

Financial summary

The period ended 31 December 2008 was YBI's first financial period as an independent organisation.

Income

YBI's total income for the period was £1.54m of which £0.89m unrestricted and £0.65m restricted.

Expenditure

YBI's total expenditure for the period was £0.84m of which £0.41m unrestricted and £0.43m restricted.

Reserves

The reserves strategy states that YBI allows itself up to 31 December 2010 to build up to the full level of £0.65m on unrestricted reserves. As at 31 December 2008 the unrestricted reserves of YBI was £0.48m, equivalent to six months of unrestricted committed expenditure, which is slightly above target compared to the level of unrestricted reserves as stated in the reserves policy.

Disclosure of information to the auditors

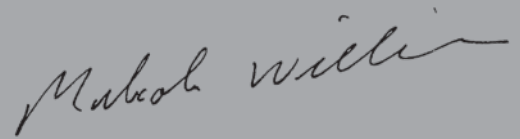
In the case of each person who was a Trustee at the time this report was approved:

- So far as that trustee was aware there was no relevant available information of which the company's auditors were unaware; and
- That the trustee had taken all steps that the member ought to have taken as a trustee to make himself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

Auditors

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the April 2009 Board meeting.

Approved and signed on behalf of the Board of trustees by:



Sir Malcolm Williamson, Chairman

Independent auditors' report

to the members of The Prince of Wales Youth Business International Ltd

We have audited the accounts of The Prince of Wales Youth Business International Limited for the 276 day period from incorporation on 31 March 2008 to 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 14. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of The Prince of Wales Youth Business International Limited for the purposes of company law) for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of

whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts:

- Give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended; and
- Have been properly prepared in accordance with the Companies Act 1985; and
- The information provided in the Trustees Report is consistent with the accounts.

Nexia Smith & Williamson

Nexia Smith & Williamson

Chartered Accountants
Registered Auditors

London, 25 Moorgate, EC2R 6AY
14 May 2009

Statement of financial activities

(Including income and expenditure account) for the period ended 31 December 2008

	Notes	Unrestricted (£)	Restricted (£)	2008 Total (£)
Incoming resources				
Incoming resources from generated funds				
Voluntary income				
Grants and donations	(2, 4)	858,222	650,035	1,508,257
Investment income				
Bank interest	(2, 4)	10,362	0	10,362
Other incoming resources	(2, 4)	22,334	0	22,334
Total incoming resources		890,918	650,035	1,540,953
Resources expended				
Costs of generating funds				
Costs of generating voluntary income	(3)	22,718	4,078	26,796
Charitable activities				
Strengthen the operational capabilities of the network	(3)	256,261	221,947	478,208
Ensure the quality and performance of the network	(3)	9,412	56,019	65,431
Raise resources for the network	(3)	16,038	142,925	158,963
Expanding the network to new countries	(3)	1,735	0	1,735
Act as an advocate and communicator for the network	(3)	92,127	933	93,060
Governance costs	(3)	13,024	146	13,170
Total resources expended		411,315	426,048	837,363
Net income for the period and total funds carried forward	(11)	479,603	223,987	703,590

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

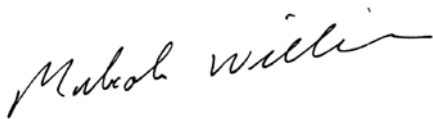
Balance sheet

As at 31 December 2008

	Notes	Unrestricted (£)	Restricted (£)	2008 Total (£)
Fixed assets				
Tangible fixed assets	(8)	26,059	0	26,059
Investments		0	0	0
		26,059	0	26,059
Current assets				
Debtors	(9)	33,655	33,451	67,106
Cash at bank and in hand		513,798	620,573	1,134,372
		547,454	654,024	1,201,478
Creditors				
Amounts falling due within one year	(10)	(93,910)	(430,037)	(523,947)
		(93,910)	(430,037)	(523,947)
Net current assets				
		453,544	223,987	677,531
Net assets				
		479,603	223,987	703,590
Represented by:				
Total funds	(11)	479,603	223,987	703,590

The notes at pages 41 to 47 form part of these accounts.

The financial statements were approved by the Trustees on 13 May 2009 and were signed on their behalf by:



Sir Malcolm Williamson, Chairman

Cash flow statement

For the period ended 31 December 2008

	Notes	2008 (£)
Net cash inflow from operating activities	a)	1,157,031
Returns on investment and servicing of finance		
Interest received		10,362
Net cash inflow from returns on investments and servicing of finance		1,167,393
Capital expenditure:		
Payments to acquire tangible fixed assets		(33,022)
Net cash outflow from capital expenditure		(33,022)
Increase in cash	b)	1,134,371
Notes to the Cash flow statement		
a) Reconciliation of changes in resources to net inflow from operating activities		
		2008 (£)
Net income for the period		703,589
Interest income		(10,362)
Depreciation		6,963
Increase in creditors		523,947
Increase in debtors		(67,106)
Net cash inflow from operating activities		1,157,031
b) Analysis of changes in net funds		
		2008 (£)
Balance brought forward		0
Net cash inflow		1,134,371
Balance carried forward		1,134,371

Notes to the financial statements

For the period ended 31 December 2008

1. Accounting policies & convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and the Companies Act 1985.

Incoming resources

All incoming resources are accounted for in the Statement of financial activities when the charity is legally entitled to the income, there is reasonable certainty over receipt and the amount can be quantified with reasonable accuracy.

Voluntary income comprises grants and donations and is recognised in the appropriate fund on a receivable basis and when any conditions for receipt are met. Where donor imposed conditions require that the resource is expended in a future accounting period, income is recorded as deferred income at the balance sheet date.

Gift aid is included in the accounts based on amounts recoverable at the balance sheet date.

Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is allocated to activity categories based on the amount attributable to the activity in the year, including the cost of generating funds, charitable activities and services.

Direct costs in these categories are charged with their share of support costs. Support costs include central functions such as general management, accounting, communication, IT, human resources, office rent, general travel, relationship building and depreciation. All support costs items are allocated over the relevant categories on the basis of the overall time spent in these categories.

The cost of generating funds comprises those costs directly attributable to the fundraising activities of the charity and the appropriate allocation of central costs.

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

Fund accounting

Unrestricted funds are used to fulfil the objectives of the organisation at the discretion of the Trustees.

Restricted funds are made up of grants and donations given by donors for specific purposes.

Fixed assets

Fixed assets are capitalised where the purchase price of each individual item costs £2,000 or more including VAT. Depreciation has been provided in order to write off the cost of the assets over their estimated useful lives on a straight line basis as follows:

Computer equipment	3 years
Office equipment	5 years

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Where any assets are impaired in value, provisions are made to reduce the book value of such assets to their recoverable amount.

Pension costs

The charity operates a defined contribution personal pension scheme. Contribution costs are charged to the statement of financial activities in the year in which they fall due.

Operating leases

Operating leases are expensed on a straight line basis over the term of the lease.

Notes to the financial statements

For the period ended 31 December 2008

2. Incoming resources

	Unrestricted (£)	Restricted (£)	2008 Total (£)
Voluntary income			
Charitable foundations and trusts	730,807	281,944	1,012,751
Corporate donors	49,102	303,624	352,726
Individuals	62,500	3,451	65,951
Multilaterals	15,813	31,016	46,829
Government support	0	30,000	30,000
	858,222	650,035	1,508,257
Investment income			
Bank interest	10,362	0	10,362
	10,362	0	10,362
Other incoming resources			
Exchange rate gain	21,727	0	21,727
Other income	607	0	607
	22,334	0	22,334
Total incoming resources	890,918	650,035	1,540,953

Notes to the financial statements

For the period ended 31 December 2008

3. Resources expended

a) Analysis of total resources expended

	Direct costs (£)	Support costs (£)	2008 Total (£)
Costs of generating funds			
Costs of generating funds	4,078	22,718	26,796
	4,078	22,718	26,796
Charitable activities			
Strengthen the operational capabilities of the network	386,449	91,759	478,208
Ensure the quality and performance of the network	56,019	9,412	65,431
Raise resources for the network	142,925	16,038	158,963
Expand the network to new countries	1,735	0	1,735
Act as an advocate and communicator for the network	9,749	83,311	93,060
	596,877	200,520	797,397
Governance costs			
Governance costs	146	13,024	13,170
	146	13,024	13,170
Total resources expended	601,101	236,262	837,363

Notes to the financial statements

For the period ended 31 December 2008

b) Analysis of support costs

	Staff costs (£)	Office, IT, & business support (£)	Travel & relationship building (£)	Depreciation (£)	2008 Total (£)
Costs of generating funds					
Costs of generating funds	15,046	6,378	862	432	22,718
	15,046	6,378	862	432	22,718
Charitable activities					
Strengthen the operational capabilities of the network	60,773	25,761	3,481	1,744	91,759
Ensure the quality and performance of the network	6,234	2,642	357	179	9,412
Raise resources for the network	10,622	4,503	608	305	16,038
Expand the network to new countries	0	0	0	0	0
Act as an advocate and communicator for the network	55,179	23,389	3,160	1,583	83,311
	132,808	56,295	7,606	3,811	200,520
Governance					
Governance	8,625	3,657	494	248	13,024
	8,625	3,657	494	248	13,024
Total support costs	156,479	66,330	8,962	4,491	236,262

Refer to Note 1 resources expended for the method used to allocate support costs.

Notes to the financial statements

For the period ended 31 December 2008

4. Independence from IBLF

The decision by the International Business Leaders Forum (IBLF) to support YBI in becoming an independent organisation was subject to a robust financial position of YBI. At the moment of transfer of funds from IBLF to YBI, both unrestricted and restricted funds were very strong. Following transfer of assets, the financial position of YBI has remained solid during 2008.

Funds transferred from IBLF to YBI in 2008 were £635,722 unrestricted and £424,195 restricted income. These amounts were reduced by expenditure of £81,418 owed to IBLF for overheads and project costs.

5. Employees

	2008 (£)
Wages and salaries	160,129
Social security	66,044
Pension costs	9,376
Other staff costs	6,015
Volunteer expenses	1,102
	242,666

The average number of employees during the period ended 31 December 2008 was:

	2008 No.
Direct charitable activities	5.6
Management and administration	3.4
	9

There were no employees whose emoluments in the period, as defined for taxation purposes, amounted to over £60,000.

6. Trustees remuneration

There are six Trustees on the Board of YBI and other than Andrew Devenport, the Chief Executive, they received no remuneration and no reimbursed expenses were paid to them during 2008.

Andrew Devenport is also a Director and employee of YBI which means that his costs are also included in Note 4 Employees. In 2008 he was paid £34,582 in gross salary and for work related expenses:

	2008 (£)
Travel & subsistence	2,577
Mobile phone calls	1,308
Entertainment	566
Office equipment	15
	4,466

7. Net income

Net income for the period is stated after charging:

	2008 (£)
Depreciation	6,963
Auditors' remuneration	1
Operating lease rentals	15,808

Audit services are provided on a pro bono basis and a nominal fee of £1 is charged.

Notes to the financial statements

For the period ended 31 December 2008

8. Tangible fixed assets

	Fixtures & fittings (£)	IT equipment (£)	Total (£)
Cost			
At 31 March 2008	0	0	0
Additions	10,420	22,602	33,022
At 31 December 2008	10,420	22,602	33,022
Accumulated depreciation			
At 31 March 2008	0	0	0
Charge for the year	1,736	5,227	6,963
At 31 December 2008	1,736	5,227	6,963
Net book value			
At 31 March 2008	0	0	0
At 31 December 2008	8,684	17,375	26,059

9. Debtors

	2008 (£)
Other debtors	18,646
Income tax recoverable	12,500
Prepayments and accrued income	35,960
	67,106

10. Creditors

Creditors	2008 (£)
Trade creditors	107,871
Other creditors	5,929
Taxation and social security	16,941
Deferred income	393,206
	523,947

Deferred income of £393,206 relates to a grant of £491,508 from Accenture which was received in 2008 to cover a project running for 15 months from October 2008, therefore 12/15ths of the income relates to 2009.

11. Statement of funds

	Unrestricted funds (£)	Restricted funds (£)	Total (£)
At 31 March 2008	0	0	0
Incoming resources	890,918	650,035	1,540,953
Resources expended	(411,315)	(426,048)	(837,363)
Transfers	0	0	0
At 31 December 2008	479,603	223,987	703,590

Notes to the financial statements

For the period ended 31 December 2008

12. Share capital

The company is limited by guarantee and has no share capital. The liability of the members is limited to the sum of £1 per member.

14. Related parties

There have been no material related party transactions during 2008.

13. Commitments

At 31 December 2008 the company has the following annual commitments under operating lease agreements that expire:

	Land and buildings 2008 (£)	Office equipment 2008 (£)
Less than 1 year	0	0
2-5 years	21,045	2,981
	21,045	2,981

Forward rate agreement

Youth Business International has a commitment with Cooperative Bank to purchase USD 807,400 between 4 January 2010 and 26 February 2010 for £515,911. The aim of this agreement is to hedge the foreign exchange risk on agreed US Dollar income as part of a 3 year Accenture project.