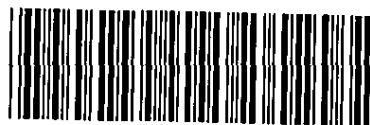


Company Number 04428178  
Charity Number 1092891

**THE UK CAREER ACADEMY FOUNDATION**  
**TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS**  
**31 MARCH 2007**

THURSDAY



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COMPANIES HOUSE

Baker Tilly Tax and Advisory Services LLP  
2 Bloomsbury Street  
London WC1B 3S1

**TRUSTEES' ANNUAL REPORT  
for the year ended 31 March 2007**

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The trustees present their report and the financial statements of The UK Career Academy Foundation (UKCAF) for the year ended 31 March 2007

**REFERENCE AND ADMINISTRATIVE DETAILS**

The trustees of the charity, who are also the directors of the company, have held office since 1 April 2006, as follows

Sir Winfried F W Bischoff	<b>Chairman</b>
Mr R W Chambers	
Mr J Ferrandino	
Mr S A D Hall	
Dr H J McGregor	
Mr R W A Swannell, FCA	

The principal address of the charity and the registered office of the company is the offices of the charity at 25 Canada Square, Canary Wharf, London E14 5LB

The charity is registered under the charity number 1092891, and the company is incorporated with the company registration number 04428178

Mr A M Gaultier is the secretary to the board of trustees and the company secretary for the purposes of company law

The charity has made the following professional appointments

Solicitor	Farrer & Co, 60 Lincoln's Inn Fields, London WC2A 3LH
Accountant	Baker Tilly Tax and Advisory Services LLP, 2 Bloomsbury Street, London WC1B 3SI
Auditor	Baker Tilly UK Audit LLP, 2 Bloomsbury Street, London WC1B 3ST
Banker	Citibank NA, Citigroup Centre, Canada Square, London E14 5LB

The following key senior members of staff are responsible for the day-to-day management of the charity

John May	Chief Executive
Martyn Drain	Chief Operating Officer
Ruth Griffiths	Programme Director
Karen Porter	Director of Marketing, Communication and Events

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Status & history**

UKCAF is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

### TRUSTEES' ANNUAL REPORT for the year ended 31 March 2007

The charity was originally set up in 2002 building upon the 20 years' experience of the National Academy Foundation in the United States of America ("the National Academy Foundation") of running Career Academies to assist students, frequently from areas of social need, with career choices and to raise their career aspirations. It was incorporated on 30 April 2002, and became a registered charity on 10 July 2002.

UKCAF is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 30 April 2002.

#### Organisational structure

The overall strategic direction of the charity is determined by the trustees, who are advised by an Advisory Board, which is made up of senior business leaders and educationalists. In September 2005, the trustees approved a strategic Five Year Business Plan setting out the objectives and expansion plans for the charity up to 2010.

The following table summarises the key elements of the charity's organisational structure.

<i>Organisational elements</i>	<i>Number of members</i>	<i>Key roles &amp; responsibilities</i>
Trustees	Six	<ul style="list-style-type: none"> <li>• Ultimate responsibility for directing the affairs of the charity, and ensuring that it is solvent, well-run, manages and assesses risks and is achieving its charitable objectives</li> </ul>
Advisory Board	19	<ul style="list-style-type: none"> <li>• Meets twice a year</li> <li>• Full governance calendar in operation</li> <li>• Approves five year strategic business plan and annual budgets</li> <li>• Identifies programme issues, lessons learned and feeds improvements into a fluid development process</li> <li>• Issues are raised formally at Board meetings</li> <li>• Individual members act as an advocate for the charity, help ensure support from their own and other organisations, and support events</li> </ul>
Finance and Fund Raising Committee	Six	<ul style="list-style-type: none"> <li>• Meets every three months</li> <li>• Comprises six members of the Advisory Board. The Chairperson is a trustee</li> <li>• Review of monthly management accounts, short term future cash flow and monitors fund raising</li> <li>• Develops fund raising targets</li> <li>• Review of Business Risk Matrix</li> </ul>
Programme Leadership Team	Two or more	<ul style="list-style-type: none"> <li>• Meets three times a year</li> <li>• Comprises two or more members of the Advisory Board and others drawn from businesses and organisations not currently represented on the Advisory Board. Chairperson is a trustee</li> <li>• Expertise in community affairs, diversity and programme development</li> <li>• Advises on and oversees the content of programmes including development and accreditation of new themes</li> <li>• May appoint sub groups to review specific issues</li> </ul>

**TRUSTEES' ANNUAL REPORT**  
for the year ended 31 March 2007

<i>Organisational elements</i>	<i>Number of members</i>	<i>Key roles &amp; responsibilities</i>
Marketing and Communications Leadership Team	Two or more	<ul style="list-style-type: none"> <li>• Meets three times a year</li> <li>• Comprises two or more members of the Advisory Board and others drawn from businesses and organisations not currently represented on the Advisory Board. Chairperson is a trustee</li> <li>• Expertise in marketing, PR and community affairs</li> <li>• Advises on and oversees the content of marketing, PR and events</li> <li>• May appoint sub groups to review specific issues</li> </ul>
Staff Team	Ten	<ul style="list-style-type: none"> <li>• Creates strategic Five Year Business Plan and annual business plan with detailed targets and objectives, which are reviewed by the Advisory Board</li> <li>• Holds one-to-one meetings with members of the Advisory Board</li> <li>• Prepares cash flow forecasts for review by the Finance and Fund Raising Committee</li> </ul>

The day-to-day management of UKCAF is entrusted to John May, the Chief Executive and his management team, who regularly report to the trustees. The management team have matrixed responsibilities being functionally responsible for internal operations, programme and marketing and PR whilst each has regional account management responsibilities for schools and colleges and national and regional account management responsibilities for business supporters. There are two members of staff specifically responsible for managing schools and colleges in London.

During 2006-07, two staff were recruited as Field Development Officers, based in the Midlands and the North. Additionally a tutor from the Career Academy in Bristol has been seconded two days per week for Wales and the West. These Field Development Officers are able to provide more day-to-day support to schools and colleges and business supporters in these regions and are proving to be valuable resources to manage the regional expansion.

**Method of recruitment, appointment, election, induction & training of trustees**

The trustee team includes representatives from the charity's three key stakeholding groups (business, education, and the National Academy Foundation) and a Chairman.

Recruitment and selection of new trustees is managed by the trustee team, supported by the Chief Executive, taking into account the need for a balance of skills and experience to ensure good governance and adequate maintenance of stakeholders' interests. A trustees' skills matrix is maintained so that any skills gaps can be identified and filled.

The Advisory Board has full terms of reference under which it operates. On appointment, a new member's individually tailored induction is organised by the Chief Executive.

Trustees are encouraged to attend appropriate external training events and seminars where these will facilitate the understanding of their role.

**TRUSTEES' ANNUAL REPORT**  
**for the year ended 31 March 2007**

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**Risk & corporate governance matters**

The Chief Executive, in partnership with members of the Advisory Board, including the trustees, has developed a detailed Business Risk Management Matrix, which is reviewed regularly by the Finance and Fund Raising Committee for recommendation to the trustees and is reported upon annually to the Advisory Board. An updated version was presented to the Advisory Board in May 2007. The Matrix assesses both the probability of risk and the potential impact as well as control procedures, monitoring process and responsibility for each risk. For each identified risk a scale is agreed and a colour code indicating levels of priority applied. The following categories of risk have been identified and assessed:

- Governance risks - inappropriate organisational structure, difficulties recruiting trustees or Advisory Board members with relevant skills, and conflicts of interest
- Operational risks - service quality, employment issues, staff performance, health and safety issues, and fraud and misappropriation
- Financial risks - accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, and investment management
- External risks - public perception and adverse publicity, demographic changes, and government policy
- Compliance with law and regulations - employment law and regulatory requirements of particular activities such as fund raising

The trustees confirm that internal control procedures are in place to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- comprehensive financial policies and procedures,
- qualitative comparison of procedure against the internal financial controls self checklist for charities on an annual basis,
- comprehensive annual budgets, approved by the trustees, and monthly financial reporting which is compared to budget,
- regular forecasting of predicted income and cash flow,
- annual monitoring of reserves policy, and
- annual review of the Business Risk Management Matrix by the full Advisory Board

The regular assessments are entrusted to the Finance and Fund Raising Committee meeting every quarter. Together with the Chief Executive this Committee reviews management accounts, future cash flow and sustainability of income against budgets. It also helps identify companies as marketing targets and how they can be approached.

A comprehensive charities insurance package has been introduced covering the main risks for staff, trustees and Advisory Board members whilst also providing statutory cover where required.

**TRUSTEES' ANNUAL REPORT  
for the year ended 31 March 2007**

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**Trustees' & directors' responsibilities in the preparation of financial statements**

The trustees and directors are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations

The provisions of charity and company law require the trustees and directors to prepare financial statements for each financial year. Under that law, the trustees and directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the trustees and directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis

The trustees and directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements comply with the requirements of the Charities Act 1993 and the Companies Act 1985. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees and directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

**Auditor**

The trustees and directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Charities Act 1993, Section 43 and the provisions of the Companies Act 1989, Section 26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

A resolution to reappoint Baker Tilly UK Audit LLP as auditor will be put to the members at the Annual General Meeting.

**Statement as to disclosure of information to the auditor**

The trustees and directors at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the trustees and directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**TRUSTEES' ANNUAL REPORT  
for the year ended 31 March 2007**

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**OBJECTIVES AND ACTIVITIES**

**Charitable objectives**

The charitable objectives for which the charity is established are as follows

The objects of the charity ("the objects") are the advancement of education of young people in the United Kingdom and elsewhere, in particular by the provision of advice, expertise, funds and other support to educational institutions and students to develop and facilitate career preparation courses and work experience in the fields of finance, travel and tourism and information technology and such other fields as the trustees shall in their discretion determine

**Charitable activities**

The Five Year Business Plan approved during the previous year, sets out three strategic imperatives, namely

- 1 To build a Career Academy movement with a range of business themes that is recognised as a leading contributor to the education of middle achieving 16 to 19 year-old students who aspire to a career in business
- 2 To grow the Career Academy movement to its full potential in all areas within the UK that can demonstrate adequate business support. This will be predominantly in urban locations including defined areas of social need
- 3 By delivering a quality assured, branded and marketable programme UKCAF will recruit and retain business, education and public sector supporters to meet and sustain growth targets

UKCAF leads and supports a network of Career Academies run by individual selected schools and colleges, for 16 to 19 year-old people. In 2006-07, Career Academies, with Finance, Information Technology or Marketing & Communications as a theme, were managed by 39 separate schools and colleges around England

The trustees are pleased to report this growth is in line with forecasts made in the Five Year Plan. The target remains that over 100 schools and colleges will be managing the programme by 2010 with over 150 individual Career Academies allowing for growth in each of the three functional themes of Finance, Information Technology and Marketing & Communications

UKCAF has developed a model for operating a Career Academy which

- recruits new schools and colleges to manage a Career Academy against specific geographical and student profile criteria,
- trains these new schools and colleges through a Year of Planning prior to enrolling students,
- operates a Quality Assurance programme to maintain quality of product delivery,
- provides central marketing and PR support fostering a strong Career Academy brand,
- provides a variety of events, conferences and other interventions for students, teachers and business supporters that promote the aims and objectives of the Career Academy movement as well as creating a national network, and
- manages and develops relationships with a number of companies in order to attract both financial and practical support for the Career Academy movement

**TRUSTEES' ANNUAL REPORT**  
**for the year ended 31 March 2007**

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**Indicators, milestones & benchmarks**

The trustees asked the management team to develop a 'dashboard' type of performance management appraisal system to be produced and reviewed by the Advisory Board every six months. This measures the performance of the charity within four principal target areas:

- Financial - measurement against budgeted targets of surplus or deficit monthly and at year end
- Growth - measuring against budgeted targets the pipeline of future Career Academies being recruited into the Year of Planning, the retention of existing Career Academies, and the recruitment of individual numbers of students on the programme
- Business partnerships - measurement against budgeted targets of the number of business partnerships being developed and sustained to help deliver the mentoring and internship parts of the programme together with a partner satisfaction index obtained from questionnaires
- Outcomes and impacts - measuring against targets the impact of the programme on students in terms of retention during the programme, career moves of graduates from the programme either into Higher Education, further business training or the job market, and student satisfaction with the programme from questionnaires

An Alumni Network, with 80 initial members, was launched in December 2006. This will facilitate the management team keeping in touch with graduates and allowing longer term measurement of career paths and impact of the programme.

**Grant making policy**

UKCAF is not specifically a grant making charity, but it does channel a very small number of grants sponsored by specific company supporters to individual Career Academies. The trustees are not required to make judgements on the awarding of these grants.

**Relationships with related parties**

The charity has been established with the intention that it should develop and exploit ideas and intellectual property created by, and under licence from, the National Academy Foundation.

**Representation on other bodies**

UKCAF acts independently of any other body, charity or institution. The Chief Executive has represented the charity on a steering group of the Financial Services Skills Council. This steering group helped in a successful bid to win Government funding for a National Skills Academy for Finance. He also sits on an expert panel, advising the Specialist Schools and Academies Trust ('the Trust') on their work involving business and enterprise. The Programme Director sits on a similar panel, advising the Trust on their vocational work.



**TRUSTEES' ANNUAL REPORT**  
**for the year ended 31 March 2007**

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**ACHIEVEMENTS AND PERFORMANCE**

**Activities & events**

The trustees are pleased to report a busy and productive 12 months including an expansion of Career Academies from 24 to 39, a doubling of students enrolled and the recruitment of 36 more schools and colleges into their Year of Planning starting in the autumn 2006 in preparation for enrolling students in September 2007. Over 1,100 students have now either completed, or are on, the Career Academy programme.

Many events have been organised for students and their tutors, the highlights being the Graduation ceremony in May, a conference for nearly 500 newly enrolled students at Canary Wharf in November and a corporate responsibility game for second year students in March.

The Year of Planning programme has undergone continuous improvement, better equipping the new schools and colleges to manage their Career Academy. Two thirds of this programme had been delivered by the year-end. Many of the new schools and colleges have begun to run events to recruit local business support. The majority of new Career Academies will be located in the areas identified as Primary Targets, being large conurbations with high social needs and cities including Manchester, Leeds, Liverpool, Bristol, Birmingham, Sheffield, Belfast and South Wales and Newcastle, will be represented on the programme. An educational conference for over 100 tutors and teaching staff was held in June 2006.

Our circle of supporting companies continues to grow and at the year-end some 170 employers were supporting Career Academies in some way. Existing national relationships have been successfully leveraged to deliver support outside London and schools and colleges in other locations are becoming increasingly successful in recruiting local companies to support their programme, frequently by establishing a Local Advisory Board.

**Impact of activities & events**

An updated 'dashboard' report was presented to the Advisory Board in October 2006. Whilst some of the outcomes are still to be measured by questionnaire, it was agreed that the completed parts of the 'dashboard' presented an appropriate assessment of the key performance areas. Performance in all areas was very satisfactory, but the sound financial management, on target growth and overall programme impact reported via questionnaire by students, should be particularly noted.

Following the dashboard report from March 2006, the Advisory Board asked the management team and the Programme Leadership Team to review the mentoring part of the programme with a view to recommending some improvements. Their recommendations were agreed at the Advisory Board meeting in October and the new, re-titled, Partners in Business scheme has been implemented in the second half of the year for the students who enrolled in September 2006. Early indications are that the uptake of this voluntary part of the programme has increased by 12% and that the mentors and mentees are better briefed on the procedures, their roles and the expected outcomes.

**TRUSTEES' ANNUAL REPORT**  
**for the year ended 31 March 2007**

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**FINANCIAL REVIEW**

**Financial results of activities & events**

The trustees are pleased to report a satisfactory year of financial performance. UKCAF continues to manage its expenditure in a prudent way within budget, frequently gathering support from companies to pay directly for items of expenditure that would typically be expensed by the charity itself.

Funding increased by 30% over the previous year with additional funding from both the private sector and the public sector by way of grants from several regional Learning and Skills Councils, keen to see the growth of Career Academies in their region, and also by the London Development Agency. Significantly, the regional Learning and Skills Council incoming resources have greatly assisted in being able to employ the Field Development Officers.

The donations from schools and colleges more than doubled as student numbers increased and the Year of Planning donation was increased.

Total incoming resources for the year at over £900,000 was represented by school and college donations 10%, public sector grants 25%, private sector companies 62%, and other items (largely bank interest) 3%. As part of the Five Year Business Plan, the Advisory Board wishes to see reliance on the public sector and the participating schools and colleges increase to 50%, with the balance coming from business supporters.

The results for 2006-07 show a considerable movement towards this target. Marketing to the public sector remains a high priority for the management team, although it is recognised that public funding is more likely to be given for startup seed funding rather than for sustaining projects.

**Grant making**

During the year UKCAF passed on a grant of £5,000 to John Kitto Community College in Plymouth on behalf of the Learning and Skills Council (South West) and a grant of £2,000 to Oldham College on behalf of ABN AMRO.

**Reserves policy**

The trustees believe that the charity should hold financial reserves designated as the Emergency Operating Reserve ('the EOR') because

- it has no endowment funding and is entirely dependent for income upon donor funding from year to year which is inevitably subject to fluctuation, and
- it requires protection against, and the ability to continue operating despite, catastrophic or lesser but damaging events.

The trustees believe that the minimum level of the EOR should be the equivalent of future estimated operating costs for four months calculated and reviewed within the annual budget. The trustees also believe that the EOR should be built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities.

**TRUSTEES' ANNUAL REPORT**  
for the year ended 31 March 2007

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The trustees are committing £93,000 to the EOR this year (2005-06 £92,000). When added to the existing EOR of £172,000 (2005-06 £80,000), giving a total EOR of £265,000 (2005-06 £172,000), this meets the above-mentioned target based on the approved 2007-08 budget. Future increased levels of staffing and other operating costs will mean that the target for the EOR will also need to be increased. The Finance and Fund Raising Committee will review and recommend a level for each year.

As at 31 March 2007, the remaining "free reserves" of the charity amounted to £337,447 (31 March 2006 £220,034), and the trustees plan to utilise these funds as follows:

- The charity remains in a rapid growth phase and needs to retain free reserves to ensure that this growth can be maintained even in times when short term cash flow may be more problematic.
- The charity has been very successful in obtaining donations in kind for office premises and support, venues and catering for events. As these events increase in size and complexity, it is anticipated that many of the expenses will have to be met by UKCAF directly and free reserves must be available to help. These costs are anticipated in the Five Year Plan. These could amount to £200,000 per year.
- It is anticipated that increased expenditure will need to be met on marketing and IT support in the next two years. It is anticipated that this could cost up to £30,000 with costs split over the next two financial years.
- The charity will be commissioning a major piece of research in 2007-08 to investigate the impact of the Career Academy programme for all of its stakeholder groups. It is anticipated this could cost up to £40,000 with costs split over the next two financial years.

**Investments policy**

The charity's Memorandum and Articles of Association give the trustees power to invest the funds of the charity in such a manner, or on such investments, securities or property, as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

At present, the trustees have chosen to hold the charity's reserves as cash at bank and in hand.

During the year, investment income of £28,634 (2005-06 £19,385) was generated on cash balances representing an average rate of return of 4.7% (2005-06 4.7%).

The trustees consider this rate of return to be satisfactory.

**PLANS FOR FUTURE PERIODS****Future strategy**

In September 2005, the full Advisory Board approved a Five Year Business Plan prepared by the management team. This laid out a clear strategy and targets for future growth including geographical expansion, the expansion of Career Academy themes, an expansion of staffing to manage this growth and a detailed assessment of future funding requirements to match this expansion. The plan included an assessment by Bain & Company, a supporting company, of future funding requirements and the likelihood of this being obtained from the commercial sector and the sector's continued ability and willingness to provide funding and practical support through corporate and social responsibility agendas.

**TRUSTEES' ANNUAL REPORT  
for the year ended 31 March 2007**

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At its May 2007 meeting, the Advisory Board was asked to review and discuss a paper presented by the Chief Executive on possible routes for expansion up to 2012. This took into account the agenda of a number of key stakeholders, the movement towards Specialist Diplomas in education, and the anticipated Government policy on business involvement in education.

**Future activities & events**

The key priorities for the next year in order to achieve growth targets will be an enlargement of the company employer supporter base, both to maximise support, particularly regionally, from existing supporters and to recruit new supporters from those parts of the country where there are new Career Academies. This will require continued improvement of promotional material, a more systematic marketing plan, and extensive training for all Career Academies to generate their own leads to company employer supporters and effective account management of these companies to sustain such support.

Members of the Advisory Board are already actively involved in targeting certain companies with whom they individually have relations. The management team has also prioritized certain sectors for targeting. The role of the Field Development Officers will be critical in recruiting, managing and sustaining new supporters. This will include an additional Field Development Officer for the North West who will start in the summer of 2007.

The recruitment of new schools and colleges within agreed target geographical areas is likely to be less challenging and the charity will continue to work with regional Learning and Skills Councils, the Specialist Schools and Academies Trust and other bodies to help introduce potential schools and colleges.

During 2006-07, a new database management tool was obtained as a charitable donation from Salesforce Inc. This has significantly improved data quality and account management. During 2007-08, there will be a further investment in this tool to streamline data collection from all Career Academies via a self service web portal. Career Academies in return will be better able to disseminate and share resources, thereby strengthening the network.

In June 2007, the Annual Conference was planned to be a combined event for both teachers and employers. In the past the charity has held separate events for each group. It is hoped that by bringing the two stakeholder groups together, they will have a better understanding of each other and the charity will demonstrate its ability to drive forward the Government's agenda to involve business in the education of young people and therefore, its future workforce.

**Impact of future activities & events**

It is anticipated that the Advisory Board will be asked to approve a new evaluation project to be started in 2007-08, assessing not only the impact on students and schools and colleges but also on employers. This will be from a significantly larger sample group than the University of Warwick evaluation two years ago.

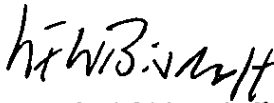
**TRUSTEES' ANNUAL REPORT**  
for the year ended 31 March 2007

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**FUNDS HELD AS CUSTODIAN**

Although the charity maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, UKCAI does not currently hold, and the trustees do not anticipate that it will in the future hold, any funds as custodian for any third party

This report was approved by the trustees on 6 September 2007, and was signed for and on behalf of the board by



Sir Winfried F W Bischoff  
Chairman

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UK CAREER ACADEMY FOUNDATION**

We have audited the financial statements on pages 15 to 23, which have been prepared on the basis of the accounting policies set out on page 17

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable 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 THE AUDITOR**

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' and directors' responsibilities within the trustees' annual report on page 5.

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

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 whether, in our opinion, the trustees' annual report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 trustees' remuneration and other transactions is not disclosed.

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK & 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UK CAREER ACADEMY  
FOUNDATION (Continued)**

**OPINION**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 March 2007, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the trustees' annual report is consistent with the financial statements

*B.L. Tilly UK Audit LLP*

Baker Tilly UK Audit LLP  
Registered Auditor  
2 Bloomsbury Street  
London WC1B 3ST

18 SEPTEMBER 2007

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income & Expenditure Account)**  
**for the year ended 31 March 2007**

	Notes	Unrestricted Funds	Restricted Funds	TOTAL 2007	TOTAL 2006
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	1	676,909	10,214	687,123	627,891
Investment income	2	26,785	1,849	28,634	19,385
<b>Incoming resources from charitable activities</b>					
Support given to educational bodies to operate Career Academies	3	-	251,985	251,985	100,000
<b>TOTAL INCOMING RESOURCES</b>		<b>703,694</b>	<b>264,048</b>	<b>967,742</b>	<b>747,276</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	4	77,049	-	77,049	61,144
<b>Charitable activities</b>					
Support given to educational bodies to operate Career Academies	5	399,256	205,400	604,656	430,980
<b>Governance costs</b>	6	18,644	-	18,644	14,900
<b>TOTAL RESOURCES EXPENDED</b>		<b>494,949</b>	<b>205,400</b>	<b>700,349</b>	<b>507,024</b>
<b>NET INCOMING RESOURCES &amp; NET INCOME FOR THE YEAR BEFORE TRANSFERS</b>		<b>208,745</b>	<b>58,648</b>	<b>267,393</b>	<b>240,252</b>
<b>TRANSFERS</b>					
Gross transfers between funds		1,668	(1,668)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>210,413</b>	<b>56,980</b>	<b>267,393</b>	<b>240,252</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 April 2006		392,034	40,372	432,406	192,154
<b>FUND BALANCES CARRIED FORWARD AT 31 MARCH 2007</b>	11	<b>602,447</b>	<b>97,352</b>	<b>£ 699,799</b>	<b>£ 432,406</b>

The net movement in funds for the year arises from the charity's continuing activities

No separate statement of total recognised gains and losses has been presented as all such gains and losses are included in the statement of financial activities



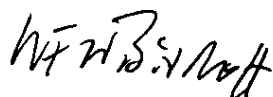
**BALANCE SHEET**  
**31 March 2007**

	Notes	2007	2006
<b>CURRENT ASSETS</b>			
Debtors	9	90,874	1,258
Cash at bank and in hand		689,988	529,617
		<u>780,862</u>	<u>530,875</u>
<b>LIABILITIES</b>			
Creditors Amounts falling due within one year	10	81,063	98,469
<b>NET CURRENT ASSETS</b>		<u>699,799</u>	<u>432,406</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS</b>		<u>£ 699,799</u>	<u>£ 432,406</u>

**THE FUNDS OF THE CHARITY**

<b>Restricted income funds</b>			
Regional Development Fund	11	97,352	39,372
Books For Schools Fund	11	-	1,000
<b>Unrestricted income funds</b>			
General Fund	11	337,447	220,034
Designated Emergency Operating Reserve Fund	11	265,000	172,000
<b>TOTAL CHARITY FUNDS</b>	12	<u>£ 699,799</u>	<u>£ 432,406</u>

The financial statements on pages 15 to 23 were approved by the trustees and authorised for issue on 6 September 2007, and are signed on their behalf by



Sir Winfried F W Bischoff  
Chairman

Financial statements for the year ended 31 March 2007

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared to comply with current statutory requirements, under the historical cost convention, except as modified for the annual revaluation of fixed asset investments, and in accordance with United Kingdom Generally Accepted Accounting Practice. The recommendations in *Accounting and Reporting by Charities: Statements of Recommended Practice (revised 2005)* issued by the Charity Commission in March 2005 have been followed.

### INCOMING RESOURCES

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost.

### RESOURCES EXPENDED

Resources expended are included in the statement of financial activities on an accruals basis.

Staff costs and support costs are allocated over the different categories of costs on the basis of estimated time spent by members of staff.

### PENSION CONTRIBUTIONS

The charity makes contributions into defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

### FUND ACCOUNTING

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objective of the charity.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year end are carried forward in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	Unrestricted funds	Restricted funds	Total 2007	Total 2006
<b>1 VOLUNTARY INCOME</b>				
Voluntary donations	496,596	10,214	506,810	436,809
Donations in kind	180,313	-	180,313	191,082
	<u>676,909</u>	<u>10,214</u>	<u>£ 687,123</u>	<u>£ 627,891</u>
<b>2 INVESTMENT INCOME</b>				
Bank interest receivable on short term cash deposits	<u>26,785</u>	<u>1,849</u>	<u>£ 28,634</u>	<u>£ 19,385</u>
<b>3 INCOME FROM SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES</b>				
London Development Agency	-	100,000	100,000	40,000
Learning and Skills Councils	-	139,600	139,600	60,000
Other supporters	-	12,385	12,385	-
	<u>-</u>	<u>251,985</u>	<u>£ 251,985</u>	<u>£ 100,000</u>
<b>4 COSTS OF GENERATING VOLUNTARY INCOME</b>				
Staff costs (see note 7)	55,595	-	55,595	39,606
Support costs (see note 8)	21,454	-	21,454	21,538
	<u>77,049</u>	<u>-</u>	<u>£ 77,049</u>	<u>£ 61,144</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	Unrestricted funds	Restricted funds	Total 2007	Total 2006
<b>5 COSTS OF SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES</b>				
Staff costs (see note 7)	193,557	140,012	333,569	233,517
Support costs (see note 8)	90,108	38,618	128,726	128,929
Other expenditure				
Curriculum costs	1,500	-	1,500	4,499
Entertaining sponsors	-	-	-	1,065
Other entertaining	782	-	782	117
Event costs	16,102	4,856	20,958	15,970
Printing	10,837	-	10,837	415
Video production	24,087	-	24,087	850
Other promotional costs	16,235	-	16,235	22,664
Abbey student placement costs	-	7,546	7,546	-
Grants given to two (2006 two) institutions	-	7,000	7,000	1,000
Insurance	6,400	-	6,400	2,199
Training	1,584	-	1,584	686
Subscriptions	531	-	531	194
Travel and subsistence	18,037	7,368	25,405	11,467
Staff welfare	981	-	981	233
Website	139	-	139	236
Auditors remuneration				
Accountancy and advisory	16,752	-	16,752	5,954
Bank charges	1,624	-	1,624	985
	<u>399,256</u>	<u>205,400</u>	<u>£ 604,656</u>	<u>£ 430,980</u>
<b>6 GOVERNANCE COSTS</b>				
Staff costs (see note 7)	7,942	-	7,942	5,120
Support costs (see note 8)	3,065	-	3,065	2,730
Auditor's remuneration				
Audit fees	7,637	-	7,637	7,050
	<u>18,644</u>	<u>-</u>	<u>£ 18,644</u>	<u>£ 14,900</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	2007	2006
<b>7 STAFF COSTS</b>		
	No	No
The average monthly number of persons employed by the charity (excluding trustees) during the year was	9	6
	=====	=====
	£	£
Staff costs for the above persons		
Wages and salaries	340,498	240,320
Social security costs	37,675	26,459
Other pension costs	18,933	11,464
	£ 397,106	£ 278,243
	=====	=====
Staff costs are allocated in the financial statements, as follows		
Costs of generating voluntary income	55,595	39,606
Support given to educational bodies to operate Career Academies -		
Unrestricted funds	193,557	195,545
Restricted funds	140,012	37,972
Governance costs	7,942	5,120
	£ 397,106	£ 278,243
	=====	=====

During the year, one (2006 one) employee received emoluments in the range £90,001 to £100,000, and in respect of that employee total pension contributions payable during the year amounted to £8,800 (2006 £7,950)

The trustees and directors received no remuneration for their services to the charity during the current or previous year, and were not reimbursed for any expenses incurred on behalf of the charity during the current or previous year



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	Costs of generating voluntary income	Support given to educational bodies to operate Career Academies Unrestricted funds	Restricted funds	Governance costs	Total 2007	Total 2006
<b>8 SUPPORT COSTS</b>						
Stationery and postage	99	414	178	14	705	2,191
Telephone	295	1,240	531	42	2,108	1,264
Accommodation	14,571	61,199	26,228	2,082	104,080	95,766
Computer expenses	3,232	13,573	5,817	461	23,083	2,088
Office costs	68	289	123	10	490	3,353
Consultancy, mentoring training and legal	3,189	13,393	5,741	456	22,779	48,535
	<u>21,454</u>	<u>90,108</u>	<u>38,618</u>	<u>3,065</u>	<u>£ 153,245</u>	<u>£ 153,197</u>
					<b>2007</b>	<b>2006</b>
<b>9 DEBTORS</b>						
Amounts falling due within one year						
Prepayments and accrued income					£ 90,874	£ 1,258
					<u>£ 90,874</u>	<u>£ 1,258</u>
Included above is accrued income of £89,000 (2006 £Nil), of which £72,500 was received in April 2007						
					<b>2007</b>	<b>2006</b>
<b>10 CREDITORS</b>						
Amounts falling due within one year						
Trade creditors					6,491	3,008
Other taxes and social security costs					11,736	10,995
Pension contributions payable					1,740	1,652
Other creditors					1,628	-
Accruals					34,468	7,814
Deferred income						
Funding received in advance for work in 2007-08					25,000	15,000
Funding received in advance for work in 2006-07					-	60,000
					<u>£ 81,063</u>	<u>£ 98,469</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	1 April 2006	Incoming resources	Outgoing resources	Transfers between funds	31 March 2007
<b>11 THE FUNDS OF THE CHARITY</b>					
<b>Restricted income funds.</b>					
Regional Development Fund	39,372	253,834	(195,854)	-	97,352
Books For Schools Fund	1,000	-	-	(1,000)	-
Abbey Student Placements Fund	-	8,214	(7,546)	(668)	-
Oldham College Fund	-	2,000	(2,000)	-	-
	<u>40,372</u>	<u>264,048</u>	<u>(205,400)</u>	<u>(1,668)</u>	<u>97,352</u>
<b>Unrestricted income funds</b>					
General Fund	220,034	703,694	(494,949)	(91,332)	337,447
Designated Emergency Operating Reserve Fund	172,000	-	-	93,000	265,000
	<u>392,034</u>	<u>703,694</u>	<u>(494,949)</u>	<u>1,668</u>	<u>602,447</u>
	<u>£ 432,406</u>	<u>967,742</u>	<u>(700,349)</u>	<u>-</u>	<u>£ 699,799</u>

The Regional Development Fund was set up in 2005-06 to recognise the restricted income received from the London Development Agency and regional departments of the Learning and Skills Council for the promotion of the work of the charity in London and the rest of the UK, respectively. Where funds are given for different regions, they are shown above as a single fund due to their similar nature.

The Books For Schools Fund was also set up in 2005-06 to recognise the restricted income received by the charity to be used to provide grants of £500 per annum to four specific schools. The restriction was fulfilled in 2005-06 from unrestricted funds, and therefore, the balance on this restricted fund has been transferred to the General Fund.

The Abbey Student Placements Fund was set up in 2006-07 to recognise the restricted income received from Abbey to cover the costs of students on work experience placements. With the agreement of Abbey, the balance remaining on this restricted fund has been transferred to the General Fund.

The Oldham College Fund was set up in 2006-07 to recognise the restricted income received from ABN AMRO to be passed on to The Oldham College.

The trustees believe that the charity should hold financial reserves designated as the Emergency Operating Reserve ("the EOR") because:

- it has no endowment funding and is entirely dependent for income upon donor funding from year to year which is inevitably subject to fluctuation
- it requires protection against, and the ability to continue operating despite, catastrophic or lesser but damaging events

The trustees believe that the minimum level of the EOR should be the equivalent of future estimated operating costs for four months, calculated and reviewed within the annual budget. The trustees also believe that the EOR should be built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities. For 2006-07, £93,000 (2005-06: £92,000) was transferred to the Designated Emergency Operating Reserve Fund from the General Fund.



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	Current assets	Current liabilities	Total
<b>12 ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>			
<b>Restricted income funds.</b>			
Regional Development Fund	112,352	(15,000)	97,352
<b>Unrestricted income funds</b>			
General Fund	403,510	(50,258)	353,252
Designated Emergency Operating Reserve Fund	265,000	-	265,000
<b>NET ASSETS</b>	<u>780,862</u>	<u>(65,258)</u>	<u>£ 715,604</u>

**13 PENSION COMMITMENTS**

The charity makes contributions into defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs (as shown in note 7) is the total contributions payable for the year, and the amounts of contributions payable to the pension schemes at the balance sheet date are current liabilities (as shown in note 10).