

Registered number: 03319307  
Charity number: 1061308

**THE ACADEMY OF YOUTH LIMITED**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**



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**The Academy of Youth Limited**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2017**

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<b>Trustees</b>	J R Smith, Group Finance Controller, Matlock M Burgess, Barclays Wealth and Investment Management P Davies, Television and Digital Producer G Gregory, Retired Deputy Headteacher J Lloyd, Educational Consultant T Probert, Retired Headteacher J Robinson, Retired Chief Executive H Sultana, Consultant in Public Health, Children and Young People G White, Director of Strategic Planning, University of East London
<b>Company registered number</b>	03319307
<b>Charity registered number</b>	1061308
<b>Registered office</b>	Toll House The Bond 180-182 Fazeley Street Birmingham B5 5SE
<b>Chief executive officer</b>	P Evans (from November 2016)
<b>CEO/Senior management Personnel</b>	L Gregory, Chief executive/Company secretary (to 30 June 2016)  M Shellis, Director of Education and Development  V Nirantharakumar, Head of Finance  R Shaw, Director of Youth Programmes  T Finnimore, Business Manager, Top Tutors (AoY)

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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The Trustees present their annual report together with the audited financial statements of The Academy of Youth Limited for the year ended 31 March 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

**Policies and objectives**

The principal objectives of the Academy of Youth Limited ("AoY"), as set out in the Memorandum of Association, is:

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

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

**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.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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The principal activities of the AoY continue to be focused on transforming learning through leadership opportunities available to young people. The Trustees have had regard to the Charity Commission's guidance on public benefit when reviewing these activities, which are delivered through the University of the First Age ("UFA") programme and National Citizen Service ("NCS"). This work takes place throughout England, Wales and Northern Ireland. The University of the First Age, a national youth charity raises aspirations across schools, homes and communities by creating transformational learning experiences. We inspire and equip young people and the adults that support them, to become confident individuals, successful learners and responsible leaders. We do this through creating a learning network that young people can belong to anywhere, which develops learning and leadership skills for life. In doing this, we create lasting relationships so we can work together to develop transformational learning activities both outside and within the school day.

The organisation aims to build self-sustaining infrastructures within local schools and community organisations.

The AoY also oversees the work of Top Tutors ensuring the agency provides high quality tutors to support one-to-one and group tuition in the home and school environments.

**Chair of trustees report**

Thank you for reading our annual report.

We have had a great year and a challenging year in equal measures and we would like to tell you about the impact we are making, but also the challenges we face, and importantly what we are doing about them.

Last year we worked with 198 schools, trained 150 adults through our CPD courses and directly delivered our programmes to over 4000 young people across our various services. This is more young people than we have ever worked with in a single year. This achievement is a real credit to our staff, partners, funders and supporters who make this all possible.

Our social business Top Tutors delivered almost 15,000 hours of tuition in schools, homes and communities. We are really proud of the 443 tutors that work with us to deliver this work.

Despite the successes highlighted above, we have had a challenging twelve months operationally. In June 2016, our Chief Executive Officer Linda Gregory left the organisation to pursue other opportunities. We thank Linda for her service to UFA and wish her all the best for the future.

After an extensive recruitment process, I am delighted that Paul Evans joined us as CEO. Paul joined from the award winning sport and employability charity Street League where he was a Managing Director of their England operations, and brings a new approach and a wealth of ideas. We look forward to a new era under Paul's leadership.

Following several years of feeling the impact of school funding budgets being cut year on year, and the resulting loss of sales through our education service, we were forced to make some difficult decisions.

The latter half of the year saw a restructuring process and meant that a number of colleagues left the organisation. I would like to thank and recognise the contributions that Sarah Burgess, Jan Polack and Jenni Fryer made and the legacy they have helped provide for us to build upon. We are working now on refocussing our education offer and linking it more closely to the school improvement agenda.

We also created a Senior Leadership Team ("SLT") that is responsible as a collective for delivering on the strategy, vision and mission of the organisation. Manjit Shellis assumed the role of Director of Education & Development, Richard Shaw became Director of Youth Programmes and Vanni Nirantharakumar became

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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Head of Finance. These roles report directly to the Chief Executive, and all SLT roles attend the quarterly Board meetings.

We have also invested in a Head of Grants and Trusts role with a focus on generating funds to support with match funding and core costs. This marks a significant step in addressing some of the financial challenges we face.

**Our programmes**

**National Citizen Service**

We are a proud provider of the Government's National Citizen Service (NCS) and currently deliver in five regions. Last year we were able to work with more than 2600 young people, and in the year ahead this will increase to more than 4000 on NCS alone. We delivered the NCS provision in partnership with five Regional Delivery Partners across Suffolk, Milton Keynes, Northampton, Durham, Yorkshire and Wiltshire.

**Top Tutors**

Our social business Top Tutors delivered almost 15,000 sessions of tuition and worked with 443 tutors. We are delighted with the feedback we have received from both tutors and families regarding our services. We are working towards gaining the Social Enterprise Mark accreditation. This award and accreditation is the only internationally available social enterprise accreditation, enabling credible social enterprises to prove they put the interests of people and planet before shareholder gain. This will support our positioning of Top Tutors as a social business.

**Education**

The restructuring process has given us an opportunity to re-focus and re-think our offers, pricing and model of delivery. We are expanding our offer into service areas and have been pleased to work within the Virtual Schools arena in Derbyshire and alongside the NHS Vanguard.

**Achievements and performance**

We are very happy with our performance against our charitable objectives and satisfied that levels of expenditure and resource have been directly beneficial and proportionate to our impact.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set in relation to public benefit.

Our work has had wider benefits than just the beneficiaries we aim to help through our programmes. For example, through our NCS programme we delivered approximately 90,000 hours of social action projects in the communities. This meant young people volunteering to work and fundraise for hospices, pet rescue centres, care homes, community centres and many other locations.

**Review of activities**

The main areas of our work and thus social impact are:

**NCS**

This year has seen a growth in the delivery of the NCS contracts which remain an exciting and significant part of the organisation's delivery to young people. We have worked with almost 3,000 young people through our NCS opportunities. The programme was delivered to young people in Northamptonshire, Durham, Milton

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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Keynes, Suffolk and Yorkshire.

We have supported these young people to provide over 90,000 hours of community social action. This year we have secured contracts for 2018/19 with our existing Prime Contractors and aim to extend our delivery to include Bristol and Gloucester.

**Top Tutors**

Top Tutors continues to support young people who need additional support either at home or in school contributing directly to the vision and mission of UFA. In a very competitive market space we are confident that with the right levels of investment and the focus on re-branding Top Tutors as a "Social Business" we can ensure its continued success.

The agency has provided over 14,500 sessions through a growing tutor base of over 1700 experienced tutors. We now provide tutor conferences and face-to-face interviewing, and continue to provide a tutor's newsletter, regular survey and tutor support.

**National Education Team**

Against a backdrop of school budget cuts and a declining market we were still able to create impact in schools through delivery of our programmes. In this difficult climate we are delighted that we were still able to work with 44 schools and deliver our programmes to 600+ young people, training 144 adults along the way. This is clear evidence of the need for our programmes and we aim to build on this in the year ahead through focussing our programmes around outcomes and enhancing them through innovation and creativity.

We realise that some areas of the organisation are finding it harder to deliver the financial returns we aim for. To that end we have restructured elements of the organisation and refocussed the remaining resource to be more "enterprising" and business-like in our approach to creating social impact.

We use two main methods to assess performance against targets and progress towards achieving our objectives.

- 1) Reviewing progress against targets that are approved by the Board at the beginning of the financial year; and
- 2) Through contract performance tools and meetings – including audit and contract review meetings – with all of our prime contractors. This ensures real-time performance monitoring.

The challenge we have faced in achieving our financial and impact projections have largely been as a result of being a third-tier provider of services within the NCS contracting arena. In areas where we are not in control (for example, recruitment in certain areas) we are dependent upon the performance of others.

Another challenge in the education landscape affecting our schools programmes is the huge cuts to school budgets right across the country. We have seen this impact on our income projections and this has led to the need to reduce the size of our team in this area.

**Financial review**

**Review of results**

The group net incoming resources for the year ended 31 March 2017 were £30,201 (31 March 2016: net incoming resources £75,015).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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As previously discussed, strategic decisions have been taken over the structure of the organisation, income generation activities and methods of delivery to enable the organisation to adapt to the changing funding landscape. The Trustees have satisfied themselves that the opportunities ahead, together with careful management of the present arrangements will ensure financial viability and the continuation of charitable activities.

The principal funding source continues to be NCS contracting through prime contractors and delivered nationally. We are aware of the need to diversify funding streams going forward and have recently appointed a Head of Grants and Trusts in an attempt to mitigate this risk.

**Investment policy and performance**

The investment policy of UFA is guided at all times by the interests of our beneficiaries. Our policy is to invest surplus funds for the continuing benefit of the charity, but only if they are not required to meet the expenditure cover required in the reserve policy or working capital needs.

When such surplus funds become available, we will initially invest them in short term, higher interest savings accounts ensuring that we maximise our returns, whilst ensuring both capital preservation and the ability to gain access to such funds in relatively short time. If in the future our surplus funds grow enough, we will consider longer-term investments, however the emphasis will always be on capital preservation rather than maximising total return on investment.

**Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Reserves policy**

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 a manner as may be thought fit by the directors subject to any conditions and consents as may be imposed or required by law.

At the year end unrestricted reserves stand at £466,799. It is the policy of the Trustees to hold reserves to the value of six months' expenditure whenever possible. The Trustees consider this balances the need to invest in areas for future development of the organisation with the need to protect against the loss of key funding opportunities.

The current level of reserves falls some way short of this but the actions taken in the year to manage costs and generate new income opportunities will help redress this.

**Future plans**

From the calendar year 2018 we set off with a new two-year business plan. We will share this with every member of the organisation and report against its progress across the organisation at quarterly intervals.



**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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We have created a new vision, mission and set of organisational values that we will work on embedding through the organisation during 2018.

These are:

**Vision**

A world where all young people flourish.

**Mission**

We create opportunities, deliver programmes and provide services which develop skills and grow confidence in young people between 5 and 25 years of age.

**Outcomes**

We improve young people's chances of:

- becoming more socially mobile by improving access to choice
- building social capital through access to a wide range of opportunities
- being part of a more cohesive community through active engagement and participation
- improved employability through skills and qualities development
- better wellbeing leading to improved mental, emotional and social wellbeing

This exciting development marks the way forward for UFA with a clear rationale as to what we do, who we do it for and why we do it. Our values will be the thread that runs through the organisation guiding our thoughts, decisions, actions and the way we treat people, in or outside of UFA.

We will focus on the building blocks for the new business plan: Monitoring and Evaluation, Timely Financial Information, Diversification of Funding and a focus on People, Values and Culture. This focus will provide the platform and solid foundation for achieving our impact and financial targets for the year ahead.

We are already strengthening our infrastructure around Information Technology and Monitoring and Evaluation ("M&E") systems. We have reviewed and changed IT provider, adopted Salesforce as our M&E package and are now reviewing how we can be more cost effective through use of communication technology such as Skype.

**Structure, governance and management**

The trustees who acted during the year are set out on page 1.

Election, retirement and re-election of trustees are carried out according to the procedures set out in our Memorandum and Articles of Association, which is our governing document.

Alongside Board meetings with the senior management team, the Board of Trustees also receive information on the day to day operational activities of the charity via one-to-ones with the Chief Executive and visits to the regions.

Trustees are also able, where appropriate, to take independent professional advice at no personal expense.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**Trustees responsibilities**

UK company and charity law requires the Board of Trustees to prepare financial statements that give a true and fair view of the state of affairs of UFA and the results for the relevant year. In preparing the financial statements, the Trustees have selected suitable accounting policies and applied them consistently, made judgements that are reasonable and prudent, followed applicable accounting standards and prepared the financial statements on a going-concern basis.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any given time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and therefore take reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees delegate the day-to-day management to the Chief Executive and other senior managers, who are responsible for ensuring all control mechanisms are in place.

**Policies adopted for the induction and training of Trustees**

Currently the traditional skills required for a board of trustees are well represented. However, in the event of skills being lost due to trustee retirement, individuals with these skills are approached to offer themselves for election. New trustees receive an induction which involves an awareness of a trustee's responsibilities and obligations under charity and company law, the governing document, a copy of the latest Annual Report and Accounts, key policies and the latest business plan. They will also meet key employees and the other trustees.

**Setting of remuneration of senior management personnel**

The Board will establish a Remuneration Committee in 2018 which will be chaired by a member of the Board. This committee will set pay levels for senior management personnel. Specialist advice maybe used to contribute to the process if required.

**Risk management and internal control**

The trustees review the major risks the charity faces as part of the annual business planning process and have established control systems to manage these risks. The Trustees are satisfied that these arrangements, combined with the annual review of financial controls and the reserves policy, will ensure that sufficient resources are available to maintain services for the foreseeable future.

**Principal risks and uncertainties**

The UFA has the following strategy for dealing with risks:

The Finance and Audit Committee meets every three months on behalf of the Board of Trustees. Its purpose is to maintain an overview of the adequacy and appropriateness of financial controls and policies, to ensure the accuracy of reporting and the long term financial security of the UFA. This is achieved by putting financial plans and budgets in place which are agreed by the Board and are used to manage the financial operations of the charity.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**Liquidity Risk**

The objective is to manage liquidity risk in order to ensure that the charity can meet its financial obligations as they fall due. The UFA expects to be able to meet its financial obligations through tight control of cash flow. There are occasions where funding is not received within the expected timeline and in the event that there is insufficient cash to meet these obligations, UFA has access to overdraft funding which acts as working capital to cover short-term cash deficit.

**Income Risk**

A large proportion of UFA's income is through commissioned income (payment by results) contracts which are granted predominantly by Government or sub-contracted through other providers. Renewal of these contracts can be uncertain and in many cases are based on performance criteria. UFA's objective is to achieve funding from a wider range of income streams as possible in order to spread the reliance on any one stream of income and protect the charity from not being able to fulfil its charitable objectives.

**Health & Safety Risk**

UFA has also considered non-financial risks and considers the health and safety of the young people we work with and our staff to be of paramount importance. We have therefore implemented policies to ensure that the regulations and guidelines for the welfare of young people and the safety of our staff are met.

**Risk management**

The Trustees have a policy and process for risk management:

It is the policy of the UFA 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 is achieved by systematic identification, analysis and evaluation combined with cost effective control and monitoring.

AoY expects every Trustee and employee to have regard for the management of risks in the decision making process and in everyday work situations. This will enhance the organisation's drive for value for money in the provision of its services. Board members 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, including ensuring adequate insurance 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 according to the risk management policy.

**Plans for future periods**

**Future developments**

We have been fortunate to work with Big Potential on becoming 'investment ready' through revisiting the organisation's vision and mission and helping us think strategically about the way forward for the UFA. This work will be reflected in a new two-year business plan.

Through working with the Institute of Education we are creating tools that we can use with adults and young people to directly capture and demonstrate the impact we are making. This will further strengthen our ability to

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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sell our services and help us prove their impact and cost effectiveness.

From the start of 2018 we will set off with a new two-year business plan. We will share this with every member of the organisation and report against its progress across the organisation at quarterly intervals.

We will focus on the building blocks for the new business plan – Monitoring & Evaluation, Timely and Accurate Financial Information, Diversification of Funding and a focus on People, Values and Culture. This focus will provide the platform and solid foundation for achieving our social impact and financial targets for the year ahead.

We are already strengthening our infrastructure around Information Technology and Monitoring & Evaluation systems. We have reviewed and changed IT provider, adopted Salesforce as our M&E package and we are reviewing how we can be more cost effective through use of communication technology such as Skype. We realise that by building a solid, fit for purpose infrastructure we are better placed to support our colleagues and young people.

It has been a year of both change and of progress. We have a vision for the way forward and a great team to help us achieve it. Against a backdrop of the increasing pressures young people are under, the mental health and wellbeing agenda and the need for leadership, compassion and character education to be at the forefront of the education debate – our work has never felt so important.

Finally, I would like to thank everyone associated with the UFA. Every person who works for the UFA from the Board of Trustees to colleagues who keep our offices safe and clean, through to our funders and supporters – I thank you for your part in helping us create such an amazing social impact. As Chair of Trustees I could not be prouder of this fantastic organisation and the people in it.

**Trustees' responsibilities statement**

The Trustees (who are also directors of The Academy of Youth Limited for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

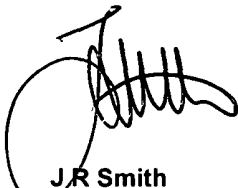
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**Disclosure of information to auditor**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

This report was approved by the Trustees, on 19 December 2017 and signed on their behalf by:



**J R Smith**  
**Trustee**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACADEMY OF YOUTH LIMITED**

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We have audited the financial statements of The Academy of Youth Limited for the year ended 31 March 2017 set out on pages 14 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACADEMY OF YOUTH LIMITED**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption.

**MHA MacIntyre Hudson**

Helen Blundell LLB FCA FCIE DChA (Senior statutory auditor)  
for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

Rutland House

148 Edmund Street

Birmingham

B3 2FD

19 December 2017

MHA MacIntyre Hudson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted and Total funds 2017 £	Unrestricted and Total funds 2016 £
<b>Income from:</b>			
Donations and legacies	2	48,740	53,504
Charitable activities	3	3,096,893	3,333,323
Other trading activities		118,957	137,473
Investments	4	1,625	6,050
<b>Total income</b>		<b>3,266,215</b>	<b>3,530,350</b>
<b>Expenditure on:</b>			
Raising funds		184,865	174,312
Charitable activities		3,051,149	3,281,023
<b>Total expenditure</b>		<b>3,236,014</b>	<b>3,455,335</b>
<b>Net income before other recognised gains and losses</b>		<b>30,201</b>	<b>75,015</b>
<b>Net movement in funds</b>		<b>30,201</b>	<b>75,015</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		436,598	361,583
<b>Total funds carried forward</b>		<b>466,799</b>	<b>436,598</b>

All activities relate to continuing operations.

The notes on pages 18 to 31 form part of these financial statements.



**The Academy of Youth Limited**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 03319307**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	10		139,971		163,299
Tangible assets	11		40,471		60,923
			<u>180,442</u>		<u>224,222</u>
<b>Current assets</b>					
Debtors	14	530,734		367,718	
Cash at bank and in hand		233,403		94,373	
		<u>764,137</u>		<u>462,091</u>	
<b>Creditors: amounts falling due within one year</b>	15	(477,780)		(249,715)	
<b>Net current assets</b>			<u>286,357</u>		<u>212,376</u>
<b>Net assets</b>			<u>466,799</u>		<u>436,598</u>
<b>Charity Funds</b>					
Unrestricted and total funds			<u>466,799</u>		<u>436,598</u>
<b>Total funds</b>			<u>466,799</u>		<u>436,598</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 19 December 2017 and signed on their behalf, by:



J R Smith

**Trustee**

The notes on pages 18 to 31 form part of these financial statements.

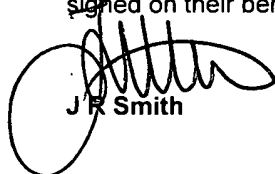
**The Academy of Youth Limited**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 03319307**

**CHARITY BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	11		<b>33,414</b>		45,216
Investments	12		<b>2</b>		2
			<b>33,416</b>		45,218
<b>Current assets</b>					
Debtors	14	<b>757,570</b>		576,252	
Cash at bank and in hand		<b>226,855</b>		83,818	
		<b>984,425</b>		660,070	
<b>Creditors: amounts falling due within one year</b>	15	<b>(442,939)</b>		(236,652)	
<b>Net current assets</b>			<b>541,486</b>		423,418
<b>Net assets</b>			<b>574,902</b>		468,636
<b>Charity Funds</b>					
Unrestricted and total funds			<b>574,902</b>		468,636
<b>Total funds</b>			<b>574,902</b>		468,636

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 19 December 2017 and signed on their behalf, by:

  
**J R Smith**

**Trustee**

The notes on pages 18 to 31 form part of these financial statements.

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**The Academy of Youth Limited**  
**(A company limited by guarantee)**

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**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	16	<u>143,800</u>	<u>(128,581)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,625	6,050
Purchase of tangible fixed assets		<u>(6,395)</u>	<u>(40,138)</u>
<b>Net cash used in investing activities</b>		<u>(4,770)</u>	<u>(34,088)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		-	(33,403)
<b>Net cash used in financing activities</b>		<u>-</u>	<u>(33,403)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>139,030</b>	<b>(196,072)</b>
Cash and cash equivalents brought forward		<u>94,373</u>	<u>290,445</u>
<b>Cash and cash equivalents carried forward</b>	17	<u><u>233,403</u></u>	<u><u>94,373</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1. Accounting Policies**

**1.1 General information**

The Academy of Youth Limited is a charitable company limited by guarantee and registered and domiciled in England. Its registered office is Toll House, The Bond, 180-182 Fazeley Street, Birmingham B5 5SE. Its principal activity is the advancement of education.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

The Academy of Youth Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

**1.3 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

**1.4 Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1. Accounting Policies (continued)**

**1.6 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from charitable activities, including grants received, membership subscriptions and fees for providing educational activities. Grants are recognised in full in the accounting period 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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Income from raising funds is turnover of the trading subsidiary derived from commissions and fees receivable for the provision of support for educational activities.

**1.7 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Support costs are those overhead costs and governance costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs relating to the activities of the trading subsidiary.

**1.8 Basis of consolidation**

The financial statements consolidate the accounts of The Academy of Youth Limited and all of its subsidiary undertakings ('subsidiaries'), having eliminated inter-company transactions.

The charity has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the charity was £106,266 (2016 - £121,684).

**1.9 Intangible fixed assets and amortisation**

Purchased goodwill is stated at cost and amortised over its estimated useful life of 10 years. The carrying value and useful life is reviewed annually for impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1. Accounting Policies (continued)**

**1.10 Tangible fixed assets and depreciation**

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the consolidated statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	over four years on a straight line basis
Office equipment	-	over four years on a straight line basis
Computer equipment	-	between one and four years on a straight line basis

**1.11 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**1.12 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**1. Accounting Policies (continued)**

**1.15 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.16 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

The charity has a number of staff who are members of the Teachers' Pension Scheme which is an unfunded multi employer scheme operated by the Teachers' Pension. The amount charged to income and expenditure in respect of pension costs is the contributions payable in the year.

**2. Income from donations and legacies**

	<b>Unrestricted and Total funds 2017 £</b>	<b>Unrestricted and Total funds 2016 £</b>
Grants	<b>48,740</b>	<b>53,504</b>

**3. Income from charitable activities**

	<b>Unrestricted and Total funds 2017 £</b>	<b>Unrestricted and Total funds 2016 £</b>
Fees for educational services	<b>66,889</b>	<b>110,391</b>
National Citizenship Scheme	<b>3,030,004</b>	<b>3,222,932</b>
	<b>3,096,893</b>	<b>3,333,323</b>

**The Academy of Youth Limited**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**4. Investment income**

	<b>Unrestricted and Total funds 2017 £</b>	<b>Unrestricted and Total funds 2016 £</b>
Rental income	<u>1,625</u>	<u>6,050</u>

**5. Direct costs**

	<b>Raising funds £</b>	<b>Activities £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Programme delivery	-	918,767	918,767	1,058,662
Premises costs	-	93,950	93,950	101,113
Travel and subsistence	-	123,223	123,223	116,695
IT and website costs	10,552	15,265	25,817	14,509
Amortisation	23,328	-	23,328	23,328
Other operational costs	55,265	114,459	169,724	163,557
Wages and salaries	74,583	1,560,057	1,634,640	1,778,200
National insurance	3,434	79,415	82,849	90,194
Pension cost	313	41,208	41,521	34,845
Depreciation	9,150	27,641	36,791	22,498
	<u>176,625</u>	<u>2,973,985</u>	<u>3,150,610</u>	<u>3,403,601</u>

**6. Support costs**

	<b>Raising funds £</b>	<b>Activities £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Printing, postage and stationery	2,147	14,372	16,519	8,403
Insurance	2,853	9,718	12,571	11,853
Audit	3,240	7,000	10,240	10,026
Professional fees	-	46,265	46,265	21,452
	<u>8,240</u>	<u>77,355</u>	<u>85,595</u>	<u>51,734</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**7. Net incoming resources**

This is stated after charging:

	2017 £	2016 £
Amortisation - intangible fixed assets	23,328	23,328
Depreciation of tangible fixed assets: - owned by the charitable group	<u>26,847</u>	<u>22,498</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

**8. Auditor's remuneration**

The Auditor's remuneration amounts to an Audit fee of £10,240 (2016 - £10,026). -

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**The Academy of Youth Limited**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**9. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,612,629	1,778,200
Social security costs	82,849	90,194
Other pension costs	41,521	34,845
	<u>1,736,999</u>	<u>1,903,239</u>

Staff costs include payments to temporary personnel who work on four week delivery contracts in relation to the National Citizenship Scheme. This represents approximately 398 (2016: 490 individuals) with a cost of £469,587 (2016: £495,755).

The average number of persons employed by the charity during the year, excluding the temporary personnel, was as follows:

	2017 No.	2016 No.
Teachers	3	3
Other	62	49
Subsidiary	7	9
	<u>72</u>	<u>61</u>

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1

Due to the change in Chief Executive during the year, no employee earned more than £60,000 in the year.

The aggregate remuneration and benefits (inclusive of employer pension contributions) received by key management personnel in the year was £189,084 (2016: £211,861). Key management personnel comprises the senior management team being the Chief Executive, Head of NCS, Head of UFA and Finance Manager. An interim period between Chief Executives was filled by a consultant interim executive.

**The Academy of Youth Limited**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**10. Intangible fixed assets**

	<b>Goodwill</b>
<b>Group</b>	<b>£</b>
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	<b>233,283</b>
<b>Amortisation</b>	
At 1 April 2016	<b>69,984</b>
Charge for the year	<b>23,328</b>
At 31 March 2017	<b>93,312</b>
<b>Carrying amount</b>	
At 31 March 2017	<b>139,971</b>
At 31 March 2016	<b>163,299</b>

**11. Tangible fixed assets**

	<b>Fixtures and fittings</b>	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Total</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2016	<b>10,000</b>	<b>27,363</b>	<b>60,618</b>	<b>97,981</b>
Additions	<b>500</b>	<b>-</b>	<b>5,895</b>	<b>6,395</b>
At 31 March 2017	<b>10,500</b>	<b>27,363</b>	<b>66,513</b>	<b>104,376</b>
<b>Depreciation</b>				
At 1 April 2016	<b>7,500</b>	<b>16,066</b>	<b>13,492</b>	<b>37,058</b>
Charge for the year	<b>2,625</b>	<b>6,841</b>	<b>17,381</b>	<b>26,847</b>
At 31 March 2017	<b>10,125</b>	<b>22,907</b>	<b>30,873</b>	<b>63,905</b>
<b>Net book value</b>				
At 31 March 2017	<b>375</b>	<b>4,456</b>	<b>35,640</b>	<b>40,471</b>
At 31 March 2016	<b>2,500</b>	<b>11,297</b>	<b>47,126</b>	<b>60,923</b>

**The Academy of Youth Limited**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**11. Tangible fixed assets (continued)**

	Office equipment £	Computer equipment £	Total £
<b>Charity</b>			
<b>Cost</b>			
At 1 April 2016	10,862	51,018	61,880
Additions	-	5,895	5,895
At 31 March 2017	10,862	56,913	67,775
<b>Depreciation</b>			
At 1 April 2016	4,653	12,011	16,664
Charge for the year	2,716	14,981	17,697
At 31 March 2017	7,369	26,992	34,361
<b>Net book value</b>			
At 31 March 2017	3,493	29,921	33,414
At 31 March 2016	6,209	39,007	45,216

**12. Fixed asset investments**

	Shares in group undertakings £
<b>Charity</b>	
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	2

**The Academy of Youth Limited**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**13. Subsidiary undertakings**

<b>Company name</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Top Tutors (AOY) Limited	100%	Private tuition agency
Top Tutors Limited	100%	Dormant

The results of Top Tutors (AOY) Limited during the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Turnover	<b>118,730</b>	137,473
Expenditure	<b>(195,023)</b>	(184,144)
(Loss) for the year	<b>(76,293)</b>	(46,671)

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Share capital and reserves	<b>(108,331)</b>	(32,038)

**14. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	<b>258,018</b>	-
<b>Due within one year</b>				
Trade debtors	<b>137,265</b>	244,863	<b>127,029</b>	240,530
Amounts owed by group undertakings	-	-	<b>1,694</b>	257,883
Other debtors	<b>3,455</b>	-	<b>3,455</b>	-
Prepayments and accrued income	<b>390,014</b>	122,855	<b>367,374</b>	77,839
	<b>530,734</b>	367,718	<b>757,570</b>	576,252

**The Academy of Youth Limited**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**15. Creditors:**  
**Amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>301,376</b>	42,660	<b>284,478</b>	33,720
Other taxation and social security	<b>31,194</b>	24,226	<b>22,045</b>	24,259
Other creditors	<b>20,344</b>	32,406	<b>20,344</b>	32,406
Accruals and deferred income	<b>124,866</b>	150,423	<b>116,072</b>	146,267
	<b>477,780</b>	249,715	<b>442,939</b>	236,652

	<b>Group</b>		<b>Charity</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred income</b>				
Deferred income at 1 April 2016	<b>139,171</b>	316,761	<b>139,171</b>	316,761
Resources deferred during the year	<b>108,250</b>	139,171	<b>108,250</b>	139,171
Amounts released from previous years	<b>(139,171)</b>	(316,761)	<b>(139,171)</b>	(316,761)
Deferred income at 31 March 2017	<b>108,250</b>	139,171	<b>108,250</b>	139,171

**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net income for the year (as per Statement of financial activities)	<b>30,201</b>	75,015
<b>Adjustment for:</b>		
Depreciation charges	<b>26,847</b>	22,501
Dividends, interest and rents from investments	<b>(1,625)</b>	(6,050)
Increase in debtors	<b>(163,016)</b>	(65,876)
Increase/(decrease) in creditors	<b>228,065</b>	(177,499)
Amortisation of goodwill	<b>23,328</b>	23,328
<b>Net cash provided by/(used in) operating activities</b>	<b>143,800</b>	(128,581)

**17. Analysis of cash and cash equivalents**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>233,403</b>	94,373
<b>Total</b>	<b>233,403</b>	94,373

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**18. Pension commitments**

**Group personal pension plan**

During the year the group paid contributions in the scheme of £20,866 (2016: £14,429).  
At the year ended £3,071 (2016: £nil ) was payable.

**Teachers' pension scheme**

During the year the group directly employed three members of staff (2016: 3) who had pension rights accruing under the Teachers' Pension Scheme. The pension cost for the year was £20,342 (2016: £20,472).

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension budgeting and valuation account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' pension scheme**

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

employer contribution rates were set at 16.4% of pensionable pay, in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;

total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;

an employer cost cap of 10.9% of pensionable pay;

actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**18. Pension commitments (continued)**

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspension.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>.

**Scheme changes**

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.



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**The Academy of Youth Limited**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**19. Operating lease commitments**

At 31 March 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	<b>31,950</b>	39,938
Between 1 and 5 years	-	31,950
<b>Total</b>	<b>31,950</b>	<b>71,888</b>

At 31 March 2017 the charity had annual commitments under non-cancellable operating leases as follows:

<b>Charity</b>		
<b>Amounts payable:</b>		
Within 1 year	<b>31,950</b>	39,938
Between 1 and 5 years	-	31,950
<b>Total</b>	<b>31,950</b>	<b>71,888</b>

**20. Related party transactions**

During the year there were no transactions with related parties. During 2016 media services were provided to the charity by VYKA Limited, a company of which Paul Davies, a trustee of the charity, is the owner. Services of £10,308 were received and at 31 March 2016 £2,550 was outstanding.