

Company Number: 04428178
Charity Number (England & Wales): 1092891
Charity Number (Scotland): SC043678

THE UK CAREER ACADEMY FOUNDATION

ANNUAL REPORT

31 MARCH 2018

RSM UK Tax and Accounting Limited
Third Floor, One London Square, Cross Lanes
Guildford, Surrey GU1 1UN

THE UK CAREER ACADEMY FOUNDATION**INTRODUCTIONS****for the year ended 31 March 2018**

CHAIRMAN'S INTRODUCTION

I was delighted to have been asked, back in March of this year, to become Chairman of Career Ready UK having been Chairman in Scotland for almost 4 years - a role I have thoroughly enjoyed and look forward to continuing. I took over as Chairman at a fantastic time for the organisation with an opportunity to play an even bigger role in helping young people into further education and employment. The reason I love Career Ready is quite simple: it transforms the lives of thousands of young people every year through high-quality interventions.

I am fortunate to have taken over the Chairman role from Jeremy Palmer and, speaking on behalf of the Trustees and Board, we are all grateful to the commitment and leadership he showed to Career Ready. I am equally fortunate to have Anne Spackman as CEO and the great team she leads. In the last year, the Board have focused on supporting Anne to establish a high-quality team with the right organisation design to allow the organisation to grow in a sustainable way.

I am very excited for the next few years and I hope reading our Annual Report will give you an insight into the great work Career Ready does for young people.

Sandy Begbie CBE
Chairman, Career Ready

CHIEF EXECUTIVE'S INTRODUCTION

This year has seen Career Ready gather significant momentum. Shifts in government policy coupled with growing employer support across the UK, have enabled us to transform our reach while at the same time increasing the numbers of young people on our longstanding, high-impact programme. Career Ready worked with a record 29,000 young people in 2017/18 compared with 3,500 the previous year. That growth came through young people taking part in mentoring, masterclasses and workplace activities supported by the growing evidence base in our sector.

This success led to the launch in February 2018 of a three-year strategy to treble our student numbers in England and halve our cost per head. The efficiency gains come through increasing the numbers of schools we work with in a limited geographic area and extending programmes to students in all secondary school year groups. We are developing our impact measurement to better capture student progress over this longer period of time. In Scotland, we continue to grow our high impact programme which now runs in nearly 40% of Scottish secondary schools.

Career Ready was cited in the implementation plan for the government's new Careers Strategy for England as a provider of high-quality support to young people. We aim to further improve that quality and the numbers of young lives we transform through our work.

Anne Spackman OBE
Chief Executive, Career Ready

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TRUSTEES' ANNUAL REPORT for the year ended 31 March 2018

The Trustees present their report and the financial statements of The UK Career Academy Foundation, which operates under the name Career Ready, for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, and 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).

OBJECTIVES AND ACTIVITIES

Charitable objectives

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

The objects of the charity ("the objects") are the advancement of education of young people in the United Kingdom and elsewhere, in particular through the provision of employability programmes delivered by volunteers from the world of work. Programme activities include mentoring, work experience, paid internships, skills masterclasses, enterprise workshops and workplace visits, in addition to support and guidance to schools and colleges. We work with employers from a wide range of sectors including finance, legal and professional services, science and technology, logistics, construction and the built environment and energy. We are a social mobility charity which gives students from lower income families the confidence, skills and networks to achieve their potential. Through volunteering for Career Ready, employers get a rewarding opportunity to develop their own presenting, coaching and management skills, and find the next generation of talented employees.

Charitable Activities

Government careers policy in all parts of the United Kingdom has converged around the belief, backed up by evidence, that young people need multiple encounters with employers to achieve career success. That is exactly what Career Ready was founded to do 16 years ago.

In England, the Careers & Enterprise Company (CEC) is responsible for implementing the government's strategy. Career Ready is a multiple-funded partner of the CEC in all its investment and mentoring rounds. We were one of three organisations cited in the CEC's implementation plan as a provider of "high-quality services" and appear in the directory of recommended providers. In Scotland, we have been awarded a Developing the Young Workforce Gold quality accreditation. Our programme is directly supported by the Scottish government, who take 45 students as paid interns.

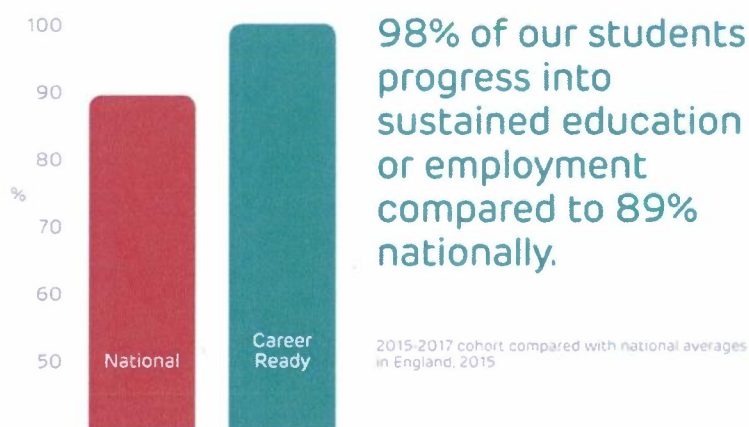
"Providers of high-quality support to young people such as Career Ready... are expanding their provision across England."

Careers & Enterprise Company Implementation Plan for the government careers strategy

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ACHIEVEMENTS AND PERFORMANCE

In all parts of the UK, we have students in their final years at school or college receiving a rich programme of well-evidenced activities. This programme is aimed at young people who have the potential for success but lack the ambition, confidence and networks to help them get there. The programme is highly regarded by our stakeholders for its impact on young lives and on the employers, who deliver activities. This year, we extended it in Northern Ireland and Wales from colleges into schools - in Belfast, Warrenpoint and Cardiff.



“Without Career Ready I would be lost. The people at Santander made me believe I could do things that I thought were impossible.”

Mark Recometa, St Mary's Catholic School, Newcastle

In Scotland, our reputation for high-impact interventions has taken Career Ready into nearly 40% of all secondary schools. Career Ready in Scotland is led by Anne Wexelstein, who has overseen this growth in our impact and reputation. The next year will see the programme extend to Dundee, while sustaining our success in existing areas. Scotland consistently outperforms other parts of the UK in programme engagement, as measured through social media and wider communication channels. It has also produced one of the two winners of our UK Student of the Year Awards in three of the last four years from areas as diverse as Elgin and Glasgow City. The cluster structure which sees us active in all schools in an area, supported through the local authority and local employers, is one we have used in our CEC project in Essex and adopted for our growth strategy across England.



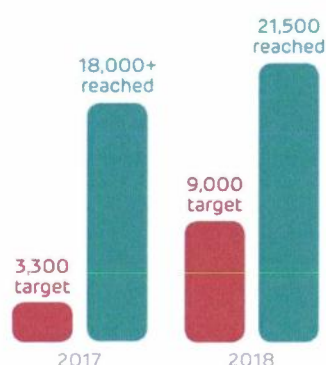
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“Without Career Ready I would have dropped out of school, had very little confidence or direction. Career Ready has changed the lives of myself and people in my community.”

Cara Leigh Brown, Kinross High School

In England, our work is increasingly based on the Gatsby benchmarks, eight pillars which set out the basis for a world-class careers education for 11-18 year-olds. Ofsted now includes careers in schools' inspections and schools' complete digital records of performance against the Gatsby benchmarks. Since September 2016 we have extended our programme resources and shifted our operating strategy to meet school needs to deliver Gatsby activities to high numbers of students in all age groups, operating within a tight geographic area. In this, our second year, the new approach will see masterclasses, enterprise activities and workplace visits delivered to more than 20,000 young people in our pilot area of Essex, against a target of 9,680 – with strong impact feedback. In 2017, through our partnership with Citi group, we launched this programme in 11 London schools. For September 2018 we are developing innovative ways to meet two of the remaining Gatsby benchmarks to offer Career Ready schools a comprehensive careers programme.



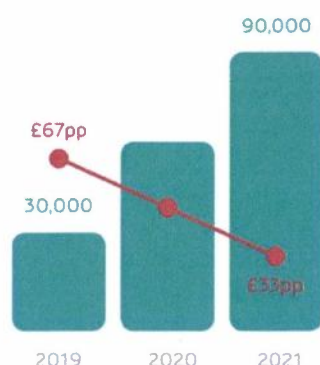
For two years running we have reached more than double the target number of students in CEC-funded areas.

“If businesses say they haven’t got time for their staff to go into schools, I would say they don’t realise how much they will benefit. This is now one of our best performing sites, plus we’re out being active in our community.”

Dean Woodruff, BrightHouse, Essex Volunteer of the Year

Our new strategy, launched at Standard Life Aberdeen’s offices in the City of London is to repeat the Essex model across defined cold spots in the regions where we work, trebling the number of young people we support by 2021. At the same time, we will continue to grow our programme for older students in those schools and colleges which have the capacity to run it well. Last year, the programme launched in 14 new schools and colleges including clusters in York and Northumberland and several colleges and schools across the Midlands supported by DHL.

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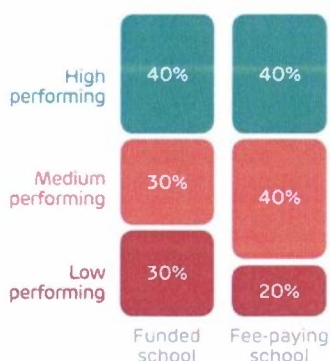
We want to treble our reach, supporting 90,000 young people a year by 2021, halving our cost per person.

School fees

In January 2018, we took the decision to stop directly charging fees to schools and colleges in England, Wales and Northern Ireland. This decision was made in the light of pressure on school budgets which saw them drop our traditional programme for the sake of £1,500 (The decision to cut funding is rarely made by the people involved in programme delivery, but as part of a wider pressure to cut enrichment activity). It was also based on the evidence from our cohorts of paying and non-paying schools that there is no correlation between paying fees and commitment. School commitment is better measured through the time granted to the member of staff who leads in the careers area.

For the past two years, we have sought funding from employers, the CEC and charitable trusts to cover the school contribution. That policy has been sufficiently successful to see direct school fee income drop from £300,000 in 2015 to below £100,000 in 2017. We have been turned down for funding by two charitable organisations because of our policy decision to drop fees. But we have been cheered by new schools who now apply to work with us every week. At their annual conference this year the CEC produced a set of criteria for schools to choose employability partners. Participants were asked to rank them by importance and add any which were missing. Cost was not only added to the list but came joint top of the rankings.

In Scotland, where school fees are currently paid by local authorities, we are keeping alongside changes in the educational landscape to ensure income stability.



School fees: a comparison of 22 London schools showed that funded schools perform on a par with those that pay for our programmes; our aim is to deliver our programme with no direct cost to schools.

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Business Support

Diversity and increased recruitment at 18, particularly for higher and degree level apprenticeships, are strong forces driving employers to work with Career Ready. Two of our founder supporters, BP and Citi group, recruited their first Career Ready students in 2018. It increasingly features alongside social responsibility, community engagement and rewarding volunteering as a motivation for businesses to partner with us.

We launched our Think Logistics and Think Build programmes over the past two years to help those industries address negative and inaccurate perceptions and inspire new entrants, while also meeting our aims to increase students' skills and social capital. The Think Logistics programme for 16-18 year-olds has extended into 20 schools and colleges, with a further 3,000 students taking part in Think Logistics enterprise sessions across the country.

Think Build now runs in Cardiff, Manchester, Birmingham and London, with support from Wates and Arcadis. Our first cohort of students addressed the gender and racial diversity issues which the industry is determined to counter, with 30% female and 90% black and Asian students on the programme.

"Think Build gave me the desire to actually join the construction industry. I've been able to secure a Degree Apprenticeship at Colmore Tang as a Quantity Surveyor which has given me a strong foundation to build a successful career."

Zaidan Khan, Washwood Heath Academy, Birmingham

Highlights of our work in 2017/18:

- Flagship event at Church House in Westminster attended by senior business figures, policy makers and Career Ready students and hosted by Ian King of Sky News. The event showcased evidence of the impact on young peoples' skills of **paid internships** of four weeks (140 hours) from Career Ready in the UK and the NAF (National Academy Foundation) in the US. Nine new employers signed up as internship providers as a result of the event. A follow-up event is planned for Autumn 2018.
- Launch of programme for **parents** of children living in the most disadvantaged wards to help them understand and support children's career choices, funded by the NCOP Innovation fund in Essex.
- Launch of a mentoring programme for 14-16 year-olds bringing our total number of mentoring relationships to 4,000. We now run one of the biggest mentoring programmes for young people in the country. Mentoring is one of the three best-evidenced activities in terms of impact. We have received extension funding for this project for two years in Stoke, Ipswich, Essex and London.
- Launch of Think Law programme in Newcastle, Leeds and Manchester with 20 employer supporters. The simple delivery format whereby five employers in each area host one day of multiple activities for all participants is popular with schools and businesses.
- Migration to an improved cloud and Outlook platforms to increase operational efficiency in support of our growth strategy.
- Development of apprenticeship sessions to fit school tutorial periods in partnership with PIXL (Partners in Excellence) group of 1,400 schools.
- Development and delivery of modules for the First School Employability Leaders programme.
- Joining the legal social mobility initiative LAWSmart, led by Hogan Lovells, where we lead the work on reaching young people in cold spots.

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Public benefit

The Trustees have taken The Charity Commission's guidance on public benefit into consideration in managing the activities of the charity.

Benefits and beneficiaries

In accordance with its charitable objectives, the charity's beneficiaries are young people between the ages of 11 and 19, and benefits to those young people are provided through a network of Career Ready Regional Managers working in partnership with schools and colleges.

Trustees' assessment of public benefit

In addition to monitoring the progress of The UK Career Academy Foundation in terms of the indicators, milestones and benchmarks, the Trustees also receive a detailed progress report from the Senior Management Team at each National Advisory Board meeting. These cover programme impact, programme development, policy changes, new supporters and funding bids. Financial performance and risk records are tabled at the NAB meetings, but detailed discussions take place at the quarterly meetings of the Finance Committee, on which all trustees sit. Trustees also meet for quarterly breakfasts. These changes were introduced to underline the different responsibilities of trustees and board members.

The Trustees are satisfied that the information presented demonstrates to their satisfaction that The UK Career Academy Foundation continues to benefit the public through its activities targeted to achieve its charitable objectives.

The use of volunteers and donated services

The charity makes considerable use of the services of volunteers in order not only to manage the charity at Trustee level, but also to deliver services and other similar project outcomes and benefits to beneficiaries. The charity's programme is delivered through more than 4,000 volunteers in addition to the volunteers acting as Trustees and Board members. The charity is also reliant upon donated services provided by its wide range of supporters, and those donated services which can be quantified, are recognised in the financial statements as donations in kind.

Management changes

- During 2017/18, Mark Smith was seconded from Standard Life (now Standard Life Aberdeen) to cover the maternity leave of Jenny Barber, Director of Programmes. Mark subsequently joined Career Ready as Chief Operating Officer, a new role to strengthen the leadership team and support our three-year growth strategy.
- Adam Smith joined in July as Head of Communications.
- Bethan Wood joined in August as Head of Fundraising and Business Development.
- We have grown our Regional Manager teams in England and Scotland to cover new geographies.
- We are recruiting our first apprentice to work in Communications and Marketing in Autumn 2018.
- Career Ready has 48 staff (40.8 FTE) including one secondee and two service contracts.
- The average length of stay for those who left during 2017/18 is just over 2 years and 6 months.
- The absence rate for 2017/18 was 2.4%, which dropped to 1.9% from April 2018.
- In April 2018, we introduced Perkbox alongside the annual pay review as an added benefit to our high-quality team.

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

The Trustees are able to report a surplus of £20,383 (2016/17: £34,664) for the year. Total income increased by 2% (2016/17: decreased by 2%) and expenditure also increased by 3% (2016/17: increased by less than 1%).

Total income for the year, including quantified donations in kind, was £2,389,167 (2016/17: £2,333,689) with total expenditure, including fundraising and governance costs, being £2,368,784 (2016/17: £2,299,025).

Career Ready is a charity principally funded by donations from corporate supporters, who engage with our work. The number of corporate supporters has grown, as has the number of sectors they represent. Public sector income has increased over the past 18 months as the government's careers and widening participation policies have shifted to support our approach. We have also seen growth in the number of trust and foundation supporters. This income supports our growing team of Regional Managers, who deliver Career Ready programmes on the ground. Staff cost make up the majority of Career Ready expenditure.

The Trustees are very pleased with the effective way in which the charity's resources are being controlled by the senior management team.

Restructuring of funds

During 2017/18, Career Ready has fundamentally revised its internal management reporting, and as a result, the charity's funds for statutory financial reporting purposes have been fully restructured to better reflect the organisation's current activities and the streams of income from the funders who support that work.

The principle change is from a large Regional Development Fund based on areas where we work, to a set of funds based on the programmes and activities which we run across the England, Wales and Northern Ireland. Scotland funding remains geography based, as our funders are explicitly supporting Career Ready in Scotland.

In implementing the restructuring of funds in 2017/18, all the brought forward reserves balances at 1 April 2017 were analysed in detail with all unspent funds project-by-project being reallocated into the appropriate new fund as transfers between funds.

Reserves policy

The Trustees believe that the charity should aim to hold a minimum level of financial reserves equivalent to future estimated unrestricted operating costs for three months, calculated and reviewed within the annual budget, because it is a prudent management principle in an organisation whose income can fluctuate significantly from year to year due to the charity's considerable reliance upon voluntary income and with a core level of costs which are fixed in the short term.

The Trustees also believe that this level of reserves should be built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities on an on-going basis. As a consequence, the charity has opened a new business account into which £22,000 is transferred monthly, subject to cashflow projections.

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As at 31 March 2018, the charity had "free reserves" of £332,311 (31 March 2017: £376,473) and a further £517,234 (31 March 2017: £452,127) carried over as restricted funds.

Three months of future estimated operating costs as at 31 March 2018 amounted to £450,000, and therefore, the Trustees intend to accumulate "free reserves" where possible in the short term without adversely impacting upon the delivery of charitable objectives.

The Trustees also note that at the balance sheet date a sum of £349,000 (31 March 2017: £Nil) had been received as income in advance for 2017/18, which has contributed positively to the charity's cash flow position.

Investments policy

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

During the year, investment income of £1,111 (2016/17: £4,369) was generated on cash balances, representing an average rate of return of less than 1% (2016/17: less than 1%) reflecting the continued low level of interest rates. This is despite the Finance and Fundraising Committee placing some cash in a higher interest earning account during the year.

Risk and corporate governance matters

The Chief Executive, in partnership with the Trustees, maintains a Business Risk Management Matrix, which is managed by the Head of Operations. It is reviewed by trustees at each meeting of the Finance and Fundraising Committee and reported to meetings of the National Advisory Board, which take place three times a year.

The Matrix assesses the probability of risk and the potential impact as well as control procedures, monitoring process and responsibility for each risk. For each identified risk a scale is agreed and a colour code indicating levels of priority applied. During 2017/18 the HOO has continued to evolve the matrix with guidance from trustees, to better assess and present areas of risk and in accordance with Charity Commission guidelines. The following categories of risk have been identified and assessed:

- Governance risks - inappropriate organisational structure, difficulties recruiting Trustees or National Advisory Board members with relevant skills, and conflicts of interest;
- Operational risks - safeguarding, service quality, employment issues, staff performance, health and safety issues, and fraud and misappropriation;
- Financial risks - accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, and investment management;
- External risks - public perception and adverse publicity, demographic changes, and government policy; and
- Compliance with law and regulations - employment law and regulatory requirements of particular activities such as fund raising and data protection, where a new policy was developed with professional support for May 2018.

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

- comprehensive financial policies and procedures;
- qualitative comparison of procedure against the internal financial controls self-checklist for charities on an annual basis;
- comprehensive annual budgets, approved by the Trustees, and quarterly financial reporting which is compared to budget;
- quarterly forecasting of predicted income and cash flow;
- annual monitoring of reserves policy; and
- review of the Business Risk Management Matrix by trustees four times a year.

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

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

In June 2017, Career Ready registered with the new Fundraising Regulator, which manages a new Code of Fundraising Practice for charities.

AMBITIONS

Impact Measurement

As a funded partner of the CEC, we have a member of their leadership team designated as the Career Ready partner. We are fortunate to have Tristram Hooley, a leading academic expert in our area. Tristram is currently developing a national impact and evaluation tool, which Jenny Barber, our Director of Programmes, is contributing to, and which we will trial in Autumn 2018. It will be based on an agreed set of employability skills, akin to our Skills for Career Success. While our current method of evaluation works well for older students on our high impact programme we are keen to help create and adopt a national system which will be easier for schools to use for all age groups and employers and funders to assess.

Special Needs students

In 2017, we began our first work with young people in special needs (SEND) schools. We had previously excluded ourselves from this area on the basis of a lack of specialist knowledge and expertise. However, when we included all local schools in our Essex programme offer, four SEND schools elected to take part. It was the structured nature of our programme and our ability to bring employer volunteers into their schools which attracted them to work with Career Ready. The teachers had the necessary expertise to make quick adaptations to our activities, but we would like to develop those further. As a result, we have formed a partnership with an expert charity to create a Career Ready employability programme for SEND schools.

"I was a frustrated and angry young man with a bad attitude, I was fed up of being told that I couldn't do things because of my disability. I knew that getting on the Career Ready programme was going to change my life and it really has."

Jephta Asamoah, Barking & Dagenham College

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and History

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

The charity was originally set up in 2002 building upon the 20 years' experience of the National Academy Foundation (NAF) in the United States of running Career Academies to increase the aspirations, skills and career opportunities of students from lower and moderate-income families. It was incorporated in the UK on 30 April 2002 and became a registered charity on 10 July 2002.

UKCAF is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 30 April 2002 and last updated during 2012. With effect from June 2015, UKCAF adopted a new trading name "Career Ready" but remains registered under the name The UK Career Academy Foundation.

Organisational Structure

The overall strategic direction of the charity is determined by the Trustees, who are supported by a National Advisory Board, which is made up of senior business leaders and educationalists.

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

<i>Organisational Element</i>	<i>Number of Members</i>	<i>Key Roles & Responsibilities</i>
Trustees	Six	<ul style="list-style-type: none"> • Ultimate responsibility for directing the affairs of the charity, and ensuring that it is solvent, well-run, manages and assesses risks and is achieving its charitable status
National Advisory Board	Thirteen	<ul style="list-style-type: none"> • Meets three times a year • Full governance calendar in operation • Reviews three-year strategic business plan and annual budgets • Identifies programme issues, lessons learned and feeds improvements into a fluid development process • Issues are raised formally at Board Meetings • Individual members act as advocates for the charity, help ensure support from their own and other organisations and support events
Finance and Fundraising Committee	Seven	<ul style="list-style-type: none"> • Meets every three months • Comprises all Trustees and one additional member of the National Advisory Board • Approves management accounts and short-term cash flow. • Develops fundraising targets • Reviews Business Risk Management Matrix

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<i>Organisational Element</i>	<i>Number of Members</i>	<i>Key Roles & Responsibilities</i>
Programme Leadership Team	Five	<ul style="list-style-type: none"> • Meets twice a year • Comprises two or more members drawn from businesses and other stakeholders • Expertise in education, community affairs, diversity and programme development • Advises on and oversees the development and content of programmes
Scotland Advisory Board	Ten or more	<ul style="list-style-type: none"> • Meets four times a year • Comprises members drawn from businesses, education and other stakeholders in Scotland and the Director for Scotland • Approves strategic business plan and annual budget for Scotland • Identifies programme issues, lessons learned and feeds improvements into a fluid development process of programmes in Scotland • Individual members act as advocates for the charity, help ensure support from their own and other organisations and support events • Advises on and shares best practice from within Scotland and ensures there is a forum for regional representation • Chairman is also Chairman of the National Advisory Board
Senior Management Team	Eight	<ul style="list-style-type: none"> • Meets every six weeks • Comprises Chief Executive, Director For Scotland, Deputy Director For Scotland, Chief Operating Officer, Director of Programmes, Head of Fundraising & Business Development, Head of Communications & National STEM Development Manager • Matrix Responsibilities include functional responsibility for internal operations including financial control, programmes, fundraising and business development • Most have national account management responsibilities for business supporters
Staff Team	40 staff at 31 March 2018, including 38 employees, 2 contractors	<ul style="list-style-type: none"> • Creates strategic Three-Year Business Plan and annual business plan with detailed targets and objectives, which are reviewed by the National Advisory Board • Prepares cash flow forecasts for review by the Finance and Fundraising Committee • Prepares Business Risk Management Matrix and the 'dashboard' performance review for consideration • Delivers programme activities

The day-to-day management of Career Ready is entrusted to Anne Spackman, the Chief Executive and her senior management team (SMT), who regularly report to the Trustees.

Mark Smith is the new Chief Operating Officer, overseeing internal functions of finance, HR, operating processes, data, events and volunteer recruitment and coordination.

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Jenny Barber, Director of Programmes, leads the regional manager team in England, Wales and Northern Ireland. Four Lead Regional Managers report into Jenny and manage their local teams.

Anne Wexelstein is Director for Scotland and manages the programme there. Northern Ireland has its own Regional Manager.

At 31 March 2018, the regional manager team consisted of London and South East (3); Wales and the West (1); West Midlands (1); East Midlands (0.8 FTE); North West (2); Yorkshire and the Humber (1); North East (0.6 FTE); Cambridge/Suffolk (0.6), Essex (2) Northern Ireland (0.8 FTE).

In Scotland, the team consisted of a Director, a Business Support person and a Deputy Director (2.6) managing the team of six Regional Managers (4.4 FTE).

A National STEM Manager (1) manages growth in STEM, Think Logistics and Think Build and a Think Build project manager (1). Volunteer registration and support is handled by a volunteer coordinator (1) Head of Operations (1) and a data officer (1) Additionally, there is a Head of Finance (0.8) and a Finance Officer (0.6), Events Manager (1); a Head of Communications (1) and a Senior Communications Officer (1); a Fundraising, Business Development and National Accounts team (3) and a Data and Information Analyst (1).

Appointment and management of Trustees

The Trustee team includes representatives from the charity's key stakeholder groups and a Chairman. A Deputy Chairman was appointed in September 2015 to improve succession planning.

Recruitment and selection of new Trustees is managed by the Chairman with the support of the Chief Executive and the Trustee team, taking into account the need for a balance of skills, sectors and experience to ensure good governance and adequate maintenance of stakeholders' interests.

The National Advisory Board has full terms of reference under which it operates. On appointment, a new member's induction is organised by the Company Secretary. Members are encouraged to attend appropriate external events where these will facilitate the understanding of their role and to support programme events such as A Capital Experience. During the year, three members of the National Advisory Board resigned – JD Hoyer, Tish Christias and Howard Dawber.

Relationships with related parties

Career Ready benefits directly from its relationship with the National Academy Foundation in the US. Its digital platform and new impact measurements were developed following collaboration with NAF. They supported Career Ready's 140 hours campaign to increase the number of four-week paid internships for students.

The joint venture with Junior Achievement in Ireland is running in three Dublin schools with programme oversight by Jenny Barber and Tony Madden, Northern Ireland Regional Manager, and business development support from London. In May 2018, 30 students from 3 schools graduated from the programme in a ceremony held at Citi group.

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Arrangements for setting remuneration for key management personnel

All staff, including key management personnel, have a formal annual performance review carried out by their line manager. Salaries are reviewed annually, in the last quarter of the financial year ready for implementation on 1 April at the start of the new financial year. Any overall annual increase to Career Ready's salary bill is subject to approval by the trustees at a meeting of the Finance and Fundraising Committee. The overall financial situation will determine what, if any, salary increases are affordable and that together with success against targets are two key factors in this process.

Within the annual budgeting process, the trustees with guidance from the Senior Management Team (SMT), will approve an overall salary increase 'pot' for all staff. This will generally be expressed as a percentage increase on the overall previous year salary bill. The recommended percentage increase is reported to the NAB. The Chief Executive and two members of SMT will agree individual salaries of all staff.

The Chairman of Career Ready will agree the increase for the Chief Executive. These will be within the overall percentage increase agreed by the NAB. Staff will be advised of any salary increases as soon after the start of the new financial year as is practicable.

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

The Trustees (who are also the directors of The UK Career Academy Foundation for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees are preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice and applicable law).

Under company law, the Trustees must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing those financial statements, the Trustees and directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

THE UK CAREER ACADEMY FOUNDATION

TRUSTEES' ANNUAL REPORT for the year ended 31 March 2018

Auditor

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

Statement as to disclosure of information to the auditor

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

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also directors of the company, have held office since 1 April 2017, as follows:

Mr Jeremy Palmer	(Chairman – resigned February 2018)
Mr Alexander Begbie	(elected Chairman March 2018)
Mr James Bardrick	(appointed Deputy Chairman 15 September 2015)
Mr Maurice Benisty	
Mr David Bucknall	
Ms Olivia Cole	
Mr David Trott	

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

The charity is registered under the Charity Commission number 1092891, Charity Number (Scotland) SC043678 and the company is incorporated with the company registration number 04428178 in England and Wales.

Mr Martyn Drain resigned as Company Secretary and secretary to the Board of Trustees for the purposes of company law in October 2017. Mr Trefor Wilkinson, Career Ready Head of Operations, was appointed in his place in October 2017.

The charity has made the following professional appointments:

Solicitor	Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS - acting pro bono
Auditor	RSM UK Audit LLP, Davidson House, Forbury Square, Reading, Berkshire RG1 3EU
Accountant	RSM UK Tax and Accounting Limited, Third Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1UN
Banker	Citibank NA, Citigroup Centre, Canada Square, London E14 5LB

THE UK CAREER ACADEMY FOUNDATION**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2018**

The following staff are responsible for the day-to-day management of the charity:

Senior Management Team

Anne Spackman, Chief Executive
Jenny Barber, Director of Programmes
Mark Smith, Chief Operating Officer
Anne Wexelstein, Director for Scotland
Bethan Wood, Head of Fundraising and Business Development
Ian Nichol, Head of STEM Development
Adam Smith, Head of Communications
Denise Campbell, Deputy Director Scotland

EXEMPTIONS FROM DISCLOSURE

No exemptions from the disclosure requirements applicable to a larger charity have been taken in this Trustees' annual report.

FUNDS HELD AS CUSTODIAN

Although the charity maintains restricted funds to deal with income that is earmarked for a particular purpose by donors, sponsors, and other funders, The UK Career Academy Foundation does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

This report was approved by the Trustees on 19 September 2018, and was signed for and on behalf of the board by



Mr Alexander Begbie
Chairman



2018

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

Opinion

We have audited the financial statements of The UK Career Academy Foundation (the 'charitable company') for the year ended 31 March 2018, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Annual Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees' (who are also the Directors of the charitable company 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Davidson House
Forbury Square
Reading
Berkshire RG1 3EU

22 October 2018

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE UK CAREER ACADEMY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(including an income and expenditure account)
for the year ended 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2018 £	TOTAL 2017 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	879,806	807,914	1,687,720	1,688,868
Charitable activities:					
Support given to educational bodies to operate Career Academies	4	350,333	350,003	700,336	640,452
Investments	5	1,111	-	1,111	4,369
TOTAL		1,231,250	1,157,917	2,389,167	2,333,689
EXPENDITURE ON:					
Raising funds	6	(140,264)	-	(140,264)	(80,365)
Charitable activities:					
Support given to educational bodies to operate Career Academies	7	(864,005)	(1,364,515)	(2,228,520)	(2,218,660)
TOTAL		(1,004,269)	(1,364,515)	(2,368,784)	(2,299,025)
NET INCOME/(EXPENDITURE)		226,981	(206,598)	20,383	34,664
Transfer between funds		(271,705)	271,705	-	-
NET MOVEMENT IN FUNDS		(44,724)	65,107	20,383	34,664
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 April 2017		379,283	452,127	831,410	796,746
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2018	14	334,559	517,234	851,793	831,410
		=====	=====	=====	=====

THE UK CAREER ACADEMY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(including an income and expenditure account)
for the year ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	854,842	834,026	1,688,868	1,764,159
Charitable activities:					
Support given to educational bodies to operate Career Academies	4	233,767	406,685	640,452	623,752
Investments	5	4,369	-	4,369	2,486
TOTAL		1,092,978	1,240,711	2,333,689	2,390,397
EXPENDITURE ON:					
Raising funds	6	(80,365)	-	(80,365)	(82,002)
Charitable activities:					
Support given to educational bodies to operate Career Academies	7	(839,713)	(1,378,947)	(2,218,660)	(2,202,521)
TOTAL		(920,078)	(1,378,947)	(2,299,025)	(2,284,523)
NET INCOME/(EXPENDITURE)		172,900	(138,236)	34,664	105,874
Transfer between funds		(1,699)	1,699	-	-
NET MOVEMENT IN FUNDS		171,201	(136,537)	34,664	105,874
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 April 2016		208,082	588,664	796,746	690,872
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2017	14	379,283	452,127	831,410	796,746
		=====	=====	=====	=====

THE UK CAREER ACADEMY FOUNDATION

BALANCE SHEET
as at 31 March 2018

Company Number: 04428178

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	11	2,248	2,810
CURRENT ASSETS			
Debtors	12	416,450	352,578
Cash at bank and in hand		862,352	545,654
		<u>1,278,802</u>	<u>898,232</u>
LIABILITIES			
Creditors: Amounts falling due within one year	13	(429,257)	(69,632)
NET CURRENT ASSETS			
		<u>849,545</u>	<u>828,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS			
		<u>851,793</u> =====	<u>831,410</u> =====
THE FUNDS OF THE CHARITY			
Restricted income funds	14	517,234	452,127
Unrestricted income funds	14	334,559	379,283
TOTAL CHARITY FUNDS			
	15	<u>851,793</u> =====	<u>831,410</u> =====

The financial statements on pages 20 to 37 were approved by the Trustees and authorised for issue on 19 September 2018, and are signed on their behalf by



 Mr Alexander Begbie
 Chairman


 2018

THE UK CAREER ACADEMY FOUNDATION

STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

	Notes	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by/(used in) operating activities	16	315,587	(154,551)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		1,111	4,369
Net cash provided by investing activities		1,111	4,369
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		316,698	(150,182)
Cash and cash equivalents at the beginning of the reporting period		545,654	695,836
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	17	862,352 =====	545,654 =====

THE UK CAREER ACADEMY FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

1. ACCOUNTING POLICIES**Company information**

The UK Career Academy Foundation (the charitable company) is a private company limited by guarantee incorporated in England and Wales. The registered office and principal place of business is 25 Canada Square, Canary Wharf, London E14 5LB.

The charitable company's principal activities are disclosed in the trustees' annual report.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. Within the definitions of FRS 102, the charitable company is a public benefit entity. The financial statements have been prepared in accordance with the accounting policies set out below and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, and 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).

Going concern

On the basis of financial projections for the future cash flows of the charitable company, and on the grounds that the charitable company is forecast to be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of the approval of these financial statements, the Trustees have prepared the financial statements using the going concern principle. The Trustees have not identified any material uncertainties in relation to the going concern status of the charitable company.

Income

All income is included in the statement of financial activities when the charitable company is legally entitled to the funds, it is probable the income will be received, and the amount can be quantified with reasonable accuracy.

Income from grants, including government grants, where related to performance and specific deliverables, is accounted for as the charitable company earns the right to consideration by its performance.

Gifts in kind donated for distribution and/or utilisation are included at valuation and recognised as income when the related projects are undertaken. Gifts donated for resale are included as income when sold. Donated facilities are included at the value to the charitable company, where this can be quantified, and a third party is bearing the cost.

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (Continued)**Expenditure**

Expenditure is included in the statement of financial activities on an accruals basis.

Expenditure is allocated to the charitable company's principal activity, as fund raising costs or as governance costs where the costs can be identified as being directly related to those activities. All costs that cannot be so identified are categorised as either staff costs or support cost. Staff costs and support costs are then allocated over the different categories of expenditure on the basis of estimated time spent by members of staff in those areas.

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

Governance costs are the costs associated in running the charity as a United Kingdom charitable company and specifically include the costs of the external audit.

Tangible fixed assets

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

Office equipment - 20% on a reducing balance basis

Pension contributions

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

Taxation

The company is a registered charity and as such its income and gains falling due under section 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporate tax to the extent that they are applied to its charitable objectives.

Liabilities

A contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control. Provisions are recognised for those grants where there is uncertainty as to the timing or amount, and any uncertainty regarding the amount is more than one of the determining factors as a basis for reasonable estimation of the liability arising from that constructive obligation.

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (Continued)
Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets and liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at fair value and thereafter are stated at amortised cost using the effective interest method.

Fund accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which are available for use in furtherance of the general objectives of the charitable company.

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

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Trustees, there are no estimates and underlying assumptions in the application of accounting policies that are considered to be critical, because they either require a significant amount of management judgement or the results are material to the charitable company's financial statements.

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

3.	DONATION AND LEGACIES	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	Donations from funders	696,538	807,914	1,504,452	1,403,610
	Donations in kind:				
	Event costs	29,766	-	29,766	24,119
	Staff costs	73,565	-	73,565	112,731
	Accommodation costs	79,937	-	79,937	148,408
		879,806	807,914	1,687,720	1,688,868
		=====		=====	=====
4.	INCOME FROM SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	Schools and colleges	208,758	-	208,758	223,518
	Public sector funding	-	303,969	303,969	224,191
	Other supporters	141,575	46,034	187,609	192,743
		350,333	350,003	700,336	640,452
		=====		=====	=====
5.	INVESTMENTS	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	Bank interest receivable on short term cash deposits	1,111	-	1,111	4,369
		=====		=====	=====
6.	RAISING FUNDS	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	Staff costs (see note 8)	110,359	-	110,359	68,538
	Support costs (see note 9)	29,905	-	29,905	11,827
		140,264	-	140,264	80,365
		=====		=====	=====

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

7.	COSTS OF SUPPORT GIVEN TO EDUCATIONAL BODIES TO OPERATE CAREER ACADEMIES	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	Direct costs:				
	Student placements	4,992	148,570	153,562	154,429
	Student travel	627	18,779	19,406	21,540
	NAF fund support – Ireland	1,267	37,700	38,967	40,380
	Santander award	242	7,187	7,429	8,920
	STEM bursaries and AZ STEM awards	310	9,227	9,537	9,370
	Event costs - donations in kind	3,951	25,815	29,766	24,119
	Event costs – other	19,556	38,917	58,473	40,924
	Printing and publications	18,437	101	18,538	15,187
	Video production	2,151	-	2,151	-
	Marketing and public relations	1,725	6	1,731	3,882
	Sir Winfried Bischoff Award given to no (2016/17: five) individuals	-	-	-	500
	Subscriptions	3,711	181	3,892	-
	Travel and subsistence	62,037	37,796	99,833	93,727
	Staff welfare	307	140	447	436
	Website and internet costs	30,820	5,352	36,172	32,490
	Legal and professional fees	-	-	-	750
	Bank charges	2,656	-	2,656	1,329
	Bad debt	21,339	-	21,339	-
	Indirect costs:				
	Insurance	4,047	197	4,244	8,282
	Auditor's remuneration:				
	Accountancy and advisory (83%:17%)	3,565	730	4,295	4,895
	Staff costs (see note 8)	395,180	1,018,078	1,413,258	1,454,865
	Support costs (see note 9)	118,225	15,739	133,964	251,053
	Governance costs (see note 10)	168,860	-	168,860	51,582
		864,005	1,364,515	2,228,520	2,218,660
		=====	=====	=====	=====

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

8. STAFF COSTS	2018	2017
The average monthly number of persons working with the charitable company (excluding Trustees) during the year was:	No.	No.
Employed	36	35
Donated and seconded	2	2
	<u>38</u>	<u>37</u>
	=====	=====
	£	£
Staff costs for the above persons:		
Wages and salaries	1,323,076	1,229,382
Temporary staff costs	45,648	40,530
Donations in kind	73,565	112,731
Social security costs	138,360	127,814
Health and other pension costs	66,505	47,215
	<u>1,647,154</u>	<u>1,557,672</u>
	=====	=====
Staff costs are allocated in the financial statements, as follows:		
Costs of generating voluntary income – 6.7% (2016/17: 4.4%)	110,359	68,538
Support given to educational bodies to operate Career Academies -		
Unrestricted funds – <i>balance of staff costs</i>	395,180	487,011
Restricted funds – <i>based on specific staff activity</i>	1,018,078	967,854
Governance costs – 7.5% (2016/17: 2.2%)	123,537	34,269
	<u>1,647,154</u>	<u>1,557,672</u>
	=====	=====

During the year, one employee received emoluments in the range £80,001 to £90,000 (2016/17: £90,001 - £100,000). In respect of that employee, total pension contributions payable during the year amounted to £5,178 (2016/17: £5,508).

The total amount of employee benefits received by key management personnel for their services to the charitable company during the year amounted to £349,982 (2016/17: £383,546) and the charitable company incurred employers' national insurance contribution costs of a further £38,521 (2016/17: £42,912) in relation to the employment of these same members of staff.

The Trustees received no remuneration for their services to the charitable company during the current or previous year and were not reimbursed for any expenses incurred on behalf of the charitable company during the current or previous year.

The use of volunteers and donated services

The charitable company makes considerable use of the services of volunteers in order to not only manage the charitable company at Trustee level but also to deliver services and other similar project outcomes and benefits to beneficiaries. The charitable company is also reliant upon donated services provided by its wide range of supporters, and those donated services which can be quantified, are recognised in the financial statements as donations in kind.

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

9.	SUPPORT COSTS	Support given to educational bodies to operate Career Academies			Total 2018 £	Total 2017 £
		Raising funds £	Unrestricted funds £	Restricted funds £		
	Accommodation costs	13,062	52,255	-	14,620	79,937
	Other costs:					
	Specifically allocated	16,805	65,809	15,418	18,811	116,843
	Based on staff activity	-	-	-	-	108,457
	Depreciation:					
	Owned assets	38	161	321	42	562
		29,905	118,225	15,739	33,473	197,342
		=====	=====	=====	=====	=====
10.	GOVERNANCE COSTS				Total 2018 £	Total 2017 £
			Unrestricted funds £	Restricted funds £		
	Staff costs (see note 8)		123,537	-	123,537	34,269
	Support costs (see note 9)		33,473	-	33,473	5,913
	Auditor's remuneration:					
	Audit fees		11,850	-	11,850	11,400
			168,860	-	168,860	51,582
			=====	=====	=====	=====

Included within auditor's remuneration are amounts payable to RSM UK Audit LLP in respect of audit services of £11,850 (2016/17: £11,400) and in indirect costs are amounts payable to RSM UK Tax and Accounting Limited in respect of accountancy and advisory services of £4,295 (2016/17: £4,895).

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

11.	TANGIBLE ASSETS	Office Equipment £	
	Cost:		
	1 April 2017 and 31 March 2018		10,550
	Depreciation:		
	1 April 2017		7,740
	Charge in the year		562
	31 March 2018		8,302
	Net book value:		
	31 March 2018		2,248
			=====
	31 March 2017		2,810
			=====
12.	DEBTORS	2018	2017
		£	£
	Amounts falling due within one year:		
	Trade debtors	139,814	253,889
	Other debtors	24,676	14,465
	Prepayments and accrued income	251,960	84,224
		416,450	352,578
		=====	=====
13.	CREDITORS	2018	2017
		£	£
	Amounts falling due within one year:		
	Trade creditors	7,226	12,181
	Other taxes and social security costs	37,787	34,156
	Pension contributions payable	5,366	4,042
	Other creditors	47	828
	Accruals	29,831	18,425
	Deferred income	349,000	-
		429,257	69,632
		=====	=====
	Deferred income relating to funding for specific future projects:		
	Deferred income brought forward	-	28,000
	Deferred income released to the statement of financial activities	-	(28,000)
	Income received in advance during the period	349,000	-
	Deferred income carried forward	349,000	-
		=====	=====

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

14. THE FUNDS OF THE CHARITY

	1 April 2017 £	Income £	Expenditure £	Transfers between funds £	31 March 2018 £
Restricted income funds:					
Regional Development Fund	306,312	-	-	(306,312)	-
Partner in Excellence (PiXL) Fund	3,500	-	-	(3,500)	-
DHL Logistics Fund	19,528	-	-	(19,528)	-
Wates Fund	20,713	-	-	(20,713)	-
Arcadis Fund	15,290	-	-	(15,290)	-
Student Placements Fund	17,035	-	-	(17,035)	-
Digital Improvements Fund	45,168	-	-	(45,168)	-
Edge Fund	14,639	-	-	(14,639)	-
Let's Do Business Fund	9,942	-	-	(9,942)	-
Awards Fund	-	60,379	(260,291)	208,784	8,872
Employability For All Fund	-	508,440	(471,606)	174,360	211,194
Parents Project Fund	-	34,873	-	-	34,873
Health Education England Fund	-	30,965	(30,965)	-	-
Mentoring Fund	-	43,527	(43,093)	7,865	8,299
School Placements Fund	-	37,330	(37,330)	-	-
Scotland Fund	-	139,936	(293,507)	175,657	22,086
STEM Fund	-	72,269	(93,567)	117,286	95,988
Think Build Fund	-	125,198	(92,491)	20,352	53,059
Think Law fund	-	5,000	(5,000)	-	-
Think Logistics Fund	-	100,000	(36,665)	19,528	82,863
	452,127	1,157,917	(1,364,515)	271,705	517,234
Unrestricted income funds:					
General Fund	379,283	1,231,250	(1,004,269)	(271,705)	334,559
	831,410	2,389,167	(2,368,784)	-	851,793
	=====	=====	=====	=====	=====

Restructuring of funds

During 2017/18, Career Ready has fundamentally revised its internal management reporting, and as a result, the charity's funds for statutory financial reporting purposes have been fully restructured to better reflect the organisation's current activities and the streams of income from the funders who support that work.

The principle change is from a large Regional Development Fund based on areas where we work, to a set of funds based on the programmes and activities which we run across the England, Wales and Northern Ireland. Scotland funding remains geography based, as our funders are explicitly supporting Career Ready in Scotland.

In implementing the restructuring of funds in 2017/18, all the brought forward reserves balances at 1 April 2017 were analysed in detail with all unspent funds project-by-project being reallocated into the appropriate new fund as transfers between funds.

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

14. THE FUNDS OF THE CHARITY (Continued)

	1 April 2016 £	Income £	Expenditure £	Transfers between funds £	31 March 2017 £
Restricted income funds:					
Regional Development Fund	492,119	960,016	(1,145,823)	-	306,312
Partner in Excellence (PiXL) Fund	-	6,000	(2,500)	-	3,500
DHL Logistics Fund	-	50,000	(30,472)	-	19,528
Wates Fund	-	48,500	(27,787)	-	20,713
Arcadis Fund	-	20,000	(4,710)	-	15,290
Student Placements Fund	15,269	156,195	(154,429)	-	17,035
Sir Winfried Bischoff Award Fund	11,527	-	(13,226)	1,699	-
Digital Improvements Fund	45,168	-	-	-	45,168
Edge Fund	14,639	-	-	-	14,639
Let's Do Business Fund	9,942	-	-	-	9,942
	<u>588,664</u>	<u>1,240,711</u>	<u>(1,378,947)</u>	<u>1,699</u>	<u>452,127</u>
Unrestricted income funds:					
General Fund	208,082	1,092,978	(920,078)	(1,699)	379,283
	<u>796,746</u>	<u>2,333,689</u>	<u>(2,299,025)</u>	<u>-</u>	<u>831,410</u>
	=====	=====	=====	=====	=====

The Regional Development Fund was originally set up in 2005/06 to recognise the restricted income received from the Department of Employment and Learning to fund the charitable company's work in Northern Ireland, Citi Foundation funding for the development of a programme in the Republic of Ireland and a number of private sector supporters supporting our growth in Scotland. Funds are used to support schools and colleges in those specific regions.

The Partner in Excellence (PiXL) Fund was set-up in 2016/17 after PiXL commissioned Career Ready to adapt the existing apprenticeship resources, produce new resources for younger students and to pay for the use of these by schools in the PiXL network.

The DHL Logistics Fund was set-up in 2016/17 since the DHL UK Foundation are supporting the roll-out of the Think Logistics programme for three years, with funding, mentors and volunteer support for schools and colleges in areas where the business operates.

The Wates Fund was set-up in 2016/17. Wates Foundation and the Wates business are the founder supporters of the Think Build programme, providing funding, mentors, internships and volunteer support for schools and colleges in three Think Build clusters over three years.

The Arcadis Fund was set-up in 2016/17, because Arcadis are similarly supporting the Think Build programme over three years, providing funding, mentors, internships and volunteer support for schools and colleges in three Think Build clusters.

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

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

14. THE FUNDS OF THE CHARITY (Continued)

The Sir Winfried Bischoff Award Fund was set up in 2012/13 to recognise funding raised by a special appeal to the members of the National Advisory Board, which is used to cover the costs of making awards to students winning the Regional and National Student of the Year Awards. Sir Winfried Bischoff, the charity's founding Chairman, has kindly agreed to have the award named in recognition of his contribution to the organisation. An overspend arising in 2016/17 has been funded by a transfer from the General Fund.

The Digital Improvements Fund was set up in 2014/15 to recognise the restricted income received from Peter Davis in order to fund the digital platform and new website of the charity.

The Edge Fund was set up in 2014/15 to recognise the restricted income received from the Edge Foundation in support of the Think Logistics project.

The Let's Do Business Fund was set up in 2014/15 to recognise the restricted income received from the Skills Funding Agency for a series of national Let's do Business events in conjunction with the National Careers Service.

The Awards Fund has grown from the Sir Winfried Bischoff Student of the Year Fund, to cover the full range of awards Career Ready now makes. Categories include regional and national Student of the Year, STEM Student of the Year in three disciplines – science, technology and engineering, Volunteer of the Year awards across all regions, Mentor of the Year, nominated by their students in England and regional and national Employability Champion of the Year for careers leaders in schools across the UK. The award sponsors for 2017/18 were Leidos, Astra Zeneca, Citi, Standard Life Aberdeen and Santander.

The Employability for All Fund was developed in England to meet the need for a scalable programme which could deliver impactful employer-led activities to students from 11-18. In its first year it was funded by the Careers & Enterprise Company in three identified 'cold spots' in England and exceeded targets by 400 per cent. It is now the basis of our three-year growth strategy for England, Wales and Northern Ireland.

Parents – and particularly mothers – have been identified as the number one influence on children's career decisions. This impacts particularly on the ambition of young people from poorer backgrounds whose parents may lack knowledge of the opportunities available to their children. **The Parents Project Fund** was launched in January 2018 supported by the National Collaborative Outreach Programme (NCOP) in Essex to deliver a programme to parents of students from the most disadvantaged wards in the county to increase the number of children progressing into all forms of Higher Education.

The Health Education England Fund started in Yorkshire and Humberside and has spread to the North West and South East regions. It supports internships for students in the health service to open their eyes to the breadth of careers and apprenticeships outside the familiar roles of nurse, midwife and doctor.

The Mentoring Fund covers a new programme of mentoring for 14-16 year-olds in hard to reach areas. The younger age group was based on the evidence that 14 is the age when students, particularly boys, are at highest risk of disengaging from education. It has funding from the Careers & Enterprise Company and St James's Place Foundation for work in Stoke, the Black Country, Essex and London.

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

14. THE FUNDS OF THE CHARITY (Continued)

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

The Scotland Fund covers monies donated for Career Ready to deliver its programme in Scotland, with some funding dedicated to specific regions of the country. It was boosted by a long-term grant from the Esmée Fairbairn Foundation, now ended, which leveraged funding from corporate supporters in addition to funding from local authority areas.

The STEM Fund was created to support Career Ready's work in promoting the study of STEM subjects and STEM careers, particularly to girls, with Astra Zeneca the principal funder.

The Think Build Fund was created to promote opportunities and increase awareness of professional careers in construction and the built environment and help students develop the skills needed to access them. It is supported by Wates, Arcadis and the CITB.

The Think Law Fund was created to give students access to a range of legal firms and opportunities in Newcastle, Leeds and Manchester, with a particular focus on apprenticeship entry routes.

The Think Logistics Fund was created to promote opportunities and increase student awareness of professional careers in the logistics industry. It is now supported by seven companies and organisations across the sector.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Current assets	Current liabilities	Total
	£	£	£	£
As at 31 March 2018:				
Restricted income funds:				
Awards Fund	-	8,872	-	8,872
Employability For All Fund	-	211,194	-	211,194
Parents Project Fund	-	34,873	-	34,873
Mentoring Fund	-	8,299	-	8,299
Scotland Fund	-	22,086	-	22,086
STEM Fund	-	95,988	-	95,988
Think Build Fund	-	53,059	-	53,059
Think Logistics Fund	-	82,863	-	82,863
Unrestricted income funds:				
General Fund	2,248	761,568	(429,257)	334,559
NET ASSETS	<u>2,248</u>	<u>1,278,802</u>	<u>(429,257)</u>	<u>851,793</u>
	=====	=====	=====	=====

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

	Fixed assets £	Current assets £	Current liabilities £	Total £
As at 31 March 2017:				
Restricted income funds:				
Regional Development Fund	-	306,312	-	306,312
Partner in Excellence	-	3,500	-	3,500
DHL Logistics Fund	-	19,528	-	19,528
Wates Fund	-	20,713	-	20,713
Arcadis Fund	-	15,290	-	15,290
Student Placement Fund	-	17,035	-	17,035
Digital Improvement Fund	-	45,168	-	45,168
Edge Fund	-	14,639	-	14,639
Let's Do Business Fund	-	9,942	-	9,942
Unrestricted income funds:				
General Fund	2,810	446,105	(69,632)	379,283
NET ASSETS	<u>2,810</u> =====	<u>898,232</u> =====	<u>(69,632)</u> =====	<u>831,410</u> =====

16. RECONCILIATION OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the reporting period	20,383	34,664
Adjustments for:		
Dividends, interest and rents from investments	(1,111)	(4,369)
Depreciation charges	562	702
Increase in debtors	(63,872)	(107,372)
Increase/(decrease) in creditors	359,625	(78,176)
Net cash used in operating activities	<u>315,587</u> =====	<u>(154,551)</u> =====

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	<u>862,532</u> =====	<u>545,654</u> =====

THE UK CAREER ACADEMY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2018

18.	FINANCIAL INSTRUMENTS	2018	2017
		£	£
	Carrying amount of financial assets:		
	Debt instruments measured at amortised cost	378,646	323,389
		=====	=====
	Carrying amount of financial liabilities:		
	Measured at amortised cost	37,057	30,606
		=====	=====

19. PENSION COMMITMENTS

The charitable company makes contributions into defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs (as shown in note 8) is the total contributions payable for the year, and the amounts of contributions payable to the pension schemes at the balance sheet date are current liabilities (as shown in note 13).

20. RELATED PARTY TRANSACTIONS

During the year, the charitable company received the following donations from Trustees and organisations in which Trustees are involved:

- Freshfields Bruckhaus Deringer LLP, a partnership of which Mr D Trott is a partner, provided a donation amounting to £nil (2016/17: £65,602) for the services of a member of staff, as well as a separate donation of £15,000 (2016/17: £15,000).
- Citigroup Global Markets Limited, an organisation of which Mr J Bardrick is an employee, provided £74,460 (2016/17: £74,460) for office space within its London building. In addition, Mr J Bardrick provided an individual donation of £25,000 (2016/17: £25,000).
- Standard Life Employee Services Limited, a company of which Mr A Begbie is a director, provided a donation amounting to £85,986 (2016/17: £80,000), as well as £10,500 (2016/17: £Nil) as a prize to award winners and £1,500 (2016/17: £Nil) in relation to support costs.
- BP Global Investments Limited, a company of which Mr D Bucknall is a director, provided a donation amounting to £30,438 (2016/17: £25,000).
- Mr J Palmer provided an individual donation amounting to £25,000 (2016/17: £Nil).