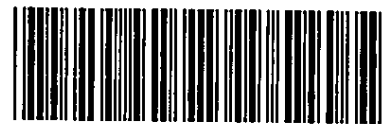


Company Number 04428178
Charity Number 1092891

THE UK CAREER ACADEMY FOUNDATION
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
31 MARCH 2010

Baker Tilly Tax and Accounting Limited
2 Bloomsbury Street
London WC1B 3ST

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**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2010**

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 2010

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees of the charity, who are also the directors of the company, have held office since 1 April 2009, as follows

Sir Winfried F W Bischoff	Chairman
Mr R W Chambers	
Mr J E Daniels	
Mr S A D Hall	
Ms J D Hoye	
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 M N Drain 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 Accounting Limited, 2 Bloomsbury Street, London WC1B 3ST
Auditor	Baker Tilly UK Audit LLP, The Clock House, 140 London Road, Guildford, Surrey GU1 1UW
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

James McCreary	Chief Executive
Martyn Drain	Director, Chief Operating Officer & Company Secretary
Karen Porter	Director of Marketing and Communications
Diane Kendall	Director of Regions
David Walker	Director of Programme and Public Policy

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 of 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. With effect from 1 April 2008, UKCAF adopted a new trading name "Career Academies UK", but remains registered under the name The UK Career Academy Foundation.

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	Seven	<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
National Advisory Board	Twenty-one	<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 advocates for the charity, help ensure support from their own and other organisations, and support events
Finance and Fund Raising Committee	Seven	<ul style="list-style-type: none"> • Meets every three months • Comprises seven members of the National 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	Five or more	<ul style="list-style-type: none"> • Meets at least twice a year • Comprises two or more members of the National Advisory Board and others drawn from businesses and organisations not currently represented on the National Advisory Board. Chairperson is a trustee • Expertise in educational policy, 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	Five or more	<ul style="list-style-type: none"> • Meets at least twice a year • Comprises two or more members of the National 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	Sixteen	<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 National Advisory Board • Holds one-to-one meetings with members of the National 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 James McCreary, the Chief Executive who joined in February 2010 replacing John May who left in September 2009, and his management team (SMT), who regularly report to the trustees. The management team have Matrix responsibilities being functionally responsible for internal operations, programme and marketing and PR whilst each has national and regional account management responsibilities for business supporters. Responsibility for managing Career Academies within regions and some regional account management is devolved to Regional Managers reporting to the Director of Regions.

By March 2010 the regional managers team had expanded to London and South East (2), Wales and the West (1), Midlands (1), North Midlands (1 - staff member on secondment from BT), North West (1 - our full time member of staff went on maternity leave in February 2010 and has been covered by a secondee from BT), Yorkshire and the North East (1) and Northern Ireland (0.6 FTE) and East (0.25 FTE). Scotland has been managed by the COO visiting from London. The Director of Marketing and Communications was also on maternity leave for the last quarter of the year. A new position of National Relationship Manager (0.75 FTE) has been created to help manage and coordinate an increasing number of large national partnerships with business supporters. The administration team (3 FTE) in the London office has been reorganised to provide improved support to the SMT and the Regional Managers.

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

The trustee team includes representatives from the charity's three key stakeholder 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 National 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 National 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 National Advisory Board. However given the economic circumstances during the year, updated versions were presented to the National Advisory Board at both its meetings in 2009-10. The Matrix assesses 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 National 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 National 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 might be approached.

A comprehensive charities insurance package is in place covering the main risks for staff, trustees and National Advisory Board members whilst also providing statutory cover where required.

Trustees' & Directors' responsibilities in the preparation of financial statements

The trustees (who are also the directors of The UK Career Academy Foundation for the purposes of company law) are responsible 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company 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:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,

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- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company'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.

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 2007-08, 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.

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UKCAF leads and supports a network of Career Academies run by individual selected schools and colleges, for 16 to 19 year-old people. In 2009-10, 114 (2008-09 88) Career Academies, with Finance, Information Technology, Marketing & Communications, Applied Science, Sports Science, Health and Social Care, Law or Engineering as a theme, were managed by 88 (2008-09 75) separate schools and colleges around England, Wales, Northern Ireland and Scotland.

The trustees report that this growth, although some 17% below the target set out in the Five Year Plan agreed in 2007-08, is at an acceptable level. The 2012 target, that over 250 Career Academies will be implemented, is now probably too optimistic given the economic climate and a number close to 200 is now more realistic. To achieve this will require growth in each of the three existing functional themes of Finance, Information Technology and Marketing & Communications and growth into new themes such as Engineering, which was piloted in 2008-09. Further themes, many based on the Diploma lines of learning have been piloted in 2009-10 but under the new government the future of Diplomas is in doubt.

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. The improvements made to this training during 2008-09 have been built upon during 2009-10. It is felt that all Career Academies are now better equipped and have a better understanding of the implementation model than in previous years. The Year of Planning training programme for 2010-11 will remain largely unchanged. It is now recognised that the quality and depth of training provided is a unique selling point of UKCAF and is in line with government agendas of education and business partnering to improve skills and prospects for young people. UKCAF's success in this is being increasingly recognised,
- 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. This is a critical process in maintaining brand quality and is particularly important where we are working in partnership with national companies who want to work in a consistent way around the country. However, the increasing number of Career Academies and number of Quality Assurance visits is beginning to stretch resources and an exercise is under way to look to streamline the process in some way without detracting from its overall effectiveness,
- 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 and increasingly, regional networks,
- 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 continued to develop and improve a 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. Information from this will be increasingly available to individual Career Academies to assist them in their account management procedures. The newly created National Account Manager role is largely responsible for managing these improvements, and
- By the year end almost all Career Academies had a Local Advisory Board established to help in the recruitment and sustainability of local business support. The trustees now feel that a functioning Local Advisory Board is absolutely key to the success of the Career Academy. A network of Local Advisory Board chairpersons is being established and training manuals for members are being prepared. This is unique to the UKCAF model.

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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 reviewed by the National 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. During 2009-10 a major research project was carried out to help assessment against these targets. This is reported in the Achievements and Performance section of this Report.

Public benefit

The trustees have taken The Charity Commission's specific guidance on public benefit (contained within the publication "The advancement of education for the public benefit") into consideration in preparing their statements on public benefit contained within this trustees' annual report.

Benefits & Beneficiaries

In accordance with its charitable objectives, the charity's beneficiaries are young people between the ages of 16 and 19, and benefits to those young people are provided through a network of Career Academies run by individual selected schools and colleges.

Trustees' Assessment of Public Benefit

In addition to monitoring the progress of UKCAF in terms of the indicators, milestones and benchmarks set out above, through the 'dashboard', the trustees also receive a detailed progress report from the Director of Programme and Public Policy at each National Advisory board meeting. This report is endorsed by the Programme Leadership Team. It contains summaries of student feedback on all aspects of the Career Academy programme, including all events, details of students' progress at the completion of the programme, details of where students carried out their internships with feedback results from their employer supervisors, how many mentoring relationships have been maintained throughout the programme and some individual case studies.

The Achievements and Performance section of this report provides more detail on the results of the Research Project carried out during the year to investigate benefits to students and schools and colleges from participating in the Career Academy programme.

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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. The graduating students from May 2009 who progressed to university in September 2009 were the first to benefit from this Grant Fund, and 43 students were given Grant Fund awards of £500 each. Additionally six special bursaries were given from this Grant Fund to assist students obtain an internship in 2009. The Grant Fund has been welcomed by students and teaching staff at Career Academies. It will continue in 2010-11 albeit with a smaller number of individual grants as the bank interest income has reduced.

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.

UKCAF was the first national organisation to be accredited with the IEBE accreditation scheme as a quality 'kite mark' for programme delivery. Also, UKCAF has contributed to the work of the UK Commission for Employment and Skills, the Commission for Employability, the National Council for Educational Excellence and its follow up National Education and Employer Task Force. As a result of some of these initiatives UKCAF has been a major supporter of 'The Big Conversation', a series of national and regional events highlighting the need for young people to gain improved employability skills. This has given UKCAF considerable exposure.

ACHIEVEMENTS AND PERFORMANCE**Activities & events**

The trustees are pleased to report a busy and productive 12 months including an expansion of Career Academies from 88 to 114, a 16% increase in the number of internship places found in summer 2009 and the recruitment of 33 schools and colleges into their Year of Planning starting in Autumn 2009 in preparation for enrolling students in September 2010. Over 1,300 students have now completed the Career Academy programme, and there are over 1,750 students currently on the programme. Student numbers however, remain over 30% below the ambitious target in the Five Year Business Plan. There is clear evidence that in the current economic climate individual Career Academies, even long established ones, have been reluctant to increase their student numbers for fear of not finding internship places for them. During 2009-10 there was also, for the first time, a significant drop out of students during their Career Academy programme. This has happened on a very small scale before with some students failing to maintain the required academic standards or leaving the school and college. The reasons for this increase in the drop-out rate are being investigated by the management team.

Many events have been organised for students and their tutors, the highlight being the Graduation ceremony in May 2009. A Capital Experience conference was organized for nearly 1,100 newly enrolled students in London in November 2009 at which over 50 companies ran workshops for students and the National Theatre provided a venue for an afternoon convention of all the students. An annual conference for over 180 tutors, teaching staff and supporting employers was held in June 2009. A number of regional student events have also been held during the year in London, Birmingham, Norwich and Manchester.

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The Year of Planning programme has undergone continuous improvement, better equipping the new schools and colleges to manage their Career Academy. Guest speakers included representatives from implemented Career Academies, private and public sector business supporters and current Career Academy students. Separate short conferences were also held for marketing and administrative staff concentrating on these aspects of the Career Academy model. Three quarters 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 circle of supporting companies continues to grow, and at the year-end, over 800 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. It also reflects the geographical growth as new Career Academies opened in a number of locations for the first time, including Edinburgh, Nottingham, Watford, Milton Keynes and Colchester. Particularly encouraging has been the diversification into industrial sectors apart from financial services. Public Sector bodies such as Local Authorities, Health Trusts and HMRC have become significant supporters in some locations. Existing national relationships have been successfully leveraged to deliver support outside London and helped deliver internship opportunities around the UK. The economic uncertainty made finding sufficient internships in 2009 the most difficult to date. Even so some 75% of students received a full internship. However, Career Academies supported by UKCAF's development team ensured that all students received some equivalent experience during the year so that they were still eligible to graduate.

The termly newsletter has continued as a regular communications update for all stakeholders. Some sponsorship for this has been obtained. Work with an external PR agency continued throughout the year and has helped build the public profile and this has met with some success with several articles in national media.

Impact of activities & events

An updated 'dashboard' report was presented to the Advisory Board at each of its meetings. It was agreed that the 'dashboard' presented an appropriate assessment of the key performance areas. The Programme Director's Progress Report provides more detail on the success of the programme.

Whilst uptake of a mentor by students has increased and the briefing and management of the mentoring has improved, the mentoring aspect of the programme remains the most difficult part of the Career Academy programme to manage and monitor. Internships continue to have the greatest impact on students. However, they also represent the biggest 'ask' of supporting companies and some resistance has, inevitably, been seen in 2009-10 to providing paid internships. Despite this an overall increase of 16% in the number of internships was recorded in 2009. Increased flexibility has however, had to be introduced to recognise shorter (but still minimum of four weeks) internships, taking into account students' other work experience or part time employment and reviewing their whole Career Academy experience to ensure students were still eligible for graduation. Several national or regional employers have reported employing Career Academy graduates on a full time basis, often after having had the student as an intern. This has helped build significant partnership opportunities.

Upon graduation from the Career Academy programme almost 90% of the students go on to higher education or into employment which is providing an equivalent level of professional training.

The Alumni Network has now been developed into a Facebook internet tool, so that alumni can keep in touch with each other and with UKCAF. Progress in expanding this group has been slower than hoped but it will be a major target in 2010-11.

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During 2009-10 the evidence that a Career Academy can be successful if it has a well established Local Advisory Board continues to be overwhelming. The majority of the longer established Career Academies who did not have a Local Advisory board now have one and it is a compulsory part of the Year of Planning sign off procedures. A good Local Advisory Board will help recruit local business support, assist with local PR, support teaching staff and encourage students.

The Annual Conference in June 2009 was themed around economic recovery. Key note speakers were Sir Stuart Rose (Marks and Spencer) and Miles Templeman (Institute of Directors). A series of round table workshops were led by external facilitators allowing attendees to participate actively throughout the day.

In November 2009, FreshMinds were commissioned to undertake a major research study to evaluate the impact of the Career Academy programme. The broad aims of the research were to

- Build an understanding of what makes a good Career Academy
- Gather robust evidence of the programme's impact on students, schools and colleges
- Collect compelling qualitative narratives and case studies
- Identify areas of strength and areas for development

Data was gathered by telephone questionnaires from 101 Career Academy coordinators and senior management teams (SMT) from schools and colleges, by on-line surveys of 402 current students and alumni, desk research to review existing data and compilation of case studies.

In March 2010 FreshMinds reported to the National Advisory Board their key findings, followed by a formal launch of the results at the 2010 Annual Conference in June 2010. Key findings were

- The principles on which the Career Academy ethos is based - broadening the opportunities for middle-achieving students - are being upheld
- 99% of Career Academy coordinator/SMT respondents agreed that the programme 'raises the aspirations of students'
- 97% of alumni respondents said that the Career Academy programme had had a positive impact on their 'education or career aspirations'
- 98% of Career Academy coordinator/SMT respondents said that the programme had had either a 'very positive' or 'somewhat positive' impact on students
- 80% of Career Academy coordinator/SMT respondents felt that to 'a great' or 'some' extent the principles of the Career Academy programme had been used to enhance their school or college at a broader organisational level
- 90% of Career Academy coordinator/SMT respondents felt that by offering a Career Academy programme their institution had 'greatly' or 'somewhat' 'differentiated itself from others'
- Over 95% of the 503 Career Academy coordinators, SMT members, students and alumni who took part in the research would recommend the Career Academy to others
- 98% of the Career Academy schools and colleges are located in an urban setting and are more likely than the national average to be in deprived areas
- Career Academy schools and colleges tend to have more challenging student populations than the national average

These findings produced overwhelming evidence of the impact of the Career Academy programme on the participating students and schools and colleges and their benefits will be used extensively in the future promotion of Career Academies to all potential stakeholders.

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Public benefit

During the year 2009-10, the trustees gathered the following evidence that demonstrates to their satisfaction that UKCAF continues to benefit the public through its activities targeted to achieve its charitable objectives. In summary this indicates that

- 72% of students graduating from the programme progress to university,
- 15% of students graduating from the programme progress to employment,
- 5% of students graduating from the programme continued in some other further education,
- Students graduating in the summer of 2009 completed an exit questionnaire and ranked the programme very highly in terms of benefiting their education, helping them complete their studies, determining their future career direction, providing them with valuable experience of the 'world of work' and raised their aspirations for the future, and
- During the summer of 2009, 629 students completed a six week paid internship with over 300 companies. Evaluation forms completed by internship supervisors and key employer contacts, marked intern achievements in key performance areas including completion of tasks, work quality, time management, drive, capacity to learn, attendance and punctuality, working with others, work etiquette and adapting to work life. The number of good and exceptional responses is 88% and poor and unsatisfactory responses under 2%. Supervisors commented that the highlights of the internships were the presentations at the end of the internship, watching the development and growth in confidence of the students and the growth of maturity of the students.

However, of concern from the 2008-10 cohort of students was the much higher drop-out rate than experienced in the past. Over 30% of students who started the Career Academy programme in autumn 2008 failed to graduate in May 2009. This is being investigated by the management team to see if there are any discernible trends or lessons to be learned.

FINANCIAL REVIEW**Financial results of activities & events**

Given the economic background of the past eighteen months, the trustees report a satisfactory year of financial performance. For the first time a small deficit, prior to including the value of donations in kind, has been reported. The likelihood of this deficit had been monitored by the Finance and Fundraising Committee and the SMT throughout the latter part of the financial year and they confirm that UKCAF continues to manage its expenditure in a prudent way within budget. The deficit arose from a shortfall of income. Pleasing to note is the continuing amount of support from companies to pay directly for items of expenditure that would typically be expensed by the charity itself, the 'donations in kind'. For the first time in 2009-10 this included the secondment of staff to UKCAF at no direct expense.

Funding decreased by nearly 5% from the previous year but was some 18% below budget. Income from the Private Sector and Foundations and Trusts increased almost 2% from 2008-09 and was just above budget. Two companies stopped their funding in 2009-10 but were replaced with two new companies providing funding and two companies who had previously provided funding returning as funders after a gap. However, income from the Public Sector has reduced as funding from regional Learning and Skills Councils dried up almost completely, and Regional Development Agencies slashed grant making as a self defence mechanism. The only significant grant from the Public Sector was a continuation of support by the Department of Employment and Learning in Northern Ireland. It is hoped that this will be repeated in 2010-11 albeit at a slightly lower level. The decline in income from the Public Sector was balanced by a growth in income from schools and colleges as the number of entrants into the Year of Planning increased and the fee for Year of Planning participation was increased and the overall student capitation fees increased.

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However, these were below budget as a number of schools and colleges were reluctant to increase their student numbers on their Career Academy programme for fear of not being able to find internships and of the level of student drop outs. This is an ongoing concern for 2010-11 and beyond and the SMT and Regional Managers are trying to counter this. There remains a small number of less than optimal sized Career Academies which are expensive to manage. Donations in kind, mainly from the Private Sector remained significant, with an estimated value of at least £194,100 (2008-09 £192,469), as UKCAF continued to take advantage of office facilities, venues, catering and print and design offers and for the first time, staff secondments.

Total incoming resources for the year at £1,229,291 (2008-09 £1,276,382), including donations in kind, was represented by schools and colleges 20%, Public Sector grants 3%, Private Sector companies and individuals 76%, and other items 1%. The Five Year Business Plan expected to see the Public Sector and the participating schools and colleges to increase to 50%, with the balance coming from the Private Sector. Given the new conditions and restrictions imposed by the new government since May 2010 this is now extremely unlikely and UKCAF will remain heavily dependent upon the Private Sector for some years to come.

Public Sector cuts combined with the continuing economic uncertainty for the Private Sector will make 2010-11 a challenging year. The trustees recognise that sustaining funding levels will be more difficult than before. New Private Sector targets have been agreed and members of the National Advisory Board will assist in approaching the targets. Marketing opportunities to the public sector will be very restricted. However, advocacy to central and local government will continue to try and ensure that UKCAF is well positioned as and when spending cuts stop and money becomes available again.

Grant making

UKCAF allocated £4,000 (£24,000 in 2008-09) to the Student Grants Fund to be paid to students upon confirmation that they have taken up their university places in autumn 2010. This sum is considerably less than previous year as bank interest had reduced. A total of £4,339 was passed to two colleges in London under the terms of an earlier sponsorship gift. UKCAF had been holding this money until it was required.

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 unforeseen events, 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 not committing any additional funds to the EOR this year (2008-09 £25,000) thereby maintaining the existing EOR of £395,000 (2008-09 £370,000). This meets the above-mentioned target based on the approved 2010-11 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 reviews and recommends a level for each year.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2010**

As at 31 March 2010, the remaining "free reserves" of the charity amounted to £511,997 (31 March 2009 £514,060), 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 uncertain
- The charity has been successful in obtaining donations in kind for office premises and support, venues and catering for events UKCAF has now agreed to an increasing scale of contribution for its office space Events will increase in size and complexity Free reserves must be available to help with these additional costs These costs are anticipated in the Five Year Plan, and could amount to £200,000 per year
- It is anticipated that increased expenditure up to £45,000 per year going forward will need to be met on marketing, including PR and IT support in the next two 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 £8,956 (2008-09 £33,763) was generated on cash balances, representing an average rate of return of 1% (2008-09 3.7%) reflecting the reduction in interest rates Given the current economic climate, the trustees consider this rate of return to be satisfactory

PLANS FOR FUTURE PERIODS**Future strategy**

In October 2007, the Advisory Board agreed a 2007-12 Five Year Plan 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

This attraction has remained and the FreshMinds research conclusively underpins the uniqueness and impact of the Career Academy programme It will help with future marketing and advocacy strategies as both Private and Public Sectors look for community partnership and education programmes that are delivering tangible outcomes for all stakeholders

However, since October 2007 many parts of the 'playing field' have altered considerably and the SMT are currently preparing a revised Five Year Business Plan to reflect these changes It will also take into account lessons that have been learned since 2007 The Plan will be presented to the National Advisory Board in autumn 2010

At this time it would be inappropriate to pre-empt the recommendations and considerations of this new Plan, but in the short term 2010-11 will be a year of consolidation rather than absolute growth and this is already reflected in the annual budget The SMT will concentrate on maintaining Private Sector support, encouraging organic growth of student numbers and concentrating geographical expansion on a small number of target locations where UKCAF is under represented This is predominantly in the West London/M4 corridor and the East Midlands Public Sector funding is likely to be severely restricted and it is hoped that this will not flow through to a parallel reduction in practical support from Local Authorities which has been growing at an encouraging rate up to now

The National Advisory Board has already agreed that its membership needs to be more reflective of the geographical and sector diversity of UKCAF A recruitment plan to ensure Scotland, Wales, other regions and other sectors are represented on the National Advisory Board is under way

TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2010

Future activities & events

The key priorities for the next year will be the continued enlargement of the company employer supporter base, both to maximize 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. Improved training and examples of good practice are planned for all Local Advisory Boards.

As each region reaches a critical mass of Career Academies and students, there will be greater emphasis on regional and local events for students rather than just London events. The Capital Experience event in London for all new students in November 2010 will remain as this provides a real focus and induction for the new students as well as letting them experience London (for many their first visit) but costs and the need to provide more local events has led to the planning of a series of regional student conferences. It is hoped to find a national sponsor for these. The regional events will bring students together to supplement their classroom learning but also to act as a show piece to gain additional local business support. The Graduation Ceremony has already been split and one part held in Leeds.

The recruitment of new schools and colleges will be within tightly defined geographical areas. The SMT will be stricter in the assessing the suitability of potential Career Academies wanting to join to make sure there is sufficient business support in an area and that the Regional Managers can provide cost effective management. UKCAF will continue to work with Local Education Authority 14-19 Coordinators, the Specialist Schools and Academies Trust, City Academy Trusts and other bodies to help introduce potential schools and colleges. Growth is likely to be concentrated in the West London/M4 corridor and the East Midlands, where there are insufficient numbers of Career Academies. 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 avoided. An 'umbrella type' Local Advisory Board in the city, such as that already set up in Leeds, may be required, to 'gate keep' growth and to manage local employers. The Local Advisory Board in Scotland has been established on this basis. Effective account management of national companies to deliver local support will be critical.

The Salesforce Inc. database management tool has significantly improved data quality and account management. During 2010-11, 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.

Public Benefit

The trustees intend to ensure that UKCAF continues to benefit the public through the continued monitoring and evaluation of the programme that already exists. The FreshMinds research carried out in 2009-10 has been designed so that it can be used again in future years at minimal cost by UKCAF staff to continue to analyse impact and data.

The management of Career Academies also intend to expand the Alumnus network through new web based tools and this will provide access to the longer term career movements of students who have already graduated from the programme. They will be asked to supply details of their career moves and this will be analysed for impact purposes.

The trustees will monitor the new Government's plans for education policies to ensure that UKCAF is well placed to increase its profile. At the time of writing a lot of this is 'wait and see'. The advocacy of the programme by all current stakeholders will continue and the PR efforts will be more concentrated on central government and in regions.


TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2010

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 27 August 2010, and was signed for and on behalf of the board by

Sir Winfried F W Bischoff
Chairman


15 September 2010

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

We have audited the financial statements of The UK Career Academy Foundation for the year ended 31 March 2010 on pages 18 to 28

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' and directors' responsibilities within the trustees' annual report on page 4.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those Acts. 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been properly prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether, in our opinion, the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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 of the state of the charitable company's affairs at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the trustees' annual report is consistent with the financial statements

BLT UK Audit LLP

Mr Robert M Hamlin (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

1 October 2010

STATEMENT OF FINANCIAL ACTIVITIES
(including Income & Expenditure Account)
for the year ended 31 March 2010

	Notes	Unrestricted Funds	Restricted Funds	TOTAL 2010	TOTAL 2009
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	1	821,104	66,500	887,604	941,304
Investment income	2	7,881	1,075	8,956	33,763
Incoming resources from charitable activities					
Support given to educational bodies to operate Career Academies	3	255,109	77,622	332,731	301,315
TOTAL INCOMING RESOURCES		1,084,094	145,197	1,229,291	1,276,382
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	43,945	-	43,945	37,832
Charitable activities					
Support given to educational bodies to operate Career Academies	5	1,040,891	172,247	1,213,138	1,051,517
Governance costs	6	20,893	-	20,893	18,613
TOTAL RESOURCES EXPENDED		1,105,729	172,247	1,277,976	1,107,962
NET (OUTGOING)/INCOMING RESOURCES, NET (EXPENDITURE)/INCOME & NET MOVEMENT IN FUNDS FOR THE YEAR					
		(21,635)	(27,050)	(48,685)	168,420
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 April 2009		933,060	128,247	1,061,307	892,887
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2010	12	911,425	101,197	£ 1,012,622	£ 1,061,307
		=====	=====	=====	=====

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

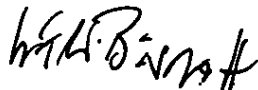
BALANCE SHEET
as at 31 March 2010

Company Number 04428178

	Notes	2010	2009
FIXED ASSETS			
Tangible assets	9	928	-
CURRENT ASSETS			
Debtors	10	133,752	175,896
Cash at bank and in hand		953,408	933,016
		<u>1,087,160</u>	<u>1,108,912</u>
LIABILITIES			
Creditors Amounts falling due within one year	11	75,466	47,605
NET CURRENT ASSETS		<u>1,011,694</u>	<u>1,061,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS		<u>£ 1,012,622</u> =====	<u>£ 1,061,307</u> =====
THE FUNDS OF THE CHARITY			
Restricted income funds			
Regional Development Fund	12	83,204	121,747
Student Placements Fund	12	-	-
Communications Sponsorship Fund	12	8,057	6,500
Research Fund	12	9,936	-
Unrestricted income funds			
General Fund	12	512,925	514,060
Designated Student Grants Fund	12	3,500	24,000
Designated Emergency Operating Reserve Fund	12	395,000	395,000
TOTAL CHARITY FUNDS	12	<u>£ 1,012,622</u> =====	<u>£ 1,061,307</u> =====

The financial statements on pages 18 to 28 were approved by the trustees and authorised for issue on 27 August 2010, and are signed on their behalf by

Sir Winfried F W Bischoff
Chairman


15 September 2010

Financial statements for the year ended 31 March 2010

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared to comply with current statutory requirements (principally being the Companies Acts 1985 to 2006, the Charities Acts 1993 and 2006, and the Charity (Accounts and Reports) Regulations 2008), 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. The accounting policies have been applied consistently for prior years.

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 in those areas.

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled.

TANGIBLE FIXED ASSETS

All tangible assets purchased that have an expected useful economic life that exceeds one year are capitalised and classified as tangible fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Office equipment	20% reducing balance
------------------	----------------------

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.

Financial statements for the year ended 31 March 2010

ACCOUNTING POLICIES

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 2010

	Unrestricted funds	Restricted funds	Total 2010	Total 2009
1 VOLUNTARY INCOME				
Voluntary donations	627,003	66,500	693,503	748,835
Donations in kind				
Event costs	25,389	-	25,389	62,965
Staff costs	56,440	-	56,440	-
Accommodation costs	112,272	-	112,272	129,504
	<u>821,104</u>	<u>66,500</u>	<u>£ 887,604</u>	<u>£ 941,304</u>
	=====			=====
2 INVESTMENT INCOME				
Bank interest receivable on short term cash deposits	7,881	1,075	£ 8,956	£ 33,763
	<u>=====</u>			<u>=====</u>
3 INCOME FROM SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES				
Schools and colleges	242,450	-	242,450	220,250
Learning and Skills Councils	-	41,835	41,835	39,250
Other supporters	12,659	35,787	48,446	41,815
	<u>255,109</u>	<u>77,622</u>	<u>£ 332,731</u>	<u>£ 301,315</u>
	=====			=====
4 COSTS OF GENERATING VOLUNTARY INCOME				
Staff costs (see note 7)	34,940	-	34,940	30,324
Support costs (see note 8)	9,005		9,005	7,508
	<u>43,945</u>	<u>-</u>	<u>£ 43,945</u>	<u>£ 37,832</u>
	=====			=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

	Unrestricted funds	Restricted funds	Total 2010	Total 2009
5 COSTS OF SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES				
Staff costs (see note 7)	582,108	69,881	651,989	565,849
Support costs (see note 8)	150,029	18,011	168,040	140,104
Other expenditure				
Student placements	-	34,347	34,347	27,898
Research costs	-	40,064	40,064	-
Curriculum costs	2,875	-	2,875	65
Entertaining	942	-	942	1,092
Event costs - donations in kind	25,389	-	25,389	62,965
Event costs - other	64,624	-	64,624	47,520
Printing	39,537	-	39,537	53,248
Video production	15,707	-	15,707	20,545
Other promotional costs	33,953	-	33,953	39,972
Grants given to two (2009 2) institutions	4,339	-	4,339	4,000
Bursaries given to forty-nine (2009 no) individuals	24,500	-	24,500	-
Insurance	7,211	-	7,211	6,975
Training	1,632	-	1,632	7,595
Subscriptions	1,183	-	1,183	1,871
Travel and subsistence	49,869	8,504	58,373	49,381
Staff welfare	4,214	-	4,214	2,573
Website	13,250	-	13,250	1,580
Legal and professional fees	9,659	-	9,659	6,794
Auditor's remuneration				
Accountancy and advisory	9,011	1,440	10,451	10,618
Bank charges	652	-	652	872
Bad debts	207	-	207	-
	<u>1,040,891</u>	<u>172,247</u>	<u>£ 1,213,138</u>	<u>£ 1,051,517</u>
	=====	=====	=====	=====
6 GOVERNANCE COSTS				
Staff costs (see note 7)	11,880	-	11,880	10,310
Support costs (see note 8)	3,063	-	3,063	2,553
Auditor's remuneration				
Audit fees	5,950	-	5,950	5,750
	<u>20,893</u>	<u>-</u>	<u>£ 20,893</u>	<u>£ 18,613</u>
	=====	=====	=====	=====

Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £5,950 (2009 £5,750) and amounts payable to Baker Tilly Tax and Accounting Limited in respect of accountancy and advisory services of £10,451 (2009 £10,618)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

	2010	2009
7 STAFF COSTS		
	No	No
The average monthly number of persons working with the charity (excluding trustees) during the year was		
Employed	17	16
Donated	2	-
	<u>19</u>	<u>16</u>
	=====	=====
	£	£
Staff costs for the above persons		
Wages and salaries	569,620	520,278
Donations in kind	56,440	-
Social security costs	53,097	61,031
Other pension costs	19,652	25,174
	<u>£ 698,809</u>	<u>£ 606,483</u>
	=====	=====
Staff costs are allocated in the financial statements, as follows		
Costs of generating voluntary income – 5%	34,940	30,324
Support given to educational bodies to operate Career Academies -		
Unrestricted funds - 83.3%	582,108	505,201
Restricted funds - 10%	69,881	60,648
Governance costs – 1.7%	11,880	10,310
	<u>£ 698,809</u>	<u>£ 606,483</u>
	=====	=====

During the year, one (2009: one) employee received emoluments in the range £60,001 to £70,000 (2009: £90,001 to £100,000), and in respect of that employee total pension contributions payable during the year amounted to £2,820 (2009: £9,800).

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 2010

	Costs of generating voluntary income	Support given to educational bodies to operate Career Academies		Governance costs	Total 2010	Total 2009
		Unrestricted funds	Restricted funds			
	5%	83 3%	10%	1 7%		
8 SUPPORT COSTS						
Accommodation costs						
Donations in kind	5,614	93,523	11,227	1,908	112,272	129,504
Other office costs	1,749	29,153	3,501	597	35,000	14,698
Consultancy and recruitment	1,630	27,160	3,260	554	32,604	5,963
Depreciation						
Owned assets	12	193	23	4	232	-
	9,005	150,029	18,011	3,063	£ 180,108	£ 150,165
	=====	=====	=====	=====	=====	=====

9 TANGIBLE ASSETS

	Office equipment
Cost	
1 April 2009	-
Additions	1,160
31 March 2010	1,160
Depreciation	
1 April 2009	-
Charge in the year	232
31 March 2010	232
Net book value	
31 March 2010	£ 928
	=====
31 March 2009	£ -
	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

10

DEBTORS

2010

2009

Amounts falling due within one year

Trade debtors

43,798

127,535

Other debtors

15,268

8,262

Prepayments and accrued income

74,686

40,099

£ 133,752

£ 175,896

=====

=====

11

CREDITORS

Amounts falling due within one year

Trade creditors

18,659

13,551

Other taxes and social security costs

16,211

16,188

Pension contributions payable

138

2,366

Other creditors

2,304

4,000

Accruals

38,154

11,500

£ 75,466

£ 47,605

=====

=====

12

THE FUNDS OF THE CHARITY

1 April
2009

Incoming
resources

Outgoing
resources

Transfers
between
funds

31 March
2010

Restricted income funds.

Regional Development Fund

121,747

57,853

(96,396)

-

83,204

Student Placements Fund

-

35,787

(35,787)

-

-

Communications Sponsorship
Fund

6,500

1,557

-

-

8,057

Research Fund

-

50,000

(40,064)

-

9,936

128,247

145,197

(172,247)

-

101,197

Unrestricted income funds:

General Fund

514,060

1,084,094

(1,081,229)

(4,000)

512,925

Designated Student Grant Fund

24,000

-

(24,500)

4,000

3,500

Designated Emergency Operating
Reserve Fund

395,000

-

-

-

395,000

933,060

1,084,094

(1,105,729)

-

911,425

£ 1,061,307

1,229,291

(1,277,976)

-

£ 1,012,622

=====

=====

=====

=====

=====

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. Funds are used to assist Career Academies in those specific regions.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

12 THE FUNDS OF THE CHARITY (Continued)

The Student Placements Fund was originally set up in 2006-07 to recognise the restricted income received from various corporate supporters to cover the costs of students on internship. This activity and related funding has continued.

The Communications Sponsorship Fund was set up in 2008-09 to recognise restricted income received from supporters to cover the costs incurred by the charity for newsletters, brochures and other publicity and communications materials.

The Research Fund was set up in 2009-10 to recognise restricted income received from Deutsche Bank to cover the cost of the FreshMinds research project. This sum included the direct costs from FreshMinds plus a contribution towards the publication of the results and a launch event at the 2010 Annual Conference.

The Designated Student Grant Fund was set up in 2008-09 to earmark the funds allocated by the trustees to cover the costs of student grants to be awarded and paid in 2009-10. A transfer from the General Fund has been made to reflect this allocation of funding.

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 unforeseen events, 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 2009-10, £Nil (2008-09: £25,000) was transferred to the Designated Emergency Operating Reserve Fund from the General Fund.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Current assets	Current liabilities	Total
Restricted income funds:				
Regional Development Fund	-	83,204	-	83,204
Student Placements Fund	-	-	-	-
Communications Sponsorship Fund	-	8,057	-	8,057
Research Fund	-	9,936	-	9,936
Unrestricted income funds:				
General Fund	928	587,463	(75,466)	512,925
Designated Student Grant Fund	-	3,500	-	3,500
Designated Emergency Operating Reserve Fund	-	395,000	-	395,000
NET ASSETS	928	1,087,160	(75,466)	£ 1,012,622
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

14 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 11).