

# The Academy of Youth Limited

## ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2006

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# The Academy of Youth Limited

## LEGAL AND ADMINISTRATIVE INFORMATION

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### DIRECTORS AND TRUSTEES

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as trustees.

J B Blackett	Policy Director (Birmingham Chamber of Commerce) representing Birmingham Chamber of Commerce.
E Cox	Birmingham Councillor, representing Birmingham City Council.
E S R Conway	Assurance Director (PricewaterhouseCoopers), representing Birmingham Chamber of Commerce.
S Evans	Birmingham Head Teacher, representing Birmingham Education Sector.
M Farrar	National Director (National College for School Leadership), being a person with Specialist Knowledge and Expertise.
I E Gallagher	Birmingham Head Teacher, representing Birmingham Education Sector.
T Howell	Strategic Director of Learning and Culture (Birmingham City Council).
G Howland	Learning and Skills Council.
J Hunt	Birmingham Councillor, representing Birmingham City Council.
F Jarvis	Consultant (Person of National Standing).
J W Ling	Consultant (Monkstone), representing the Learning and Skills Council.
Professor G Rogers	Dean and Deputy Chief Executive (Technology Innovation Centre, Birmingham) representing the Learning and Skills Council.
A A Saif	Executive Director (Muath Welfare Trust, Birmingham) representing the Voluntary Sector.

### EXECUTIVE STAFF

Linda Gregory	Chief Executive/Secretary
Stephen Rogers	Director of the National University of the First Age

### REGISTERED OFFICE

L2 Millennium Point  
Curzon Street  
Digbeth  
Birmingham  
B4 7XG

# The Academy of Youth Limited

## LEGAL AND ADMINISTRATIVE INFORMATION (continued)

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### AUDITORS

Baker Tilly  
Chartered Accountants  
City Plaza  
Temple Row  
Birmingham  
B2 5AF

### BANKERS

Bank of Ireland  
188-190 Stratford Road  
Shirley  
Solihull  
West Midlands  
B90 3AQ

### LEGAL ADVISORS

Birmingham City Council Legal Services  
Ingleby House  
11-14 Cannon Street  
Birmingham  
B2 5EN

### REGISTERED CHARITY NUMBER

No. 1061308

### COMPANY NUMBER

No. 3319307

# The Academy of Youth Limited

## TRUSTEES' REPORT

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The trustees of the charitable company, who are the directors for the purposes of company law, submit their report and the financial statements of The Academy of Youth Limited for the year ended 31 March 2006.

### LEGAL AND ADMINISTRATIVE INFORMATION

#### NAME AND NATURE OF CHARITY

The full name of the company is The Academy of Youth Limited. It is a charitable company limited by guarantee, and is registered with the Charity Commission of England and Wales. The company is influenced by Birmingham City Council within the meaning of Part V of the Local Government and Housing Act 1989. The company was designated a public body by The Secretary of State for the Environment, Transport and the Regions and the Secretary of State for Wales on 19 July 1999 and this allows it to trade with other public bodies such as local authorities.

#### CHARITY TRUSTEES AND DIRECTORS

The following trustees have held office during the year:

J B Blackett	
T R P Brighthouse	(resigned 7 March 2006)
E S R Conway	
E Cox	
S Evans	
M Farrar	
I E Gallagher	
T Howell	
G Howland	(appointed 14 November 2005)
J Hunt	(appointed 14 September 2005)
F Jarvis	
J W Ling	
Professor G Rogers	
P Tilsey	(resigned 12 June 2005)
A A Saif	

#### CHIEF EXECUTIVE AND COMPANY SECRETARY

Linda Gregory

# The Academy of Youth Limited

## TRUSTEES' REPORT (continued)

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### 1. OBJECTIVES AND ORGANISATION

#### 1.1 OBJECTS OF THE ACADEMY OF YOUTH LIMITED (AoY)

The principal object of the Academy of Youth Limited, as set out in the Memorandum of Association, is:

To advance the education of children, young people and adults through an institution which is committed to:

- Raising their educational achievements;
- Preparing children and young people for the challenge of adult life;
- Transforming their educational opportunities.

#### 1.2 OBJECTIVES

Trustees approved the following objectives for the AoY in January 2003 and these continue to shape the philosophy and work of the organisation:

##### INNOVATE TO TRANSFORM LEARNING

Use the most innovative approaches to learning and teaching to transform the learning experiences of children and young people and to promote their educational achievement.

##### PREPARE YOUNG PEOPLE FOR ADULT LIFE

Prepare children and young people better for the challenges of adult life and to assist them in making informed choices about learning and in contributing fully to their communities.

##### BE INCLUSIVE

Raise awareness of the unique qualities of the mind and the understanding and recognition by all of the need to unlock the innate potential of every individual young person and the gifts they have to offer.

##### WORK IN PARTNERSHIP

Increase the understanding that learning is best achieved when schools, parents and the community are working together in partnership, and learning is not restricted by the limitations of the school day.

##### PROMOTE CITIZENSHIP

Increase the understanding among children and young people of what it means to be a citizen in a democratic country, how one can influence events and the importance of participating in some way.

#### 1.3 SCOPE

From inception the activity of the AoY has focussed on 6-7 and 11-14 year olds in primary and secondary education. Whilst these remain important areas, the AoY focus has expanded to children and young people between 5 years and 25 years. In order to achieve the transformation in learning success and opportunities to which it is aspiring, the AoY will continue to work in partnership with schools, local education authorities, government departments, universities, teacher training colleges, young people, community groups, parents and teachers.

# The Academy of Youth Limited

## TRUSTEES' REPORT (continued)

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### 1.4 ORGANISATION OF THE ACADEMY OF YOUTH LTD

The AoY is controlled by a Board of Trustees who represent a wide variety of interests in the field of education and business. This is reflected in the membership structure of the charitable company within which Birmingham City Council, Birmingham and Solihull Learning and Skills Council and the Chamber of Industry and Commerce can each appoint three trustees/directors and Millennium Point Trust one trustee/director ('the appointed directors'). The members then appoint a further eight trustees/directors as Ordinary Directors. Ordinary directors are drawn from the Birmingham Education sector (2), the Birmingham Voluntary sector (1) the independent sector (2) and those who can provide particular expertise, knowledge or skills (3). The maximum number of members is 18.

The Board of Trustees has established one committee to deal with operational business. This committee has five trustees and is supported by executive staff:

#### Finance and Organisational Development Committee:

E S R Conway	Assurance Director (PricewaterhouseCoopers)
J B Blackett	Policy Director (Birmingham Chamber of Commerce)
S Evans	Birmingham Head Teacher
I E Gallagher	Birmingham Head Teacher
J W Ling	Sales Director (IDN Birmingham)

The Board of trustees is advised by an executive committee and by the following Consultative Group:

#### College for International Citizenship (CIC) Advisory Group:

Graham Rogers	(Dean and Deputy Chief Exec of Technology Innovation Centre)
Nigel Reeves	(Pro Vice Chancellor of Aston University)
Jill Robinson	(Head of European and International Affairs, Birmingham City Council)
Kathy Stredder	(Open University Representative)
Scott Sinclair	(Head of Tide, Teacher & Development Education, Birmingham)
John Lloyd	(DfES Observer)
Nati Knight	(Head of Brasshouse Language Centre)
Pauline Desch	(Brasshouse Language Centre)
Lyn Davies	(Head of Democracy and Education, Birmingham University)

The business of the Academy of Youth Ltd is divided into three principal areas, the Birmingham UFA, the National UFA and the College for International Citizenship. Each has its own principal officer and team of staff. A number of staff are seconded from Birmingham City Council and funded either by grants held by the AoY or by the City Council from its base budget and specific grants from central government.

# The Academy of Youth Limited

## TRUSTEES' REPORT (continued)

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### 1.5 CORPORATE GOVERNANCE

Trustees are recruited and formally inducted into the organisation by way of an induction process. The Board and sub-committees each meet at least 4 times throughout the year.

The Executive Directors of the AoY meet monthly as a team and with all AoY staff fortnightly.

### 1.6 KEY PERFORMANCE INDICATORS

The organisation measures its income, as this represents the ability of the organisation to deliver activities to young people and adults. This also determines the size and nature of the support team required to deliver those activities. The customer base is analysed to show customer retention and new customers. Feedback is obtained from various sources such as annual reviews of each area, evaluation forms from course participants and a census. This feedback is analysed, and used to formulate strategy.

### 2. LINKS WITH BIRMINGHAM CITY COUNCIL (BCC)

A Management Agreement sets out the operating relationship between the AoY and Birmingham City Council. The Management Agreement and its annexes, the Strategic Plan and Budget, set out the services that are provided by BCC, including seconded staff, the funding provided by each party for the development of the UFA in Birmingham and the procedures for administering staff and funds.

The work of the AoY during the year has involved the use of teaching and other staff to deliver training for teachers and learning activities for pupils. This has been financed partly by the Council and partly by the AoY.

### 3. PRINCIPAL ACTIVITIES

The principal activities of the AoY continue to be focussed on transforming the learning opportunities available to young people. This work takes place not only in Birmingham but also in over 50 other Local Education Authorities (LEAs) around the country. The organisation facilitates home, school and community learning, aiming to build self-sustaining infrastructures with its partner LEAs, schools and community organisations. Work takes place directly with young people, providing innovative programmes that improve the quality and effectiveness of learning. This is coupled with customised training courses and materials aimed at teachers, other adults and older pupils. Work continues on the development of an international democratic participation programme through the College for International Citizenship, which is now preparing for its third cohort of students.

### 4. DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

#### NATIONAL UNIVERSITY OF THE FIRST AGE (NUFA)

The UFA network continues to build capacity with partners so that it meets the local needs and visions for each area and, for many, is able to bring together a range of educational initiatives and DfES strategies. This year we have had 7 new Partnerships join the UFA and we now have a number of school consortiums joining directly as members.

This year saw the last of the Summer Schools, funded through the New Opportunities Fund, which have been a great success for all those involved. Study Support activities and Super Learning Days have all contributed to enabling young people to extend their learning beyond the school day.

# The Academy of Youth Limited

## TRUSTEES' REPORT (continued)

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### 4. DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS (CONTINUED)

The UFA celebrated its tenth anniversary and now has over 2000 fellows and over half a million young people who have participated and benefited from exciting UFA activities.

This year the National Voluntary Youth Organisations (NVYO) grant scheme has funded 6 partner areas to run UFA campus projects over the next three years. This will engage a cross section of adults and young people in summer activities and after school activities. This programme has already proved very successful with more young people involved than the original target it has also received positive feedback for its first year from the Department for Education and Skills.

Student leadership and student voice themes are becoming a focus for UFA developments and the contract with the National College of School Leadership has enable the UFA to work with young people and co-develop 6 young people's Leadership modules. This programme will be offered under licence for UFA to roll out nationally at the completion of the contract.

#### BIRMINGHAM UNIVERSITY OF THE FIRST AGE (BUFA)

The Birmingham team are now involved with training consortiums of schools. The team has focused on developing programmes for adults to create capacity for the future and on developing exciting and engaging learning activities for young people.

Eight weeks of innovative Summer Schools programmes were run in Birmingham in conjunction with some key employers. Attendance at these events was high and employers were able to offer some of their staff the opportunity to engage in their community programmes by supporting the Summer Schools. The evaluations show that 100% of the young people felt the summer schools had a positive impact on their futures.

There have been a number of teaching & learning opportunities for educationalists and the wider community, which support both out of hours and mainstream learning. Young people have been involved as Peer Tutors, leading on learning as well as participants.

The Young People's Parliament continues to offer a wide-ranging and exciting programme. Highlights included events on Nano Technology, Climate Change and Refugee issues for secondary pupils and Urban and Rural schools working together on web based projects at the primary level.

#### COLLEGE FOR INTERNATIONAL CITIZENSHIP (CIC)

This year the College for International Citizenship opened its doors to the third cohort of young adults from around the world. Their graduation ceremony in December demonstrated the significance of bringing people from different cultures together for a truly international curriculum, focussing on the fundamental values of human rights, peace, justice and responsible freedom. The College has provided scholarships for some participants, which has been made possible through sponsorship of local and National organisations.

In order to further raise the profile and infrastructure of the College for International Citizenship, to reach a wider audience and to increase its capacity to deliver, it is intended to partner with Matthew Boulton College in Birmingham in the near future. As part of this process, Matthew Boulton College has taken on the employment of both of the staff, which includes Eleanor Tobin, who was previously an executive of the Academy of Youth Limited.



# The Academy of Youth Limited

## TRUSTEES' REPORT (continued)

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### 5. FUTURE DEVELOPMENTS

The AoY embarked on a programme of reorganisation in line with business developments during 2005 which has now been completed successfully. The new structure allows us to take advantage of the changes taking place within Children's Services. A focus for the organisation going forward will be to establish appropriate funding streams for growth and develop the effectiveness of the organisational process through the use of new technology and investment in staff development.

A fundraising strategy has been developed and implemented with a focus on three key funding sources, Trusts and Grant making organisations, Partnership with the Business Sector and the development of a Key Supporters donor base. This has allowed the organisation to focus on fundraising in the context of its business plan and core objectives.

Further work around engagement has seen new mechanisms develop for individual fellows, organisations and young people to play a more active part in the network. Opportunities for growth around regionalisation of the UFA network support, enabling more and more consortiums and community organisations to take up membership, are currently being explored and developed.

The AoY will further demonstrate its success by researching and developing a wide range of case studies across the programmes, developing the breadth and accessibility of quality resources on the website and ensuring positive media coverage of AoY activity. The AoY will also review its membership model during the year and look to extend its services beyond the membership base as part of the strategy to extend learning to those most at risk of not maximising their potential.

### 6. RISK MANAGEMENT

The trustees have formally adopted a policy and process for risk management:

'It is the policy of The Academy of Youth Limited to take a pro-active approach to managing risk. This recognises that the taking of risk is a necessary part of organisational development and essential to growth and innovation. The management of such risks will be achieved by systematic identification, analysis and evaluation combined with cost effective control and monitoring.

The Academy of Youth Limited expects every trustee and employee to have regard for the management of risks in the decision making process and everyday work situations. This will enhance the organisation's drive for value for money in the provision of its services.

The Academy of Youth's Finance and Organisational Development sub-committee has primary responsibility for risk management. Board members, Principals (Company Secretary, National Director and CIC Director) and all staff must be fully supportive of the policy and its ongoing implementation and maintenance.'

Managers, who oversee the various service delivery areas, review risks and feedback to the executive group and several actions have resulted from such reviews. Insurance cover is one key area where action has been taken to ensure adequate cover is in place to reflect new risks identified from operational changes. Internal operating procedures are reviewed and updated regularly to ensure risks are managed in line with the risk management policy.

In addition to the trustees undertaking an annual review of the risks, in order to evaluate and review their progress in managing the risks identified, risk management features as an item at each meeting of the Finance and Organisational Development subcommittee. An annual risk assessment to establish any new priority areas will take place in March each year. An appraisal of risk areas and the systems in place to deal with them has also been introduced into the annual development planning process for each of the AoY's main activity areas.

# The Academy of Youth Limited

## TRUSTEES' REPORT (continued)

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### 6. RISK MANAGEMENT (continued)

The principal risk facing the charity at present is the uncertainty surrounding changes in government policy and funding. Changes in government policy may impact upon the funding available to organisations such as the Academy of Youth and the organisation has formulated a Fundraising Strategy and engaged the services of a fundraising consultancy to source funding from other sectors.

The organisation is subject to the common uncertainties faced by charities of securing long-term funding. Our fundraising strategy is designed to minimise both the occurrence and impact of any shortages of funding.

### 7. RESERVES

Some of the AoY's projects are expected to continue for more than one year, and the AoY's reserves are held so that these projects can be completed. The reserves are considered to be sufficient to complete the projects that have been started.

It is the intention of the trustees to build up the unrestricted reserves of the AoY to an amount broadly within the range of three to six months total unrestricted expenditure. This is deemed to be sufficient to cover the lead time for developing new sources of funding; especially government grants and allow up to three months notice for staff. This would reflect the organisation's move away from reliance on grant income to membership income and income generation. At the present time unrestricted funds, at £322,150, represents approximately 5 months unrestricted expenditure.

### 8. INVESTMENTS

Under clause 3(s) of its Memorandum of Association the company has the power to invest the monies of the company not immediately required for its purposes in such manners as may be thought fit by the directors subject to any conditions and consents as may be imposed or required by law.

The trustees have adopted a low risk investment strategy. The use of overdraft facilities is considered to be undesirable and adequate access to liquid funds is therefore essential. Funds are to be held in secure investments in Clearing Bank or Building Society Accounts. In order to maximise return, funds identified as exceeding those needed for day to day activities may be invested in Clearing Bank or Building Society notice accounts subject to there being sufficient liquid funds to meet planned outgoings.

### 9. FINANCIAL REVIEW OF 2005-2006

The net incoming resources for the year ended 31 March 2006 were £129,918 (31 March 2005 net outgoing resources £266,826).

During the course of the year, funding has been applied in order to deliver the undertakings made to major funders including the DfES, the New Opportunities Fund (NOF), National Youth Voluntary Organisations Fund (NYVO) and the National College of School Leadership (NCSL)

The development of new projects will be dependent upon the AoY obtaining new funding. The AoY will not commence any new projects without adequate funding being in place. The senior managers are expending greater effort to source new funding having developed and continuing to develop new models of delivery and engagement.

# The Academy of Youth Limited

## TRUSTEES' REPORT (continued)

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### 10. IN KIND AND VOLUNTARY SUPPORT

Substantial in-kind support has been received from the public and private sector to support the activities of the AoY. The most significant is that provided by BCC in terms of staffing, accommodation, computer equipment and specialist systems and advice.

Schools, both in Birmingham and nationally, made significant contributions in terms of making premises available at no cost and the time of head teachers and senior managers. Voluntary support from teachers and others has also been an important factor in the delivery of UFA programmes.

### 11. AUDITORS

A resolution to re-appoint Baker Tilly, Chartered Accountants, as Auditors will be put to the members at their 10 October 2006 meeting.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By Order of the Board

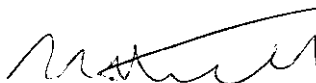
L Gregory

Secretary



Professor G Rogers

Trustee



J B Blackett

Trustee

10 October 2006

# The Academy of Youth Limited

## TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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The trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and 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 company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees 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 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 company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ACADEMY OF YOUTH LIMITED

We have audited the financial statements on pages 13 to 28.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 AUDITORS

The responsibilities of the trustees (who are also the directors of The Academy of Youth Limited for the purposes of company law) for preparing the 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' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and 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 judgments 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.

## 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 the charitable company's affairs as at 31 March 2006 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.
- the information given in the Trustees' Report is consistent with the financial statements.

BAKER TILLY  
Registered Auditor  
Chartered Accountants  
City Plaza  
Temple Row  
Birmingham  
B2 5AF  
20 October 2006



**The Academy of Youth Limited**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 March 2006

	<i>Notes</i>	<i>Unrestricted</i> 2006 £	<i>Restricted</i> 2006 £	<i>Total</i> 2006 £	<i>Total</i> 2005 £
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>					
Incoming resources from generated funds:					
- activities for generating funds	1	19,997	-	19,997	5,083
- investment income	2	12,081	2,472	14,553	22,048
Income from charitable activities	3	941,021	1,028,366	1,969,387	2,154,952
<b>TOTAL INCOMING RESOURCES</b>		<b>973,099</b>	<b>1,030,838</b>	<b>2,003,937</b>	<b>2,182,083</b>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds	4	9,306	10,575	19,881	10,614
Charitable activities	4	646,147	1,158,229	1,804,376	2,396,069
Governance costs	4	49,762	-	49,762	42,226
<b>TOTAL RESOURCES EXPENDED</b>		<b>705,215</b>	<b>1,168,804</b>	<b>1,874,019</b>	<b>2,448,909</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>					
	5	267,884	(137,966)	129,918	(266,826)
Transfers between funds	10	(71,806)	71,806	-	-
Fund balances brought forward at 1 April 2005		126,072	129,457	255,529	522,355
Fund balances carried forward at 31 March 2006	10,11,12	322,150	63,297	385,447	255,529

**The Academy of Youth Limited**  
**INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 March 2006

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	2006 £	2005 £
Income	1,989,384	2,160,035
Investment income	14,553	22,048
	<hr/>	<hr/>
Total income	2,003,937	2,182,083
Total expenditure	1,874,019	2,448,909
	<hr/>	<hr/>
NET INCOME/(EXPENDITURE) FOR THE YEAR	<u>129,918</u>	<u>(266,826)</u>

Total income comprises £1,030,838 (2005: £1,276,246) for restricted funds and £973,099 (2005: £905,837) for unrestricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities and notes 1 – 3.

Detailed analysis of expenditure is provided in the Statement of Financial Activities and notes 4 – 6.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure Account. None of the charitable company's activities were acquired or discontinued during the above two financial years.

# The Academy of Youth Limited

## BALANCE SHEET

31 March 2006

	<i>Notes</i>	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	7	7,024	6,375
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	8	128,889	104,284
Cash at bank and in hand		441,359	389,206
		<hr/>	<hr/>
		570,248	493,490
<b>CREDITORS: Amounts falling due within one year</b>	9	191,825	244,336
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		378,423	249,154
		<hr/>	<hr/>
		385,447	255,529
		<hr/>	<hr/>
<b>INCOME FUNDS</b>			
Unrestricted funds	11	322,150	126,072
Restricted funds	10	63,297	129,457
		<hr/>	<hr/>
	12	385,447	255,529
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The financial statements were approved by the board of trustees and authorised for issue on 10 October 2006 and were signed on its behalf by:



Professor G Rogers  
Trustee



J B Blackett  
Trustee



# The Academy of Youth Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, are in accordance with the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement.

### INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Activities for generating funds includes royalties from publications, and services provided to other organisations.

Investment income is attributed to restricted funds, where it is required to do so by the terms of a grant. This income relates to the period in which it was generated.

Income from charitable activities, includes grants received, membership subscriptions, and fees for providing educational activities. Grants are recognised in full in the year in which they are receivable. Subscriptions and charges for educational services are recognised in the period to which the income relates. Any income received in advance is deferred and shown within creditors.

### RESOURCES EXPENDED

Resources expended are recognised in the period in which they are incurred.

The cost of generating funds, includes consultancy fees for fund raising advice and bid writing.

Charitable activities includes the total cost of performing the charitable activities of the organisation, other than the costs associated with generating funds and governance costs. Grants payable are charged in the year when paid to the recipient. All grant offers are conditional. Any amounts not spent by the recipient and repaid to the charitable company are credited to the Statement of Financial Activities when repaid.

Governance costs comprises of the costs of running the charitable company. This includes the costs associated with the strategic management of the charity and the audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities in such a way as to reflect the use of the resource. Costs relating to a particular activity are allocated directly, or where appropriate allocated in proportion to the direct labour costs.

Support costs represent the general costs incurred to deliver the main objectives of the charity, but are not directly attributable to any particular project.

### TRANSFERS BETWEEN FUNDS

Where restricted funds have excess of expenditure over income during the year, transfers from related unrestricted funding are made, representing subsidies to the projects.

### VALUE ADDED TAX

Value Added Tax is not recoverable by the charitable company, and as such all costs met directly by the charitable company are included gross of VAT in the Statement of Financial Activities.

# The Academy of Youth Limited

## ACCOUNTING POLICIES (continued)

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### RETIREMENT BENEFITS

Certain staff are members of the Teachers' Superannuation Scheme operated by Teachers' Pensions on behalf of the Department for Education and Skills. Contributions are made at rates set by the scheme actuary and advised by the scheme administrator.

The amount charged to income and expenditure in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### GROUP PERSONAL PENSION PLAN

Certain staff are members of a group personal pension plan and the pension contributions are charged to the Statement of Financial Activities on an accruals basis.

### FIXED ASSETS

All assets costing more than £1,000 are capitalised.

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost of tangible fixed assets over their useful lives as follows: -

Computer equipment	25% of cost per annum.
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### ACCUMULATED FUNDS

The various accumulated funds represent the following:

Restricted funds:	These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
Unrestricted funds:	These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
Designated funds:	These are unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements. The charity does not currently have any designated funds.

# The Academy of Youth Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

1	ACTIVITIES FOR GENERATING FUNDS	<i>Unrestricted</i> 2006 £	<i>Restricted</i> 2006 £	<i>Total</i> 2006 £	<i>Total</i> 2005 £
	Royalties	2,474	-	2,474	-
	Services to other organisations	17,523	-	17,523	5,083
		<u>19,997</u>	<u>-</u>	<u>19,997</u>	<u>5,083</u>
2	INVESTMENT INCOME	<i>Unrestricted</i> 2006 £	<i>Restricted</i> 2006 £	<i>Total</i> 2006 £	<i>Total</i> 2005 £
	Bank interest receivable	<u>12,081</u>	<u>2,472</u>	<u>14,553</u>	<u>22,048</u>
3	INCOME FROM CHARITABLE ACTIVITIES	<i>Unrestricted</i> 2006 £	<i>Restricted</i> 2006 £	<i>Total</i> 2006 £	<i>Total</i> 2005 £
	Grants received:				
	DfES National Framework	-	475,000	475,000	475,000
	Big Lottery Summer Challenge	-	258,787	258,787	401,658
	National Voluntary Youth Organisations	-	92,749	92,749	-
	BCC National Opportunities Fund	-	83,944	83,944	-
	BCC College for International Citizenship	-	50,000	50,000	105,000
	Tudor Trust – Aiming Higher	-	8,500	8,500	62,154
	Neighbourhood Regeneration Fund	-	-	-	60,423
	Marketing Research and Innovation	-	-	-	7,000
	Total grants received	<u>-</u>	<u>968,980</u>	<u>968,980</u>	<u>1,111,235</u>
	Other charitable activities:				
	Fees for educational services	983,324	59,386	1,042,710	1,064,570
	Less deferred income	<u>(42,303)</u>	<u>-</u>	<u>(42,303)</u>	<u>(20,853)</u>
	Total income from charitable activities	<u>941,021</u>	<u>1,028,366</u>	<u>1,969,387</u>	<u>2,154,952</u>

**The Academy of Youth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

4	TOTAL RESOURCES EXPENDED	Cost of generating funds £	Charitable activities £	Governance costs £	2006 £	2005 £
	Staff costs	-	870,918	31,719	902,637	1,277,565
	Grants to others	-	304,624	-	304,624	403,677
	Fees for educational services	-	75,338	-	75,338	231,706
	Hire of venues	-	122,456	-	122,456	66,479
	Student accommodation	-	41,955	-	41,955	39,089
	Cost of production of videos	-	34,931	-	34,931	-
	Consultancy fees	19,881	-	-	19,881	10,614
	Office rental and service charges	-	65,415	-	65,415	131,121
	Business rates	-	4,811	-	4,811	28,386
	Utilities	-	4,462	-	4,462	4,610
	Depreciation of tangible fixed assets	-	4,546	-	4,546	5,931
	Telephones	-	7,774	-	7,774	10,208
	Goods for resale	-	41,323	-	41,323	39,691
	Research fees	-	9,549	-	9,549	-
	Travel	-	53,222	-	53,222	24,819
	Car parking	-	6,687	-	6,687	13,368
	Website development	-	2,199	-	2,199	5,659
	Other operational costs	-	74,585	500	75,085	71,104
	<b>Total resources expended excluding support costs</b>	<b>19,881</b>	<b>1,724,795</b>	<b>32,219</b>	<b>1,776,895</b>	<b>2,364,027</b>
	<b>Support costs:</b>					
	Recruitment costs	-	2,938	-	2,938	4,726
	Postage	-	4,566	-	4,566	4,319
	Printing and stationery	-	15,988	-	15,988	35,918
	Cleaning	-	4,882	-	4,882	7,791
	Insurance	-	6,912	-	6,912	9,938
	Ex gratia payments to staff	-	33,720	-	33,720	9,268
	Audit and professional fees	-	10,575	17,543	28,118	12,922
	<b>Total support costs</b>	<b>-</b>	<b>79,581</b>	<b>17,543</b>	<b>97,124</b>	<b>84,882</b>
	<b>Total resources expended</b>	<b>19,881</b>	<b>1,804,376</b>	<b>49,762</b>	<b>1,874,019</b>	<b>2,448,909</b>

**The Academy of Youth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

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4	<b>TOTAL RESOURCES EXPENDED</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>

**Grants paid to others in furtherance of charity's objects**

**New Opportunities Fund NUFA Summer Challenge Programme**

Barnsley MBC	21,922	44,313
Bristol City Council	24,809	69,372
Challenge Corby	-	12,518
Cornwall County Council	19,012	-
Darlington LEA	-	11,475
Education Leeds	11,252	10,432
Gloucester County Council	44,989	86,898
Hartlepool MBC	22,021	10,432
Leicester City Council	11,640	-
Middlesborough City Council	27,036	25,558
Northamptonshire County Council	3,104	-
Newcastle City Council	29,488	71,667
Norfolk County Council	24,732	13,561
Wakefield MBC	-	35,260

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	<b>240,005</b>	<b>391,486</b>
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**National Youth Voluntary Organisations**

<b>2006</b>	<b>2005</b>
<b>£</b>	<b>£</b>

Northampton LEA	22,102	-
Wigan LEA	19,890	-

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<b>41,992</b>	<b>-</b>
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**Aiming Higher**

Birmingham Outdoor education	9,918	-
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**The Academy of Youth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

4	<b>TOTAL RESOURCES EXPENDED (continued)</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	<b>NUFA Innovation and Best Practice</b>		
	Cornwall Outdoors	450	2,000
	Derbyshire LEA	-	500
	Enfield LEA	1,500	500
	Jersey	-	500
	Kew Riverside School	100	-
	Newcastle LEA	1,000	-
	Rotherham LEA	-	1,000
	Somerset LEA	500	500
	Warwickshire LEA	925	500
	Wigan LEA	1,000	-
		<hr/>	<hr/>
		5,475	5,500
		<hr/>	<hr/>
	<b>Contributions to Birmingham City Council Programmes</b>		
	Playing for Success	-	6,691
	Out of hours activities in Birmingham	7,234	-
		<hr/>	<hr/>
		7,234	6,691
		<hr/>	<hr/>
	<b>Total grants to others</b>	<b>304,624</b>	<b>403,677</b>
		<hr/>	<hr/>
5	<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR</b>	<b>Total</b>	<b>Total</b>
		<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	This is stated after charging:		
	Depreciation	4,546	5,931
	Auditors' remuneration		
	- Audit	17,543	12,922
	- Other	10,575	-
		<hr/>	<hr/>

**The Academy of Youth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

**6 STAFF COSTS**

	<i>Employed by AoY and paid by AoY 2006 £</i>	<i>Employed by BCC seconded and paid by BCC 2006 £</i>	<i>Total 2006 £</i>	<i>Total 2005 £</i>
Wages and salaries	542,739	193,821	736,560	950,221
Social security	58,064	14,861	72,925	122,687
Pension costs	43,732	18,997	62,729	165,496
Temporary Staff	30,423	-	30,423	39,161
	<u>674,958</u>	<u>227,679</u>	<u>902,637</u>	<u>1,277,565</u>

The details of employees with emoluments greater than £60,000 are as follows:

	2006 Number	2005 Number
£60,001 - £70,000	-	1

In the prior year one higher paid employee was accruing benefits under the group personal pension plan. Total contributions made by the charity in respect of this employee amounted to £4,854.

	<i>Employed by AOY and paid by AoY 2006 No</i>	<i>Employed by BCC seconded and paid by BCC 2006 No</i>	<i>Total 2006 No</i>	<i>Total 2005 No</i>
Teachers	8 (6)	4 (3)	12 (9)	40 (16)
Casually employed teachers	18 (2)	-	18 (2)	5 (1)
Administrative	9 (8)	3 (2.5)	12 (10.5)	17 (20)
	<u>35 (16)</u>	<u>7 (5.5)</u>	<u>42 (21.5)</u>	<u>62 (37)</u>

The numbers in brackets represent full time equivalents.

Casually employed teachers work for short periods during school holidays or out of school hours in term time.

The cost of staff seconded to the AoY but not paid for is met by Birmingham City Council from various specific grants and from its base budget.

# The Academy of Youth Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

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### 6 STAFF COSTS (continued)

Trustees' remuneration and insurance:

No remuneration was paid to trustees in the year. Out of pocket expenses of £27 (2005: £60) were reimbursed to one (2005: one) trustee.

Trustee indemnity insurance has been purchased at a cost of £945 (2005: £1,627).

### 7 FIXED ASSETS

	<i>Computer equipment £</i>
Cost	
1 April 2005	58,957
Additions	5,195
Disposals (items fully written down)	(50,146)
	<hr/>
31 March 2006	14,006
	<hr/>
Depreciation	
1 April 2005	52,582
Charged in the year	4,546
Disposals (items fully written down)	(50,146)
	<hr/>
31 March 2006	6,982
	<hr/>
Net book value	
31 March 2006	7,024
	<hr/>
31 March 2005	6,375
	<hr/>

There were no capital commitments at 31 March 2006 (2005: £Nil).

8 DEBTORS: Amounts falling due within one year	2006 £	2005 £
Trade debtors	110,836	44,015
Grants receivable	-	32,154
Prepayments and accrued income	18,053	28,115
	<hr/>	<hr/>
	128,889	104,284
	<hr/>	<hr/>



**The Academy of Youth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

9	CREDITORS: Amounts falling due within one year	2006 £	2005 £
	Trade creditors	101,994	197,434
	Accruals	47,528	-
	Deferred income	42,303	46,902
		<u>191,825</u>	<u>244,336</u>

10	RESTRICTED FUNDS	Balance 31.03.05 £	Incoming resources £	Expenditure gains, losses £	Transfer from unrestricted funds £	Balance 31.03.06 £
	Paul Hamlyn Foundation Fund	2,919	-	2,919	-	-
	Playing for Success	-	-	7,213	33,748	26,535
	Aiming Higher (Tudor Trust) Fund	6,750	8,500	22,412	7,162	-
	College for International Citizenship	54,397	109,386	169,485	5,702	-
	Virtual College Fund	36,762	-	-	-	36,762
	National Framework - DfES	-	475,000	484,962	9,962	-
	New Opportunities Fund - NUFA Summer Challenge	6,024	261,259	271,156	3,873	-
	Barclays Bank in the Community	12,200	-	12,200	-	-
	BCC - National Opportunities Fund	-	83,944	95,303	11,359	-
	NYVO	-	92,749	92,749	-	-
	Neighbourhood Regeneration Funds	10,405	-	10,405	-	-
		<u>129,457</u>	<u>1,030,838</u>	<u>1,168,804</u>	<u>71,806</u>	<u>63,297</u>

Transfers from unrestricted funds represent subsidies to reflect the excess of expenditure over income on these projects.

# The Academy of Youth Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

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### 10 RESTRICTED FUNDS (continued)

#### 10.1 PAUL HAMLYN FOUNDATION FUND

This programme supported educational staff to deliver parents' sessions on "Helping my child to learn".

#### 10.2 PLAYING FOR SUCCESS (PFS)

This project was returned to the control of Birmingham City Council at the beginning of the financial year. The fund was returned to Birmingham City Council in June 2006 as had been previously agreed. Financial management of this programme has been delivered by BCC with the AoY receiving a management contract for the support and delivery of the programme. At the beginning of April 2006 the full management became the responsibility of BCC.

#### 10.3 AIMING HIGHER (TUDOR TRUST) FUND

This grant from the Tudor Trust was first made in 1999 and was for an initial five-year programme. The programme was then extended to six years and was largely completed in 2004/05. The funding is for residential activities for young people who are at risk of becoming disaffected with the school system. Outward Bound provides the courses, while the UFA has been advising on teaching and learning strategies and undertaking monitoring and evaluation. This project is now completed.

#### 10.4 COLLEGE FOR INTERNATIONAL CITIZENSHIP

This funding delivers training and education in International democracy and citizenship. Two cohorts of International students graduated during the financial year.

#### 10.5 VIRTUAL COLLEGE FUND

This project was returned to the control of Birmingham City Council at the beginning of the financial year. The funds were returned to Birmingham City Council in June 2006, as had been previously agreed.

#### 10.6 NATIONAL FRAMEWORK - DfES

This fund was established to provide training and development services to LEAs around the country. The LEAs are interested in using the framework by the philosophy and principles of teaching and learning used by the UFA to develop their out of hours learning and raising achievement strategies. The grant funds staff, travel and accommodation expenses, conference expenses and general administration costs and subsidising services to 43 LEAs.

#### 10.7 NEW OPPORTUNITIES FUND – NUFA SUMMER CHALLENGE

A grant payable over the period 2001-2005 to meet the costs of running a UFA summer challenge programme in 11 partner LEAs. In total, 2,581 pupils took part in this programme in summer 2005. This was the fifth and final year of the programme. Funding is based on £100 and the charitable company retains £3 to meet its co-ordination costs. Due to the success of this programme, it has been agreed to provide an additional year of activities

# The Academy of Youth Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

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### 10 RESTRICTED FUNDS (continued)

#### 10.8 BARCLAYS BANK IN THE COMMUNITY

A grant from Barclays Bank to assess, identify and share best practice in engaging families in the education of their children.

#### 10.9 BCC - NEW OPPORTUNITIES FUND

This programme supported a number of summer schools and out of hours activities for young people and adults in Birmingham.

#### 10.10 NYVO (NATIONAL YOUTH VOLUNTARY ORGANISATION) – NUFA SUMMER CHALLENGE

This grant was for the first year of a three year project to run a number of summer schools around the UK.

#### 10.11 NEIGHBOURHOOD REGENERATION FUND GRANTS

This programme was to provide out of hours learning, study support, adult learning and peer tutor training in individual wards in Birmingham. This programme has now finished.

11 UNRESTRICTED FUNDS	<i>Balance 31.03.2005</i> £	<i>Incoming resources</i> £	<i>Transfers between funds</i> £	<i>Expenditure, gains and losses</i> £	<i>Balance 31.03.2006</i> £
General funds	126,072	973,099	(71,806)	(705,215)	322,150

General funds are used to meet day-to-day operating costs of the charitable company and its constituent parts, including professional fees.

#### 12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total funds 2006</i> £
Tangible fixed assets	7,024	-	7,024
Current assets	506,951	63,297	570,248
Liabilities due within one year	(191,825)	-	(191,825)
	<u>322,150</u>	<u>63,297</u>	<u>385,447</u>

# The Academy of Youth Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

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### 13 RELATED PARTY TRANSACTIONS

The relationship between the charitable company and Birmingham City Council is detailed in the Trustees' Report.

The company no longer operates a current account with Birmingham City Council.

As at 31 March 2006, the net amount owed by Birmingham City Council to the charitable company was £7,012 (2005: creditor £50,041).

	2006 £	2005 £
Services provided without charge by Birmingham City Council:		
Staff	227,679	315,320
Accommodation and running costs	70,852	133,959
	<hr/>	<hr/>
	298,531	449,279
	<hr/>	<hr/>

### 14 TEACHERS' PENSION SCHEME

During the year the charitable company directly employed 7 members of staff (2005: 6) who had pension rights accruing under the Teachers' Pension Scheme. The pension cost for the period was £31,776 (2005: £33,389).

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972.

#### FRS 17

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the Teachers' Pension Scheme is a multi-employer pension scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charitable company has accounted for its contributions as if it were a defined contribution scheme. The last actuarial valuation was conducted in accordance with SSAP 24.

#### SSAP 24

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2001
Actuarial method	Prospective Benefits
Investment returns per annum	7.0% per annum
Salary scale increase per annum	5.0% per annum
Market value of assets at date of last valuation	£142,880 million

Proportion of members' accrued benefits covered by the actuarial value of the assets 100%.

**The Academy of Youth Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006**

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**14 TEACHERS' PENSION SCHEME (continued)**

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 April 2002 to 31 March 2003 the employer contribution was 8.35%. This rate increased to 13.5% from 1 April 2003.

**15 GROUP PERSONAL PENSION PLAN**

During the year, the charitable company paid contributions into the scheme of £12,922 (2005: £12,705).