

Company Number 04428178
Charity Number 1092891

THE UK CAREER ACADEMY FOUNDATION
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
31 MARCH 2008



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

TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2008

The trustees present their report and the financial statements of The UK Career Academy Foundation (which is also known as "UKCAF", and which operates under the name "Career Academies UK") for the year ended 31 March 2008

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees of the charity, who are also the directors of the company, have held office since 1 April 2007, as follows

Sir Winfried F W Bischoff	Chairman
Mr R W Chambers	
Mr J Ferrandino	(resigned 29 May 2007)
Mr S A D Hall	
Ms J D Hoyer	(appointed 29 May 2007)
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 3ST
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.

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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 October 2007, the trustees approved an updated strategic Five Year Business Plan setting out the objectives and expansion plans for the charity up to 2012.

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 & responsibilities</i>
Trustees	Six	<ul style="list-style-type: none"> • 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
Advisory Board	21	<ul style="list-style-type: none"> • Meets twice a year • Full governance calendar in operation • Approves five year strategic business plan and annual budgets • Identifies programme issues, lessons learned and feeds improvements into a fluid development process • Issues are raised formally at Board meetings • Individual members act as an advocate for the charity, help ensure support from their own and other organisations, and support events
Finance and Fund Raising Committee	Six	<ul style="list-style-type: none"> • Meets every three months • Comprises six members of the Advisory Board. The Chairperson is a trustee • Review of monthly management accounts, short term future cash flow and monitors fund raising • Develops fund raising targets • Review of Business Risk Management Matrix
Programme Leadership Team	Two or more	<ul style="list-style-type: none"> • Meets three times a year • 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 • Expertise in community affairs, diversity and programme development • Advises on and oversees the content of programmes including development and accreditation of new themes • May appoint sub groups to review specific issues

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<i>Organisational elements</i>	<i>Number of members</i>	<i>Key roles & responsibilities</i>
Marketing and Communications Leadership Team	Two or more	<ul style="list-style-type: none"> • Meets three times a year • 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 • Expertise in marketing, PR and community affairs • Advises on and oversees the content of marketing, PR and events • May appoint sub groups to review specific issues
Staff Team	13	<ul style="list-style-type: none"> • Creates strategic Five Year Business Plan and annual business plan with detailed targets and objectives, which are reviewed by the Advisory Board • Holds one-to-one meetings with members of the Advisory Board • Prepares cash flow forecasts for review by the Finance and Fund Raising Committee • Prepares the Business Risk Management Matrix and the 'dashboard' performance review for consideration

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.

During 2007-08, two staff were recruited as Field Development Managers, based in the North West and Yorkshire/North East, and a Deputy Development Manager was appointed in London and the South East. At the year end there was a vacancy for a Field Development Manager for Wales and the West. These Field Development Managers are able to provide more day-to-day support to schools and colleges and business supporters in these regions and are proving to be essential resources to manage 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.

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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 immediately after the year end on 2 April 2008. 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
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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

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

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.

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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 2007/2008, 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 2007-08, 68 (2006-07 39) Career Academies, with Finance, Information Technology or Marketing & Communications as a theme, were managed by 60 (2006-07 39) separate schools and colleges around England, Wales and Northern Ireland (2006-07 just in England)

The trustees are able to report that this growth, although some 10% below the target set out in the Five Year Plan agreed in 2007, is still at an acceptable level The 2012 target, that over 250 Career Academies will be implemented, remains an ambitious target requiring growth in each of the three existing functional themes of Finance, Information Technology and Marketing & Communications and growth into new themes such as Science & Engineering and Creative Media that will be piloted for the first time in 2008-09

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 During 2007-08, a number of improvements were made to the Year of Planning programme, including regional meetings and a more formal quality assurance sign-off procedure, which have proved successful It is felt that all Career Academies are now better equipped and have a much better understanding of the implementation model than in previous years Further improvements for the Year of Planning programme are planned for 2008-09,
- Operates a Quality Assurance programme to maintain quality of product delivery, so that every implemented Career Academy receives an annual Quality Assurance visit conducted by a senior member of the UKCAF team and in many cases an external independent verifier,

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- 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 During the year, the management team have utilised an improved database management tool for account management of all companies There is now a clear definition of which companies are managed by the UKCAF team and which are account managed locally by individual Career Academies

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

Grant making policy

In October 2007, the trustees approved the principles of a Grant Fund, utilising the income earned from bank interest, to create a grant model to assist graduating students in their transition to Higher Education This remains work in progress as rules and application procedures are still being developed It is hoped that the Grant Fund programme can be launched in 2008-09 A separate Evaluation Committee will be established as part of the governance structure for the Grant Fund The trustees have devolved responsibility for making judgements on the award of these grants to the Evaluation Committee

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

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Representation on other bodies

UKCAF acts independently of any other body, charity or institution

However, 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.

In addition, the Chief Executive has been a member of the National EBP working group on quality standards. UKCAF is likely to be one of the first organisations to implement the new quality standards. Also, the Chief Executive has contributed to the Commission for Employability and the National Council for Educational Excellence.

ACHIEVEMENTS AND PERFORMANCE

Activities & events

The trustees are pleased to report a busy and productive 12 months including an expansion of Career Academies from 39 to 68, a doubling of students enrolled and the recruitment of 36 more schools and colleges into their Year of Planning starting in Autumn 2007 in preparation for enrolling students in September 2008. A total of 484 students have now completed the Career Academy programme, and there are 1,150 students currently on the programme. Career Academies are now running in a number of new locations including Wales and Northern Ireland.

Many events have been organised for students and their tutors, the highlight being the Graduation ceremony in May. A Capital Experience conference was organized for nearly 750 newly enrolled students in London in November at which 34 companies ran workshops for students and the National Theatre provided a venue for an afternoon rally of all the students. An annual conference for over 150 tutors, teaching staff and supporting employers was held in June, with a key note speech by the then Minister for Skills, Phil Hope, MP. A number of regional student events have also been held during the year in London, Birmingham, Norwich and Bristol.

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. New locations include Glasgow, Edinburgh, and Teesside.

The circle of supporting companies continues to grow, and at the year-end, 500 employers were supporting Career Academies in some way. This is a large increase over the year and reflects the success of Career Academies and their Local Advisory Boards in recruiting new local supporters. Existing national relationships have been successfully leveraged to deliver support outside London.

A termly Newsletter has now been established as a regular communications update for all stakeholders. Other promotional materials, including a DVD, have been branded into a consistent house style. PR coverage is still limited but it is hoped this will increase in 2008-09 with the appointment in January 2008 of a PR agency.

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Impact of activities & events

An updated 'dashboard' report was presented to the Advisory Board in October 2007 and then again in April 2008. It was agreed that the 'dashboard' presented an appropriate assessment of the key performance areas.

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 2006 and the new, re-titled, Partners in Business scheme has been implemented for the students who enrolled from September 2006 onwards. This improved programme has been successful during 2007-08. Uptake of a mentor by students has increased and the briefing and management of the mentoring has improved. Even with these improvements the mentoring aspect of the programme remains the most difficult part of the career academy programme to manage and monitor.

An Alumni Network, with 80 initial members, was launched in December 2006. This has now been developed into a Facebook internet tool, so that alumni can keep in touch with each other and with UKCAF. This will be further developed in 2008-09.

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 just over 7% from the previous year, representing a slow down in growth. Income from the Public Sector has reduced as funding from regional Learning and Skills Councils has proved more difficult to obtain. However, this decline was balanced by a growth in income from schools and colleges as the number of entrants into the Year of Planning increased and the overall student capitation fees increased. UKCAF was able to recruit new Private Sector companies and Foundations, who provided funding. Income from the London Development Agency continued throughout the year. Negotiations are under way to extend this with a new contract into 2008-09 and beyond. Donations in kind, mainly from the Private Sector remained significant, with an estimated value of at least £168,654 (2006-07 £180,313), as UKCAF continued to take advantage of office facilities, venues, catering and print and design offers.

Total incoming resources for the year at £1,038,855 (2006-07 £967,742), including donations in kind, was represented by schools and colleges 14%, Public Sector grants 12%, Private Sector companies 70%, and other items (largely bank interest) 4%. 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 the Private Sector.

With the prospective economic downturn on 2008-09, the trustees recognise that sustaining funding levels may be difficult. New Private Sector targets have been agreed and members of the Advisory Board have promised to assist in approaching the targets. Marketing to the public sector also 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

UKCAF did not give any grants during 2007-08 (2006-07 £7,000).

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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.

The trustees are committing £105,000 to the EOR this year (2006-07 £93,000). When added to the existing EOR of £265,000 (2006-07 £172,000), giving a total EOR of £370,000 (2006-07 £265,000), this meets the above-mentioned target based on the approved 2008-09 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 2008, the remaining "free reserves" of the charity amounted to £401,415 (31 March 2007 £337,447), and the trustees plan to utilise these funds as follows:

- The charity anticipates the continuation of its 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, and could amount to £200,000 per year.
- It is anticipated that increased expenditure will need to be met on marketing, including PR and IT support in the next two years. It is anticipated that this could cost up to £45,000 per year going forward.

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 £43,605 (2006-07 £28,634) was generated on cash balances representing an average rate of return of 5.5% (2006-07 4.7%).

The trustees consider this rate of return to be satisfactory.

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PLANS FOR FUTURE PERIODS

Future strategy

In May 2007, 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 diplomas in education, and the anticipated Government policy on business involvement in education. The management team was asked to produce a revised Five Year Plan on this basis.

At the October 2007 Advisory Board meeting, the revised Five Year Plan was agreed. This set out the lessons learnt from the previous five years, how the shifts in the government agenda had altered the 'playing field' and what was unique about the career academy model. It was agreed that the model was attractive to both educationalists and employers alike, but that UKCAF was not primarily a curriculum creator.

It was recognised that with the expansion of career academy themes and the proliferation of approved qualifications, UKCAF needed to be more flexible in its curriculum composition and to work with individual schools and colleges to agree a curriculum that met the minimum Level 3 requirements but was workable for the school or college. The expansion of career academy themes will assist this aim.

It was also recognised that some schools and colleges will either not proceed from Year of Planning to implementation or will fail even when implemented. This should not necessarily be regarded as a failure on the part of UKCAF, but more a recognition that some schools and colleges will find the extra work required to run a career academy too much or that the career academy programme is not appropriate for them. There was some concern in this document that a number of career academies remained well below the optimum 15-20 student cohort. This was partly because of low recruitment, particularly in the early years and partly because of student drop out. The staff team will work with individual career academies to try to increase student numbers.

During the year, a new Affiliation Agreement with each school or college was introduced. This ensured a more stringent relationship between the parties clearly setting out tasks and responsibilities. This was felt necessary to 'tighten' the relationship and understanding with each career academy. The new Affiliation Agreement did however introduce a defined service level into the agreement and after discussions with the charity's advisors it was agreed that this required UKCAF to cede its previous non-VATable status. With effect from 1 November 2007, UKCAF registered for VAT, so that all income from schools and colleges is now subject to VAT. This also means that VAT paid on supplies can be partially, or in some cases fully, recovered.

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.

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The recruitment of new schools and colleges within agreed target geographical areas will be increasingly challenging and UKCAF 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. Growth will only take place in locations where business support is achievable. Careful planning of new career academies in larger cities where there are already existing career academies will be necessary, so that duplication of effort and inappropriate competition is not introduced. UKCAF or an 'umbrella type' Local Advisory Board in the city, such as that already set up in Leeds, maybe required, to 'gatekeep' growth and to manage local employers. Effective account management of national companies to deliver local support will be critical.

Given the economic forecasts, the trustees recognise that maintaining income levels during 2008-09 will be a challenge, particularly with the proportion of income derived from the financial services sector. Members of the Advisory Board are already actively involved in targeting certain companies with whom they individually have relationships. The management team has also prioritised certain sectors for targeting and to target companies that have provided solid practical support in the past with the hope of leveraging this into financial support.

The Salesforce Inc. database management tool has significantly improved data quality and account management. During 2008-09, 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 will in return be better able to disseminate and share resources, thereby strengthening the network.

With effect from 1 April 2008, the trustees and the Advisory Board have agreed to change the working name of the charity to Career Academies UK. It is hoped that this will be recognised as a more streamlined brand name, more easily remembered and more reflective of the charity's activities. The re-branding of publicity and marketing materials will take place over a period of time.


Impact of future activities & events

A new evaluation project to be started in April 2008, concentrating the impact of the career academy programme on employers. This work will be carried out pro-bono by Bain & Company. The results will be published at the June 2008 Annual Conference.

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, UKCAF 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 20 August 2008, 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 2008, 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

BLT UK Auditor

BAKER TILLY UK AUDIT LLP
Registered Auditor
2 Bloomsbury Street
London WC1B 3ST

26 AUGUST 2008

STATEMENT OF FINANCIAL ACTIVITIES
(including Income & Expenditure Account)
for the year ended 31 March 2008

	Notes	Unrestricted Funds	Restricted Funds	TOTAL 2008	TOTAL 2007
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	1	676,638	19,141	695,779	687,123
Investment income	2	38,251	5,354	43,605	28,634
Incoming resources from charitable activities					
Support given to educational bodies to operate Career Academies	3	146,450	153,021	299,471	251,985
TOTAL INCOMING RESOURCES		861,339	177,516	1,038,855	967,742
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	105,627	-	105,627	77,049
Charitable activities					
Support given to educational bodies to operate Career Academies	5	568,947	152,965	721,912	604,656
Governance costs	6	18,228	-	18,228	18,644
TOTAL RESOURCES EXPENDED		692,802	152,965	845,767	700,349
NET INCOMING RESOURCES, NET INCOME & NET MOVEMENT IN FUNDS FOR THE YEAR					
		168,537	24,551	193,088	267,393
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 April 2007		602,447	97,352	699,799	432,406
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2008	11	770,984	121,903	£ 892,887	£ 699,799

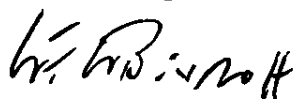
The net movement in funds for the year arises from the charity's continuing activities

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 2008

	Notes	2008	2007
CURRENT ASSETS			
Debtors	9	60,114	90,874
Cash at bank and in hand		890,988	689,988
		<u>951,102</u>	<u>780,862</u>
LIABILITIES			
Creditors Amounts falling due within one year	10	58,215	81,063
		<u>892,887</u>	<u>699,799</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS		<u>£ 892,887</u>	<u>£ 699,799</u>
 THE FUNDS OF THE CHARITY			
Restricted income funds			
Regional Development Fund	11	121,903	97,352
Student Placements Fund	11	-	-
Unrestricted income funds			
General Fund	11	400,984	337,447
Designated Emergency Operating Reserve Fund	11	370,000	265,000
TOTAL CHARITY FUNDS	12	<u>£ 892,887</u>	<u>£ 699,799</u>

The financial statements on pages 15 to 23 were approved by the trustees and authorised for issue on 20 August 2008, and are signed on their behalf by



Sir Winfried F W Bischoff
Chairman

Financial statements for the year ended 31 March 2008

ACCOUNTING POLICIES

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 2008

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
1 VOLUNTARY INCOME				
Voluntary donations	507,984	19,141	527,125	506,810
Donations in kind	168,654	-	168,654	180,313
	<u>676,638</u>	<u>19,141</u>	<u>£ 695,779</u>	<u>£ 687,123</u>
2 INVESTMENT INCOME				
Bank interest receivable on short term cash deposits	<u>38,251</u>	<u>5,354</u>	<u>£ 43,605</u>	<u>£ 28,634</u>
3 INCOME FROM SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES				
Schools and colleges	146,450	-	146,450	-
London Development Agency	-	79,994	79,994	100,000
Learning and Skills Councils	-	40,000	40,000	139,600
Other supporters	-	33,027	33,027	12,385
	<u>146,450</u>	<u>153,021</u>	<u>£ 299,471</u>	<u>£ 251,985</u>
For 2007, schools and colleges contributed £97,500 to the incoming resources of the charity which was included in the total for voluntary donations shown in note 1 above				
4 COSTS OF GENERATING VOLUNTARY INCOME				
Staff costs (see note 7)	83,407	-	83,407	55,595
Support costs (see note 8)	22,220	-	22,220	21,454
	<u>105,627</u>	<u>-</u>	<u>£ 105,627</u>	<u>£ 77,049</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
5 COSTS OF SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES				
Staff costs (see note 7)	308,504	100,490	408,994	341,115
Support costs (see note 8)	82,187	26,772	108,959	128,726
Other expenditure				
Curriculum costs	713	-	713	1,500
Entertaining	3,614	-	3,614	782
Event costs	46,514	15,670	62,184	20,958
Printing	26,014	-	26,014	10,837
Video production	5,558	-	5,558	24,087
Other promotional costs	19,304	-	19,304	16,235
Grants given to no (2007 two) institutions	-	-	-	7,000
Insurance	6,269	-	6,269	6,400
Training	2,782	-	2,782	1,584
Subscriptions	1,045	-	1,045	531
Travel and subsistence	29,770	10,033	39,803	25,405
Staff welfare	2,377	-	2,377	981
Website	14,148	-	14,148	139
Auditor's remuneration				
Accountancy and advisory	19,275	-	19,275	16,752
Bank charges	873	-	873	1,624
	<u>568,947</u>	<u>153,965</u>	<u>£ 721,912</u>	<u>£ 604,656</u>
6 GOVERNANCE COSTS				
Staff costs (see note 7)	10,049	-	10,049	7,942
Support costs (see note 8)	2,679	-	2,679	3,065
Auditor's remuneration				
Audit fees	5,500	-	5,500	7,637
	<u>18,228</u>	<u>-</u>	<u>£ 18,228</u>	<u>£ 18,644</u>

Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £5,500 (2007 £7,637) and amounts payable to Baker Tilly Tax and Advisory Services LLP in respect of accountancy and advisory services of £19,275 (2007 £16,752)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

	2008	2007
7 STAFF COSTS		
	No	No
The average monthly number of persons employed by the charity (excluding trustees) during the year was	11	9
	<u>£</u>	<u>£</u>
Staff costs for the above persons		
Wages and salaries	436,212	340,498
Social security costs	46,898	37,675
Other pension costs	19,340	18,933
	<u>£ 502,450</u>	<u>£ 397,106</u>
Staff costs are allocated in the financial statements, as follows		
Costs of generating voluntary income (16.6%)	83,407	55,595
Support given to educational bodies to operate Career Academies -		
Unrestricted funds (61.4%)	308,504	193,557
Restricted funds (20%)	100,490	140,012
Governance costs (2%)	10,049	7,942
	<u>£ 502,450</u>	<u>£ 397,106</u>

During the year, one (2007: 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 £9,200 (2007: £8,800).

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 2008

	Costs of generating voluntary income	Support given to educational bodies to operate Career Academies Unrestricted funds	Restricted funds	Governance costs	Total 2008	Total 2007
	16.6 %	61.4 %	20%	2%		
8 SUPPORT COSTS						
Stationery and postage	535	1,978	644	65	3,222	705
Telephone	580	2,144	699	71	3,494	2,108
Accommodation	18,111	66,987	21,820	2,182	109,100	104,080
Computer expenses	258	956	311	31	1,556	23,083
Office costs	88	327	107	11	533	490
Consultancy and recruitment	2,648	9,795	3,191	319	15,953	22,779
	22,220	82,187	26,772	2,679	£ 133,858	£ 153,245
					2008	2007
9 DEBTORS						
Amounts falling due within one year						
Trade debtors					51,594	-
Other debtors					553	-
Prepayments and accrued income					7,967	90,874
					£ 60,114	£ 90,874
Included above is accrued income of £Nil (2007 £89,000)						
					2008	2007
10 CREDITORS						
Amounts falling due within one year						
Trade creditors					3,696	6,491
Other taxes and social security costs					33,847	11,736
Pension contributions payable					4,447	1,740
Other creditors					-	1,628
Accruals					16,225	34,468
Deferred income						
Funding received in advance for work in 2007-08					-	25,000
					£ 58,215	£ 81,063

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

	1 April 2007	Incoming resources	Outgoing resources	Transfers between funds	31 March 2008
11 THE FUNDS OF THE CHARITY					
Restricted income funds:					
Regional Development Fund	97,352	158,375	(133,824)	-	121,903
Student Placements Fund	-	19,141	(19,141)	-	-
	<u>97,352</u>	<u>177,516</u>	<u>(152,965)</u>	<u>-</u>	<u>121,903</u>
Unrestricted income funds					
General Fund	337,447	861,339	(692,802)	(105,000)	400,984
Designated Emergency Operating Reserve Fund	265,000	-	-	105,000	370,000
	<u>602,447</u>	<u>861,339</u>	<u>(692,802)</u>	<u>-</u>	<u>770,984</u>
	<u>£ 699,799</u>	<u>1,038,855</u>	<u>(845,767)</u>	<u>-</u>	<u>£ 892,887</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 by other supporters for different regions or specific schools and colleges, they are shown above as a single fund due to their similar nature. Funds are used to assist Career Academies in those specific regions.

The Student Placements Fund was set up in 2006-07 to recognise the restricted income received from various corporate supporters to cover the costs of students on work experience placements.

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 2007-08, £105,000 (2006-07 £93,000) was transferred to the Designated Emergency Operating Reserve Fund from the General Fund.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

	Current assets	Current liabilities	Total
12 ANALYSIS OF NET ASSETS BETWEEN FUNDS			
Restricted income funds:			
Regional Development Fund	121,903	-	121,903
Student Placements Fund	-	-	-
Unrestricted income funds:			
General Fund	459,198	(58,215)	400,984
Designated Emergency Operating Reserve Fund	370,000	-	370,000
NET ASSETS	<u>951,102</u>	<u>(58,215)</u>	<u>£ 892,887</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).