of everything we do - strengthening our campaigning and lobbying and helping us work with Foyers to extend and improve what they do. Those young people on our National Council are particularly keen that we should promote and develop opportunities for them to showcase their talents and potential.

To be successful, Foyers require challenging partnerships and complex funding packages. Where those partnerships are strong, particularly with the Housing Associations and other organisations that 'host' Foyers, our members achieve amazing things - delivering high quality, innovative services to young people in need.

Here, the investment the Federation has made in accreditation is really paying off and the Office of the Deputy Prime Minister (ODPM)'s decision to recognise our revised FISH accreditation system as a 'passport' for Supporting People is of major significance for our members.

We continue to place a high value on promoting learning with the Life Skills programme, developed by the Federation, and now being delivered in 60 Foyers. I know from many conversations with young people during visits to Foyers across the UK that this programme plays a crucial part in building their confidence and self esteem and provides a route into further learning. The collaborative work we are now undertaking with other organisations delivering services to young homeless people and with the Learning and Skills Council should lead to the development of an exciting new programme that supports both residents and staff who work with them.

As I write, we are consulting on our Vision for the next 3 years (2005-2008). Our aim is to explore how the Foyer concept might be 'stretched' and taken to new places. But the 'ethos' that underpins Foyers remains a given - a holistic approach to the needs of young people that focuses on their capacity to grow, to learn and to move towards independence.

Jane Slowey
Chief Executive



TREASURER'S REPORT

I am delighted to report that again the Federation has maintained its steady growth and, in a challenging year, has achieved an operating surplus of almost £5,000. Though the Statement of Financial Activities shows an excess of resources used over incoming resources, this is entirely due to adverse movements in grants held for Foyers and Special Projects and in no way reflects the true operating trend. This is explained in detail in note 10 to the Accounts, but I would briefly like to summarise the effect here.

As a service both to funders and the membership, the Charity receives restricted funds on behalf of Foyers and Special Projects which, once the grant conditions have been met, are passed directly on. In recent years, this inflow and outflow of funds has been broadly similar and the net effect on our Statement of Financial Activities minimal. This year the ending of a number of major income streams; in particular the third and final year of the NOF revenue support grant and the ending of the first phase of the Safe Moves project, have created a significant imbalance. But for these, we would have declared a net surplus of £4,873, which is almost the same as the comparable figure for 2002/03. Project income is important and the Charity continues to invest significant resources in fundraising on behalf of Foyers but, the outcome of this activity, deflects neither the Trustees nor the staff team from the need to ensure that ongoing expenses are met from ongoing income, an objective they have fully achieved in the year under review.

Returning to other fundraising, it is pleasing to report that, in an increasingly competitive sector, we have achieved both an increase in unrestricted grants and a significant increase in generated income. I am grateful to all funders, but to those who give us unrestricted grants I am particularly so, as unrestricted grants give us the flexibility to develop new and innovative work streams and to respond swiftly to new and emerging needs. Generated income is the least restricted of all and supports both core activities and capacity building, so I am also pleased to report an increase in income from learning and training services and from increased attendance at Federation led seminars and events. Though overhead expenditure has slightly increased, it remains significantly below 10% of total outgoings, demonstrating our commitment to focus expenditure on the direct support of projects and programmes.

In this latter regard members may be interested to learn that expenditure on capacity building, our programme of training, accreditation, network services and membership support, has increased from £596,350 in 1999 to £818,222 in the current year - an increase over five years of almost 40%. This has enabled us both to expand our services to members and to develop new work streams to address the particular needs of current and potential Foyer residents. In the same vein, expenditure on Special Projects in 2003/04 was £526,418 as compared with £319,612 just one year ago.

Total reserves at the year end stood at £386,879 of which £231,085 related to funds held on behalf of Foyers and Special Projects, with the remaining £155,794 held to support future core activities and the long term viability of the Charity.

Anthony Brophy B.Sc (Econ)., C.P.F.A.
Treasurer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of its financial activities.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the financial statements have been prepared in accordance with Statements of Recommended Practice
- Prepare the financial statements on a 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 the financial position of the Company and enable them to prepare financial statements which comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR'S REPORT

To the Members of the Foyer Federation

We have audited the Financial Statements of the Foyer Federation for the year ended 30th September 2004, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The Financial Statements 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 for no purpose other than to draw to the attention of the Company's Members those matters, which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any other party 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 Directors and Auditors

The Directors' responsibilities for preparing the Trustees' Annual Report and the Financial Statements, in accordance with applicable law and United Kingdom Accounting Standards, are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Financial Statements, in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

We report to you our opinion as to whether the Financial Statements 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 Directors' report is not consistent with the Financial Statements, if the Company 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 the Directors' remuneration and transactions with the Company is not disclosed.

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

Basis of opinion

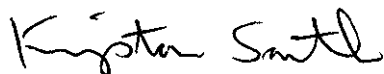
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

AUDITORS' REPORT (continued)

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 Financial Statements 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 Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 30th September 2004 and of the incoming resources and application of resources, including the income and expenditure of the Charity for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kingston Smith
Chartered Accountants and Registered Auditors
Orbital House
20 Eastern Road
Romford
Essex, RM1 3DP

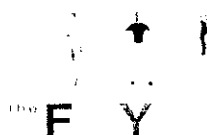
Date: 23 February 2005

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
For the year ended 30th September 2004

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2004 £	Total 2003 £
INCOMING RESOURCES					
Donations and grants receivable	5	181,983	1,057,025	1,239,008	2,025,466
Movements in deferred income	15	8,333	39,199	47,532	33,717
Donation from Diageo		-	-	-	100,000
Investment income		13,131	-	13,131	13,483
Other income	6	251,603	116,992	368,595	231,785
Gifts and services in kind	7	1,200	-	1,200	22,700
TOTAL INCOMING RESOURCES		456,250	1,213,216	1,669,466	2,427,151
RESOURCES USED					
Cost of generating funds					
Fundraising and publicity		37,858	68,734	106,592	90,232
Charitable expenditure					
Capacity building programme		389,454	428,768	818,222	777,606
Special projects		-	526,418	526,418	319,612
Grants to Foyers		-	283,926	283,926	1,076,051
		389,454	1,239,112	1,628,566	2,173,269
Other expenditure					
Management and administration		24,065	23,146	47,211	45,919
TOTAL RESOURCES USED	8	451,377	1,330,992	1,782,369	2,309,420
Net movement in funds - Net income for the year	10	4,873	(117,776)	(112,903)	117,731
Funds brought forward		150,921	348,861	499,782	382,051
FUNDS CARRIED FORWARD	17	155,794	231,085	386,879	499,782

Incoming resources and net movement in funds in each of the financial years arise from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

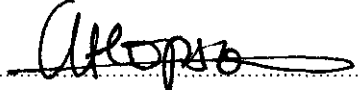


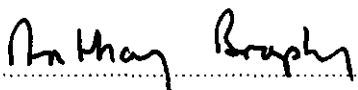
BALANCE SHEET AT 30th September 2004

	Notes	2004 £	2003 £
FIXED ASSETS (Net book value)			
Leasehold improvements		13,595	15,623
Office fixtures		997	1,580
Office equipment		3,773	2,948
Computer equipment		<u>6,116</u>	<u>10,140</u>
	11	<u>24,481</u>	<u>30,291</u>
INVESTMENT IN SUBSIDIARY	12	-	1
CURRENT ASSETS			
Cash at bank and in hand		330,893	460,470
Debtors and prepayments	13	74,984	64,292
Accrued income		<u>54,625</u>	<u>64,238</u>
		<u>460,502</u>	<u>589,000</u>
Less: CURRENT LIABILITIES			
Creditors and accruals	14	94,604	68,478
Deferred income	15	<u>3,500</u>	<u>51,032</u>
		<u>98,104</u>	<u>119,510</u>
NET CURRENT ASSETS		362,398	469,490
TOTAL ASSETS LESS CURRENT LIABILITIES	16	<u>386,879</u>	<u>499,782</u>
Represented by:			
Restricted funds		231,085	348,861
Designated funds		117,810	117,810
Unrestricted funds		<u>37,984</u>	<u>33,111</u>
TOTAL FUNDS CARRIED FORWARD	17	<u>386,879</u>	<u>499,782</u>

The notes on pages 13 to 21 form an integral part of these Financial Statements, which have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

The Financial Statements were approved by the Trustees on 23 February 2005 and were signed on their behalf by:

 Chair

 Treasurer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004

1. MEMORANDUM OF ASSOCIATION

The Charity is a company limited by guarantee. At 30th September 2004 there were 13 members (2003: 13), all of whom had undertaken to contribute £1 to the company's assets in the event of the company being wound up.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice (2000): Accounting by Charities, the Companies Act 1985 and applicable accounting standards. The accounting policies have not changed during the year.

Statement of Financial Activities

The company has produced a Statement of Financial Activities as recommended by the Statement of Recommended Practice. An Income and Expenditure Statement has not been produced as this would not be materially different from the Statement of Financial Activities.

Fund accounting

The Charity's reserves are allocated to three separate funds:

Restricted funds

These funds are subject to specific conditions imposed by the donors

Designated funds

These funds have been set aside to protect the Charity's long term viability

Unrestricted funds

These funds arise from accumulated surpluses and are expendable at the discretion of the Trustees

Incoming resources

Donations are accounted for in the year of receipt. All other income is accounted for on an accrual basis where there is reasonable assurance of receipt.

- Donations are mainly from the corporate sector and charitable trusts
- Grants receivable are primarily for specific programmes and include funding from Government agencies, the corporate sector and charitable trusts
- Investment income comprises income on short term deposits
- Other income includes membership subscriptions, accreditation and other fees, income from events and sales of publications
- Gifts of goods and services in kind are valued by the Trustees and brought into the accounts as both incoming resources and resources used.

Resources used

All expenditure is accounted for on an accrual basis. The cost of generating funds comprises costs directly associated with generating funds including the costs of publicity. Charitable expenditure comprises costs directly attributable to charitable programmes and the education of the public. Management and administration relates to the management of the Charity's funds, general administration and compliance with statutory requirements. Management and administration costs are attributed to each activity and are apportioned on the basis of salary.

Pension costs

The Charity operates a defined contribution pension scheme. The amount charged represents the employer's contributions payable by the Charity in the financial year.

Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the life of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

Grants for Foyers

These relate to grants received by the Foyer Federation on behalf of Foyers.

Capitalisation and depreciation of fixed assets

Fixed assets are capitalised at cost or market valuation at date of donation. Depreciation is calculated on a straight line basis to write down the value of the assets over their expected useful lives at the following rates:

Leasehold improvements	over the lifetime of the lease
Office fixtures	20.0% per annum
Office equipment	20.0% per annum
Computer equipment	33.3% per annum

3. CASH FLOW

The Charity is exempt from the requirement to prepare a cash flow statement because of its size.

4. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

No emoluments were paid to any of the Charity's Trustees during the financial year. Similarly no Trustees were reimbursed expenses (2003 - none)

5. DONATIONS (Unrestricted funds)

	Unrestricted Funds £	Designated Funds £	Total 2004 £	Total 2003 £
Austin Hope & Pilkington	2,000	-	2,000	-
Barings Foundation	25,000	-	25,000	25,000
BBA Group	-	-	-	2,000
Butler Family Fund	-	-	-	15,476
Cap Gemini Ernst & Young	-	-	-	2,525
Coca Cola Foundation	-	-	-	5,000
Esmée Fairbairn Foundation	10,000	-	10,000	-
Gatsby Charitable Foundation	40,000	-	40,000	6,667
George Wimpey	-	-	-	5,000
Home Office - ACU	50,625	-	50,625	25,000
John Ellermann Foundation	35,000	-	35,000	-
Lazard Charitable Trust	2,000	-	2,000	-
Man Group plc Charitable Trust	-	-	-	15,000
mm02	2,650	-	2,650	-
New Opportunities Fund	2,500	-	2,500	10,000
Northern Foods	-	-	-	5,000
Paul Tumim	-	-	-	2,160
Philanthropic Trust	2,000	-	2,000	-
Vodafone UK Foundation	2,000	-	2,000	10,000
Zochonis Charitable Trust	-	-	-	10,000
Donations of less than £2,000	8,208	-	8,208	14,796
Total donations	181,983	-	181,983	153,624

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

5. GRANTS RECEIVABLE (Restricted funds)

	Capacity Building £	Special Projects £	Grants for Foyers £	Fundraising & publicity £	Total 2004 £	Total 2003 £
Advantage West Midlands	-	-	-	-	-	38,917
Awards for All	-	-	-	-	-	2,650
Barclays Bank	-	-	-	-	-	25,624
Basic Skills Agency NVOPP	9,791	-	-	-	9,791	3,564
British Broadcasting Company	-	6,000	-	-	6,000	-
Booth Charities	-	-	-	-	-	8,625
British Nuclear Fuels	-	-	-	-	-	5,000
Cap Gemini Ernst & Young	-	-	-	-	-	8,000
City Parochial Trust	10,000	-	-	-	10,000	-
Cleopatra Trust	-	-	-	-	-	6,000
Coca Cola Foundation	-	5,000	-	-	5,000	-
Community Fund	-	-	-	-	-	57,180
Countryside Agency	-	4,000	-	-	4,000	-
Dept for Social Development NI	-	-	-	-	-	19,469
Department of Health - section 64	-	30,456	-	-	30,456	18,954
DfES Connexions	49,327	-	-	-	49,327	166,327
DfES CYP	-	70,600	-	-	70,600	22,500
DfES via Fujitsu	-	-	87,128	-	87,128	601,102
Diageo	-	20,000	-	-	20,000	-
Drapers' Company	-	-	-	-	-	2,500
Dulverton Trust	-	-	-	-	-	21,650
Football Foundation	-	13,333	-	-	13,333	-
Freemasons' Grand Charity	-	-	-	-	-	-
Fujitsu	4,250	-	3,972	-	8,222	74,000
Gatsby Charitable Foundation	-	270,000	-	60,000	330,000	279,500
Goldsmiths' Company	-	-	-	-	-	5,000
Harold Hyam Wingate	-	3,000	-	-	3,000	-
Home Office - ACU	9,925	-	25,000	-	34,925	75,000
Home Office - ESP	-	59,550	-	-	59,550	-
Housing Corporation	-	24,150	-	-	24,150	-
J P Morgan Fleming Ed Trust	-	5,000	-	-	5,000	5,000
Learning and Skills Council	-	24,000	-	-	24,000	39,000
Lloyds TSB Foundation - E & W	15,000	-	-	-	15,000	-
Lloyds TSB Foundation - N Ireland	5,000	-	-	-	5,000	5,000
London Housing Foundation	-	6,500	-	-	6,500	12,050
New Opportunities Fund	-	-	86,250	-	86,250	238,387
Northern Foods	-	-	-	-	-	15,000
Nuffield Foundation	-	3,334	-	-	3,334	3,333
O2 via CYPF	30,055	-	-	8,634	38,689	-
Office of the Deputy PM	-	-	-	-	-	25,000
Robertson Trust	-	-	-	-	-	11,500
Severn Trent plc	1,000	4,000	-	-	5,000	25,000
Streetsmart	8,000	-	-	-	8,000	-
Sutton Trust	-	3,000	-	-	3,000	3,000
SWERDA	-	-	-	-	-	9,850
University for Industry	30,000	-	-	-	30,000	-
Vodafone UK Foundation	-	-	-	-	-	15,000
Wates Foundation	6,646	-	-	-	6,646	6,500
Youth Justice Board	-	30,000	-	-	30,000	-
Grants of less than £2,000	5,814	16,750	2,560	-	25,124	16,660
Total grants receivable	184,808	598,673	204,910	68,634	1,057,025	1,871,842

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

6. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2004 £	Total 2003 £
Membership subscriptions	42,050	-	42,050	31,350
Accreditation and other fees	-	41,150	41,150	36,250
Contributions to seminar costs	-	73,041	73,041	69,093
Training curriculum support	209,553	-	209,553	87,462
Sales of publications	-	991	991	5,548
Advertising in publications	-	1,810	1,810	2,081
Assignment of Licence	-	-	-	1
Total other income	251,603	116,992	368,595	231,785

The increase in membership subscriptions from last year arises from a change in the dates of the membership year, which reduced the fee period in 2003 from twelve months to nine. Membership subscriptions in 2004 were based on a twelve month period.

7. GIFTS AND SERVICES IN KIND

These comprise staff and facilities donated to the Federation, for services that the Federation would otherwise have had to pay and are shown at Trustees' valuation.

	Unrestricted Funds £	Restricted Funds £	Total 2004 £	Total 2003 £
Staff on secondment	-	-	-	20,000
Meeting facilities donated	1,200	-	1,200	700
Gallery space for photographic exhibition	-	-	-	2,000
Total gifts and services in kind	1,200	-	1,200	22,700

8. RESOURCES USED

	Capacity Building £	Special Projects £	Grants to Foyers £	Fundraising & Publicity £	Adminis- tration £	Total 2004 £	Total 2003 £
Grants to Foyers	-	91,565	283,926	-	-	375,491	1,185,346
Programme delivery costs	284,694	170,073	-	-	-	454,767	413,867
Federation staff costs	317,600	170,927	-	67,585	88,325	644,437	419,981
Recruitment and training	7,932	3,733	-	135	17,963	29,763	36,338
Travel and subsistence	12,783	21,641	-	1,107	7,225	42,756	27,678
Premises and insurances	-	-	-	-	61,936	61,936	63,640
Communication	29,766	6,294	-	-	26,188	62,248	60,539
Depreciation	-	-	-	-	14,800	14,800	17,266
Equipment hire and repair	-	-	-	-	3,412	3,412	9,682
Research and evaluation	-	54,066	-	-	-	54,066	12,686
Audit fees	-	-	-	-	4,200	4,200	6,501
Accountancy fees	-	-	-	-	6,304	6,304	16,980
Other professional fees	-	7,320	-	940	10,177	18,437	28,880
Bank and finance charges	-	-	-	-	420	420	364
Contribution to core costs	165,447	-	-	35,207	(200,654)	-	-
Other costs	-	799	-	1,618	6,915	9,332	9,672
Total resources used	818,222	526,418	283,926	106,592	47,211	1,782,369	2,309,420
Average number of staff excluding Trustees	8.2	3.5	-	1.3	3.0	16.0	14.0

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

9. STAFF COSTS

	2004 £	2003 £
Gross emoluments	569,485	364,158
Employer's social security contributions	57,537	37,655
Pension contributions and Permanent Health Insurance premiums	17,416	18,168
Total staff costs	644,438	419,981
Number of staff in emoluments range £50,000 to £60,000	<u>1</u>	<u>1</u>
Number of higher paid staff accruing pension benefits	<u>1</u>	<u>1</u>

The Charity operates a defined contribution pension scheme, whose assets are held separately from those of the Charity in an independently administered group personal pension plan.

Contributions payable by the Charity in the year amounted to £15,165 (2003: £13,972), these included contributions of £4,745 (2003: £5,141) payable by the Charity on behalf of higher paid staff. Contributions totalling £5,394 (2003: £1,705) were payable to the scheme at the year end and are included in creditors.

10. NET MOVEMENT IN FUNDS

As a service both to Funders and the Movement the Charity receives restricted funds on behalf of Foyers and Special Projects which, once the Funder's grant conditions have been met, are passed on to the relevant Foyer. In recent years, the effect of this inflow and outflow has been broadly similar and the net effect on the Charity's Statement of Financial Activities minimal. This year the ending of a number of major income streams; in particular the third and final year of the UK online capital grant programme, the final year of the NOF revenue support grant and the first phase of the Safe Moves project, have created a significant imbalance, the net effect of which is shown below.

If one discounts the effect of these factors, the income generated in 2002/03 as a result of the 10th Anniversary Appeal and net movements in working capital, the net operating surplus for the current year is little different to that of the previous year.

	Incoming Resources £	Resources Used £	Total 2004 £	Total 2003 £
Online capital programme	91,100	(34,663)	56,437	(60,589)
NOF revenue grant	86,250	(135,513)	(49,263)	15,612
Other grants for Foyers	27,560	(113,750)	(86,190)	17,310
Other grants for Special Projects	491,658	(526,418)	(34,760)	57,593
Net movement in non-core funds	696,568	(810,344)	(113,776)	29,926
10 th Anniversary Appeal			-	117,810
Core Federation activities				
Net movement in working capital			(4,000)	(35,410)
Operating surplus for the year			4,873	5,405
Net movement in total funds			(112,903)	117,731

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

11. FIXED ASSETS

	Leasehold improvements £	Office fixtures £	Office equipment £	Computer equipment £	Total assets £
Cost or valuation at 1 st October 2003	19,656	16,432	18,016	37,957	92,061
Additions during year	2,037	36	2,257	5,459	9,789
Cost of disposals	-	-	-	799	799
Cost or valuation at 30 th September 2004	<u>21,693</u>	<u>16,468</u>	<u>20,273</u>	<u>42,617</u>	<u>101,051</u>
Depreciation at 1 st October 2003	4,033	14,852	15,068	27,817	61,770
Provided during year	4,065	619	1,432	8,750	14,866
Depreciation on disposals	-	-	-	66	66
Depreciation at 30 th September 2004	<u>8,098</u>	<u>15,471</u>	<u>16,500</u>	<u>36,501</u>	<u>76,570</u>
Net book value at 30 th September 2004	<u>13,595</u>	<u>997</u>	<u>3,773</u>	<u>6,116</u>	<u>24,481</u>
Net book value at 30 th September 2003	<u>15,623</u>	<u>1,580</u>	<u>2,948</u>	<u>10,140</u>	<u>30,291</u>

All fixed assets are used for charitable purposes.

12. INVESTMENT IN SUBSIDIARY

At 30th September 2003, the Charity owned 50% of the issued share capital of Philantech Ltd, a company incorporated for the purpose of distributing products and services to the statutory and voluntary sector. The first accounting period of Philantech ended on 30th June 2004 and the results for that period are summarised below.

PROFIT AND LOSS ACCOUNT	2004 £	2003 £
Turnover (amounts receivable for goods and services net of VAT)	41,993	-
Cost of sales (direct costs of providing goods and services)	(12,513)	-
Administrative expenses (other costs of providing goods and services)	(25,775)	-
Interest receivable	23	-
Profit on activities	<u>3,728</u>	<u>-</u>
 BALANCE SHEET	 2004 £	 2003 £
Fixed assets	-	-
Current assets (debtors and cash at bank and in hand)	6,387	-
Current liabilities (amounts falling due within one year)	(2,657)	-
Capital employed	<u>3,730</u>	<u>-</u>
Issued share capital	2	-
Retained earnings	<u>3,728</u>	<u>-</u>
Shareholders' funds	<u>3,730</u>	<u>-</u>

The Charity's entire shareholding was disposed of at cost on 30th September 2004.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

13. DEBTORS

	2004 £	2003 £
Trade debtors (net of provision for doubtful debts)	59,007	48,005
Other debtors	1,850	1,779
Prepayments	14,127	14,508
Total debtors and prepayments	74,984	64,292

Trade debtors have been reduced by a provision of £5,775 against specific debts, which at the year end the Trustees deemed to be doubtful.

14. CREDITORS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	63,122	42,800
Tax and social security	15,524	14,506
Accruals	15,958	11,172
Total creditors and accruals	94,604	68,478

15. DEFERRED INCOME

Deferred income comprises grants received in the current year, which the donor has specified must be used in future years.

	2004 £	2003 £
Balance deferred at 1 st October 2003	51,032	84,749
Amount released to incoming resources in the year	(51,032)	(76,416)
Amount deferred in the year	3,500	42,699
Balance deferred at 30th September 2004	3,500	51,032

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 30th September 2004 are represented by

	Tangible Fixed Assets £	Investment in Subsidiary £	Net Current Assets £	Total £
Restricted funds				
Capital funds	-	-	-	-
Special projects	-	-	97,385	97,385
Grants for Foyers	-	-	133,700	133,700
	-	-	231,085	231,085
Unrestricted funds	24,481	-	131,313	155,794
Total funds at 30th September 2004	24,481	-	362,398	386,879

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

17. MOVEMENTS IN FUNDS

	Balance at 30 th Sept 2003 £	Additions £	Utilised/ released £	Balance at 30 th Sept 2004 £
Restricted funds				
Capacity building programme				
Accreditation/Quality improvement	-	54,980	54,980	-
Learning services	-	134,934	134,934	-
Network services	-	195,987	195,987	-
Communications	15,000	16,037	31,037	-
Governance	-	11,830	11,830	-
	15,000	413,768	428,768	-
Special projects	121,145	502,658	526,418	97,385
Grants for Foyers	212,716	204,910	283,926	133,700
Fundraising	-	68,734	68,734	-
Administration	-	23,146	23,146	-
Total restricted funds	348,861	1,213,216	1,330,992	231,085
Designated funds	117,810	-	-	117,810
Unrestricted funds	33,111	456,250	451,377	37,984
Total funds at 30th September 2004	499,782	1,669,466	1,782,369	386,879

18. FUND DESCRIPTIONS

Capacity Building

A programme of training and development work designed to increase the capacity of the Foyer Movement to deliver core programmes.

Within the overall capacity building programme are a number of separately defined programmes.

Accreditation / Quality improvement

An initiative to maintain and enhance quality and innovation in the Foyer Movement, overseen by an independent assessment panel

Learning Services

A programme to develop learning projects and resources for the Foyer movement and to build capacity and share practice in the development and delivery of basic, key and life skills

Learning Centres

UK online Centres in Foyers, providing access to the Internet and opportunities to gain proficiency in ICT skills to Foyer residents and members of the local community

Network services

A programme to support the growth of the Foyer Movement, using local development and support workers in Scotland, Wales, Northern Ireland and throughout the English regions

Training programme

A series of seminars, conferences, residential events, group meetings and distance learning materials provided through the network programme in support of existing and potential Foyers and developers

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2004 (continued)

Communications programme

An information programme delivering news and information through newsletters, guides and videos and active lobbying on behalf of the Foyer Movement on matters of mutual interest and concern

Fundraising

A programme to raise funds for special projects, capacity building, Foyer projects and core costs

Other Funds

Capital funds

Grants for specific items of capital expenditure are held in restricted funds. Depreciation is calculated on a straight line basis to write down the value of the assets over their expected useful lives

Special projects

These projects, managed by Federation staff and regional networkers, address the particular needs of Foyer residents and aim to enhance their skills and well-being in practical and health related matters

Grants for Foyers

These are grants raised by the Federation on behalf of specific Foyer projects. Funds are released to Foyers when the Federation is satisfied that the funding criteria have been met.

19. COMMITMENTS

At 30th September 2004 the Charity had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
Operating lease on a property expiring within two to five years	<u>41,009</u>	<u>41,009</u>

20. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.