



helps children
communicate

REGISTERED CHARITY 210031

Annual Report & Financial Statements 2007/08



Council of Trustees Report

The Trustees of I CAN Charity ("I CAN" or "the Charity") present the Council's report and consolidated accounts for the year ended 31 March 2008.

Reference and Administrative Details of the Charity, its Trustees and Advisers

Principal Office and Registered Office

I CAN Charity
(formerly Invalid Children's Aid Nationwide)
8 Wakley Street
London
EC1V 7QE

Tel: 0845 225 4071
Fax: 0845 225 4072

A Company limited by guarantee
Registration Company number: 00099629
Registered Charity number: 210031

PATRON

HM The Queen

VICE PRESIDENTS

His Grace The Lord Archbishop of Canterbury
His Grace The Lord Archbishop of York
The Rt Rev The Lord Bishop of London
Mrs. S. Blackwood
Mr. H. Bowman
Mr. R. Buse

Mr. D. Chilvers
Sir John Craven
Lady Diana Herbert
Professor K.S. Holt MD FRCS DCH
Mr. H. Jacobs
Mr. O. Thompson

THE COUNCIL	Date Elected	Position	Sub-Committees
Mrs. Lesley James CBE	28.09.99	Chair - Retired 10.09.07	Finance, Remuneration
Lady Elizabeth Vallance	10.09.07	Chair from 10.09.07	Finance, Nominations, Remuneration
Mr. Sean Nesbitt	06.09.04	Vice-Chair	Nominations, Remuneration
Ms. Susan Cordingley	23.09.02	Treasurer	Audit, Finance, Remuneration
Ms. Julia Budd	06.09.04		Nominations
Mr. Jim Burke	23.09.02		Audit, Finance
Mr. Simon Burne	05.09.05	Resigned 21.05.08	Finance
Mr. Joe Eagle	17.09.01		
Ms. Frances Jacob	10.09.07		Audit, Finance, Remuneration
Dr. Philippa Russell CBE OBE	05.09.05	Resigned 21.05.08	
Mrs. Lesley Thompson	11.09.06		Audit

EXECUTIVE MANAGEMENT

Chief Executive
Director of Resources and Company Secretary
Director of Fundraising
Director of Development
Director of Communications
Director of Operations
Headteacher, Dawn House School
Head of Primary Services, Meath School

Ms. Virginia Beardshaw
Mr. Patrick Stewart
Mr. Charles Simpson
Mrs. Alexandra Hall
Ms. Anita Kerwin-Nye
Mrs. Clare Geldard
Mrs. Anne Jordan
Ms. Janet Dunn

Council of Trustees Report

SOLICITORS	BANKERS	AUDITORS	INVESTMENT MANAGERS
Slaughter & May	The Co-operative Bank	PricewaterhouseCoopers LLP	Capita Financial Group
One Bunhill Row	1 Islington High Street	80 The Strand	2 The Boulevard
London	London	London	Geldard Road
EC1Y 8YY	N1 9TR	WC2R 0AF	Leeds, LS12 6NT

Structure, Governance and Management

The Charity is a company limited by guarantee and is governed by a Memorandum and Articles of Association which were last amended on 10 September 2007.

Under company law the Trustees of the Charity are the Directors of the charitable company and together form the Council. Trustees are recruited by the Nominations Committee and are elected by the members for terms of three years and may serve for two or exceptionally three such terms of office.

New Trustees are inducted into the Charity through a series of meetings with I CAN's Executive Management and, during the course of the year, new and existing Trustees meet to review the Charity's operations and plans.

To enable the Council to carry out its responsibilities in the most effective way it has established a number of sub-committees to focus on certain key areas as follows:-

	Number of meetings held during year
Audit	2
Finance	2
Nominations	1
Remuneration	1

The Trustees of the Charity meet at least four times a year and are responsible for making the major decisions relating to the running of the Charity. These decisions include approval of the strategy, of the annual budget and the approval of agreements material to the financial position of the Charity.

Operational decisions are made by the Chief Executive Officer and the Executive Management of the Charity. The progress of the Charity against the strategic plan is monitored regularly by the Trustees.

The major risks to which the Charity is exposed have been identified by the Trustees, reviewed by them and systems or procedures have been established to manage those risks.

The Charity negotiates the prices charged for its services with each purchasing authority and the prices charged are based on the principles of cost recovery. The agreed prices are factored into business plans and income forecasts. Salary levels are set by reference to a job evaluation scheme that takes into account prevailing market rates. Salary changes are communicated to staff each year during the annual salary review process. Other costs are controlled by contract negotiations and competitive tendering with suppliers.

Credit risk on amounts owed to the charity by its customers is low, as the majority of debtors are local authorities. The charity has no long term borrowings and if necessary, the investment portfolio could be realised at short notice. Surplus funds are placed on short-term deposit.

I CAN's trading subsidiary, I CAN Services Limited has also been consolidated into I CAN's accounts. I CAN Services Limited provides educational services to children with a communication disability.

The Ministering Children's League has been consolidated into the accounts of I CAN in accordance with a scheme established during the year to 31 March 2003. This has the effect of appointing members of the Council of Management at I CAN as Trustees of The Ministering Children's League.

Council of Trustees Report

The Communication Trust (TCT) is funded by the Department for Children, Schools and Families (DCSF) and founded by BT Better World Campaign, Afasic and Council for Disabled Children and I CAN. I CAN is hosting the Trust. The purpose of the Trust is to raise awareness of the importance of speech, language and communication across the children's workforce and enable practitioners to access the best training and expertise to support all children's communication needs. I CAN Trustees delegate operational responsibility for the Trust to a programme board consisting of the founding organisations. The Trust is directed by an I CAN Director seconded to this role on a two day a week basis.

Objectives and Activities

The main objectives of the Charity are to break down the barriers for children with a communication disability and to promote the communication development of all children so that all children have the communication skills to be all that they can be.

The principal activities of I CAN cover four main areas:

- Schools activities relate to the provision of education services at two special schools for children aged 5 to 19 years
- Trading activities include the provision of consultancy services in return for fees and grants, running training courses for the children's workforce and the running of conferences
- Talk programmes are funded by voluntary income. They provide staff in settings and schools with CACHE-recognised training and professional development in order to support children's communication and to identify and assist those who have communication needs. The *Talk* programmes also accredit settings where these trained staff work
- Communication and information activities are directed towards parents, carers, the children's workforce, health workers, parliamentarians, opinion formers and the media. The Charity hosts The Communication Trust whose purpose is to raise awareness of the importance of speech, language and communication across the children's workforce.

Achievements and Performance

During the year 143 (target 142) pupils attended I CAN's two special schools. Dawn House School in Nottinghamshire achieved an outstanding Ofsted report and Meath School in Surrey achieved a good Ofsted report with outstanding elements.

The Communication Skills Centres at the school sites carried out 53 assessments of children's educational needs.

During the year the target of a further 45 settings and schools committing to I CAN's *Early Talk* Programme was achieved. This figure was 19 more than in the previous year. A new *Talk* programme – *Primary Talk* – was written and developed during the year and is currently being piloted in schools in three areas of England.

During the year I CAN generated in the media over 350 million opportunities for the public to learn about I CAN and its work. This vastly exceeded the target of 150 million opportunities.

Financial Review

Overall

In the third and final year of the *Every Voice Matters* strategy expenditure on charitable activities increased by £909,000 resulting in net outgoing resources in the year of £359,000 compared with net incoming resources of £101,000 in the previous year. £382,000 of the increase in expenditure was funded out of amounts raised in previous years and held in restricted reserves at the start of the year.

The Charity's income for the year to March 2008 at £8,481,000 was 5% ahead of the level achieved in the previous year. I CAN's expenditure at £8,840,000 in the year to March 2008 was £891,000 ahead of that of the previous year.

Council of Trustees Report

The net outgoing resources of £359,000 together with the loss on investments of £273,000 (2006/2007 gain of £275,000) resulted in net outgoing funds of £632,000 in 2007/2008 (£373,000 incoming in 2006/2007).

Fundraising

The year to March 2008 saw an 8% decrease in voluntary income to £2,639,000 compared with the previous year.

The year to March 2007 had benefited from the unprecedented support of the HBOS Foundation in making I CAN their charity of the year. In the year to March 2008 the generous support of BT, Openreach, The Gatsby Charitable Foundation and other organisations and individuals enabled the Charity to exceed its fundraising targets for the year.

Fundraising costs increased during the year by 2% to £769,000. The ratio of fundraising income to expenditure for 2007 was 3.4 : 1 compared with 3.8 : 1 in the prior year which benefitted from the support of the HBOS Foundation as mentioned above.

Activity

Schools' activities income at £4,447,000 during the year to March 2008 represented a 2% decrease when compared with the previous year's revenue from I CAN's two schools, Dawn House School, Nottinghamshire, and Meath School, Surrey.

Charitable expenditure includes amounts spent on communication and information, which, at £1,293,000 for the year to March 2008, represents a considerable increase on the previous year. Included in this expenditure is £334,000 spent on activities of The Communication Trust.

Governance costs at £181,000 for 2008 represent an assessment of the cost of those activities including the strategic planning and management of I CAN. Governance costs in the year to March 2008 represent a 14% decrease on the prior year that included higher consultants' costs and annual report costs.

Reserves

The Charity continues to be dependent on several sources of income to finance its current and projected operations. The majority of income (unrestricted) has no constraints placed on its use and may be expended on any of the Charity's objectives. Some income (restricted) is subject to specific conditions placed on its use by the donor. The Charity's objective is to maintain a minimum level of unrestricted reserves to ensure the short term continuity of key projects and to use restricted reserves as soon as is practically possible.

During the year to 31 March 2007 the large donation from the HBOS Foundation financed much of the charity's planned activity and enabled unrestricted reserves to increase by over £0.5 million. During the year to 31 March 2008 £382,000 has been expended from previously received restricted income held in reserves. In addition £478,000 of funds were received in this year relating to restricted sums that could not be spent in the current year and have been consequently added to restricted reserves.

The minimum level of unrestricted reserves is reviewed each year by the Trustees.

The level of these funds has been reviewed against current and future commitments. Consideration has been given to anticipated voluntary and other income and the funds required to maintain the Charity's existing programmes and planned development. After careful assessment of all the risks the Trustees have considered that a minimum of £1,500,000 is required in General Funds to meet the Charity's requirements at this time. At 31 March 2008 the General Funds held were within the minimum requirement.

Investments

The primary objective of I CAN's investment policy is to maintain and enhance the value of funds to meet the Charity's short and long term requirements.

Investments are managed by an Investment Manager appointed by Trustees. The Investment Manager is informed of I CAN's strategy to achieve the Charity's objectives. Total return on investments during the year to March 2008 was a fall of 5.9% which compares with the bench-mark of a fall of 7.7% calculated from the FTSE All Share index.

Council of Trustees Report

Future Plans

The Trustees have approved a strategy for the years 2008 to 2011 entitled *I CAN, We Will*.

I CAN's new three-year strategy centres on

- Making every parent in the United Kingdom aware of how crucial speaking and listening skills are to their child's development
- Putting communication skills at the heart of the children's policy agenda

Our goal is to develop a range of programmes and services to better meet children's communication needs, and the needs of their families, at every age and stage of development.

We will do this by working with the children and families that we serve, putting their needs at the heart of everything we do.

Through the implementation of this strategy we will contribute to the following primary goals:

- **Speech and language skills will be at the core of all children's policy** and universally agreed to be a prerequisite of success for all five Every Child Matters outcomes by 2017.
- **By 2010 every child has contact with at least one adult** who understands communication and supports its early development from birth.
- **All schools and early years settings will be able to support typical communication development** and know where to go for help when they are worried about a particular child.
- **By 2017 the entire children's workforce will be trained** so that they can support child language development, including where to go for help if a child has difficulties.
- **By 2017 there will be effective interventions for children with communication disabilities available nationwide**, including specialist help for children with severe disabilities.
- **High quality specialist education is available to 6,000 children with severe disabilities** in the UK who need it by 2010.

The priorities for our work in 2008/2009 include:

- At least 138 pupils attending I CAN's two special schools
- Carrying out at least 76 assessments of children's educational needs
- Developing two new talk programmes - *Very Early Talk* and *Secondary Talk*
- Developing the membership opportunities for I CAN.

Statement on disclosure of information to the auditors

So far as each Director is aware, there is no relevant audit information of which the company's auditors are unaware.

Each Director has taken all the steps (such as making enquiries of other Directors and the auditors and any other steps required by the Director's duty to exercise due care, skill and diligence) that he or she ought to have taken in his or her duty as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Trustees' responsibilities

As required by company law, the Trustees are responsible for ensuring the preparation of the accounts which give a true and fair view of the state of affairs of the Charity and of the Statement of Financial Activities of the Charity for that period.

In preparing the accounts for the year ended 31 March 2008, suitable accounting policies have been used and consistently applied and reasonable and prudent estimates and judgments have been made.

In all respects the accounts are prepared in accordance with applicable accounting standards and on a going concern basis. The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Council of Trustees Report

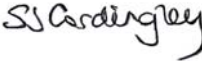
The maintenance and integrity of the I CAN website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Council



Lady Elizabeth Vallance
Chair of Trustees
18 August 2008



Susan Cordingley
Treasurer
18 August 2008



Independent Auditors' Report to the Members of I CAN Charity

We have audited the group and parent charity financial statements ("the financial statements") of I CAN Charity for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out herein.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the trustees (who are also the directors of I CAN Charity for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

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

We read the Council of 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charitable company'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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 March 2008 and of the group's incoming resources and application of resources, including the group's income and expenditure and cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Council of Trustees' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors, London, 18 August 2008

Consolidated Statement of Financial Activities for the Year Ended 31 March 2008

		Unrestricted Funds	Restricted Funds	Capital Funds	2008 Total	2007 Total
	Notes	£'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES						
Incoming Resources from Charitable Activities						
Schools activities		4,447	-	-	4,447	4,539
Trading activities		587	100	-	687	409
Communications and information		529	-	-	529	-
Incoming Resources from Generated Funds						
Gifts, donations and legacies	2	745	1,894	-	2,639	2,863
Investment income	10	179	-	-	179	239
Total Incoming Resources		6,487	1,994	-	8,481	8,050
RESOURCES EXPENDED						
Costs of Generating Funds						
Fundraising costs		767	2	-	769	757
		767	2	-	769	757
Charitable Activities						
Schools activities		4,420	496	-	4,916	4,944
Trading activities		664	268	-	932	837
Talk programmes		187	562	-	749	667
Communications and information		723	570	-	1,293	533
		5,994	1,896	-	7,890	6,981
Governance Costs	6	181	-	-	181	211
Total Resources Expended	4	6,942	1,898	-	8,840	7,949
Net (Outgoing / Incoming Resources Before Other Recognised Gains)		(455)	96	-	(359)	101
(Losses) / gains on investment assets		(171)	-	(102)	(273)	275
Losses on fixed assets		-	-	-	-	(3)
Net Movement in Funds		(626)	96	(102)	(632)	373
Fund balances brought forward at 1 April 2007		4,978	1,043	2,332	8,353	7,980
Fund Balances Carried Forward at 31 March 2008	13, 14 & 15	4,352	1,139	2,230	7,721	8,353

All of the above results arise from continuing operations of the Group.

There is no difference between the net (outgoing) / incoming resources and the historical cost equivalent. The Statement of Financial Activities includes all the income and expenditure for the Group during the year. The excess of expenditure over income in the year (as required to be reported under the Companies Act 1985) amounted to (£381,000) (2007 surplus: £98,000). This equates to the net (outgoing) / incoming resources before other recognised gains less the realised gain / (loss) on sale of investments (see Note 10) and losses on the disposal of fixed assets (see Note 9).

Consolidated and Charity Balance Sheets as at 31 March 2008

	Notes	Group 2008 £'000	2007 £'000	Charity 2008 £'000	2007 £'000
Fixed Assets					
Tangible assets	9	2,909	2,859	2,393	2,343
Investments	10	4,209	5,487	3,065	4,209
		7,118	8,346	5,458	6,552
Current Assets					
Debtors	11	2,866	2,139	1,196	573
Short term deposits		34	33	34	33
Cash at bank and in hand		195	388	195	388
		3,095	2,560	1,425	994
Current Liabilities					
Creditors falling due within one year	12	(2,492)	(2,553)	(986)	(1,107)
Net Current Assets/ (Liabilities)		603	7	439	(113)
Net Assets		7,721	8,353	5,897	6,439
Capital Funds					
Endowment funds	13	2,230	2,332	406	419
Restricted Funds					
Fixed asset funds	14	256	215	256	215
Others	14	883	828	883	828
		1,139	1,043	1,139	1,043
Unrestricted Funds					
Designated funds – fixed assets	15	1,958	1,958	1,958	1,958
Designated funds – other	15	280	280	280	280
General funds	15	2,114	2,740	2,114	2,739
		4,352	4,978	4,352	4,977
Total Funds including revaluation reserve of £674,000 (2007: £621,000)		7,721	8,353	5,897	6,439

Approved by the Council on 18 August 2008 and signed on its behalf by:



Lady Elizabeth Vallance
Chair



Susan Cordingley
Treasurer

Consolidated Cashflow Statement for the Year Ended 31 March 2008

		Notes	2008	2007
		£'000	£'000	£'000
Net Cash (Outflow) / Inflow from Operating Activities	A		(901)	493
Capital Expenditure and Financial Investment				
Acquisition of tangible fixed assets		(296)		(423)
Acquisition of investments		(95)		(804)
Proceeds from sale of investments		1,100		699
			709	(528)
Cash (outflow) before increase in liquid resources			(192)	(35)
Management of Liquid Resources (Increase) / decrease in short term deposits			(1)	12
(Decrease) in cash in the year	B		(193)	(23)
Notes to the Consolidated Cashflow Statement				
A Reconciliation of Changes in Resources to Net Cash (Outflow) / Inflow from Operating Activities				
Net (outgoing) / incoming resources			(359)	101
Depreciation			246	228
(Increase) / decrease in debtors			(727)	655
(Decrease) in creditors			(61)	(491)
Net cash (outflow) / inflow from operating activities			(901)	493
B Analysis of Changes in Cash during the Year				
Opening balance at 1 April			388	411
Movement			(193)	(23)
Closing Balance at 31 March			195	388

Notes to the Financial Statements – 31 March 2008

1. Accounting Policies

- (i) The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, under the historical cost convention (as modified by the revaluation of certain fixed assets). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2005), "Accounting and Reporting by Charities" published in March 2005, the Charities Act 1993 and the Companies Act 1985.
- (ii) A statement of total recognised gains and losses as required by Financial Reporting Standard No. 3 has not been included as the Trustees consider the information is adequately disclosed in the Statement of Financial Activities.
- (iii) Income is shown gross with the exception of funds raised by local fundraising groups which is stated after deduction of direct expenses such as hire of premises and ticket printing costs.

Income is analysed by source and by those constraints placed on it as follows:-

- Capital income** - income which increases the capital value of the endowment funds.
- Restricted income** - Income, the expenditure of which, is subject to specific conditions placed on its use by the donor.
- Unrestricted income** - income which has no constraints placed on its use and may be expended on any of the Charity's charitable objectives.

Donations in kind are credited to income when received on the basis of market value.

Investment income from endowment funds is accounted for either as general or restricted income as defined by the terms of the endowment.

Income from fees, grants, interest and income relating to the specific projects is taken into account on a receivable basis. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

Legacies and donations are included at their probate value in the year in which they are receivable, which is when the Charity becomes entitled to the resource. Legacies in the form of property or investments are included at market value.

- (iv) Funds are held in reserves having due regard to the requirements of the donor and the needs of the organisation.

Capital Funds represent endowments, the capital of which is not freely available to I CAN and must be held in perpetuity unless otherwise authorised by the Charity Commission, or so permitted by the trust under which the fund was set up. These funds cannot be used to directly support general running costs.

Restricted Funds represent the unexpended balances of donations and legacies held in trust and which can only be expended in accordance with the specific terms laid down by the donors. Again, these funds cannot be used to directly support general running costs.

Fixed Asset Funds represent amounts already expended on fixed assets all of which are used to support the work of the Charity. These assets include freehold and leasehold properties as well as equipment and motor vehicles.

Designated Funds are identified by Trustees for approved expenditure for schools development and specific projects critical to the operation and development of the Charity.

General Funds are the only funds the Charity has to use freely for the day-to-day needs of the Charity and to provide protection against future risks, including down-turns in voluntary income, stock market fluctuations and variations in other revenue streams.

Notes to the Financial Statements – 31 March 2008

- (v) Expenditure is accounted for on an accrual basis. Expenditure includes attributable VAT which cannot be recovered. Provisions are established when a legal or constructive obligation has created the liability.

Fundraising costs are those costs which are directly incurred by the Charity in fundraising. They also include an equitable share of support costs and general overheads.

Costs incurred in support of the services provided by the Charity have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs include those incurred in the governance of the Charity and are primarily associated with strategic planning, constitutional and statutory requirements.

- (vi) Depreciation is provided on tangible assets to write them off over their estimated useful lives as follows:-

Freehold Buildings	50 years
Leasehold improvements	Life of lease
Building repairs and renovations	5 to 10 years
Equipment and vehicles	4 years
Computers and software equipment	3 years

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

- (vii) Investments are stated at market value. Unrealised gains or losses are derived from the movement in market value during the year.
- (viii) Short Term Deposits represent funds held in interest bearing accounts which are available for immediate access.
- (ix) Included in Capital Funds are assets held on behalf of two trusts which are constituted as subsidiary charities of I CAN. Their Trustee is I CAN and their purposes are consistent with the objectives of I CAN (see Note 13).
- (x) Pension contributions are made under defined contribution schemes, the assets of which are held in a separately administered fund. Pension contributions are charged to the Statement of Financial Activities when payable.

Pension fund contributions for teaching staff are also made to the Teachers' Pension Scheme which is treated as if it were a defined contribution scheme under exemptions contained in FRS17 as described further in Note 21 below. These contributions are charged to the Statement of Financial Activities in the accounting period in which they fall due.

- (xi) Rentals payable under operating leases are charged on a straight line basis over the term of the lease.
- (xii) Where required, transfers are made between funds as set out in Notes 13 to 15.
- (xiii) The Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the Consolidated Cash Flow Statement include the financial statements of I CAN and its subsidiary undertaking made up to 31 March 2008 using the acquisition method of accounting on a line by line basis. Intra group transactions and profits are eliminated fully on consolidation.
- (xiv) The Charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 397 of the SORP 2005.

Notes to the Financial Statements – 31 March 2008

2. Gifts, Donations & Legacies	2008	2007
	£'000	£'000
Statutory grants	233	248
Grant making trusts	835	705
Corporate donations and sponsorship	805	1,572
Legacies	151	166
Other donations and events	615	172
	2,639	2,863
Statutory grants included in the above were As follows:		
Department for Children, Schools and Families (DCFS)		
Devolved capital formula funding	65	53
Electronic learning credit	2	3
Laptops for teachers	-	61
Schools standards grant	75	45
Standards fund	44	48
Teacher performance thresholds	17	-
Capital grant	29	-
Statutory grants – schools	1	-
CAP 2 (Communications Aids Project)	-	38
	233	248
3. Trading Subsidiary		
	2008	2007
	£'000	£'000
Sales	5,078	5,257
Cost of sales	(4,976)	(5,152)
	102	105
Other costs net of interest received	-	-
I CAN Charity support costs	(50)	(47)
	52	58
Covenant to I CAN Charity	(52)	(58)
Net profit	-	-
Aggregate assets	1,671	1,912
Aggregate liabilities	(1,671)	(1,912)
Aggregate funds	-	-

I CAN Services Limited, a wholly owned subsidiary registered in England with an issued share capital of four £1 ordinary shares, is engaged in the supply of educational services for children with learning disabilities.

Notes to the Financial Statements – 31 March 2008

4. Analysis of Expenditure	Staff Costs	Other	Depreciation	2008 Total	2007 Total
	£'000	£'000	£'000	£'000	£'000
Direct charitable expenditure					
Schools activities	3,868	862	186	4,916	4,944
Trading activities	603	309	20	932	837
Talk programmes	453	286	10	749	667
Communications and information	737	538	18	1,293	533
Governance costs (Note 6)	5,661	1,995	234	7,890	6,981
	123	58	-	181	211
Costs of Generating funds:					
Fundraising	472	285	12	769	757
	6,256	2,338	246	8,840	7,949
Staff costs:					
Wages and salaries				5,530	4,891
Social Security costs				428	402
Other pension and benefit costs				298	293
				6,256	5,586
Operating Leases Rentals					
- Land and Buildings				80	99

The average number of employees during the year was 208 (2007: 199). Their full time equivalents would be 167 (2007: 171) which can be apportioned by categories as follows: educational services 127 (2007: 131), fundraising and communications 24 (2007: 20) and 16 administration (2007: 20).

	Number in 2008	Number in 2007
Emoluments of higher paid employees:		
£60,001 to £70,000	3	2
£70,001 to £80,000	2	3
£80,001 to £90,000	1	1

Emoluments for these purposes include pension contributions and benefits.

Contributions for three (2007: two) higher paid employees were made to the Teachers' Pension Scheme and are paid at the same rate as for other employees. Contributions of £23,301 (2007: £22,245) were paid to other defined contribution schemes for four (2007: four) higher paid employees.

Notes to the Financial Statements – 31 March 2008

5. Allocation of Support Costs	General Management and Administration	Human Resources	Finance and Information Technology	2008 Total	2007 Total
	£'000	£'000	£'000	£'000	£'000
Fundraising	107	7	22	136	134
Activity					
School activities	135	109	358	602	491
Talk programmes	91	7	23	121	71
Trading activities	76	10	32	118	110
Communications and information	151	12	40	203	103
Governance costs	181	-	-	181	211
	741	145	475	1,361	1,120

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources. Property and general administration costs have been allocated on a per capita basis, staff costs by an assessment of time spent and other costs by their usage.

6. Governance Costs	2008	2007
	£'000	£'000
Strategic planning and management	138	145
Statutory and trustee reports and reviews	18	41
Auditors' remuneration – audit services	25	24
Auditors' remuneration – other services	-	1
Legal advice re governance issues	-	-
	181	211

7. Consolidated Accounts

The Charity has taken advantage of the exemption provided by section 230 (1) of the Companies Act 1985 not to publish its own Income and Expenditure account. The deficit for the year within the Charity accounts is £460,000 (2007: surplus £286,000).

8. Trustees' Remuneration

In accordance with the Charity's Memorandum of Association, no Trustee holds a salaried office with, or receives any emoluments from, I CAN Charity. Directly incurred expenses are reimbursed if claimed. In 2008 one Trustee claimed expenses of £549 (2007: £nil).

Notes to the Financial Statements – 31 March 2008

9. Tangible Fixed Assets	Group				
	Buildings and Renovations	Freehold Property	Leasehold Property	Equipment and Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2007	678	3,208	196	694	4,776
Additions	141	-	-	155	296
At 31 March 2008	819	3,208	196	849	5,072
Depreciation					
At 1 April 2007	(101)	(1,260)	-	(556)	(1,917)
Charge for the year	(63)	(64)	(30)	(89)	(246)
At 31 March 2008	(164)	(1,324)	(30)	(645)	(2,163)
Net Book Values at 31 March 2008	655	1,884	166	204	2,909
Net book values at 31 March 2007	577	1,948	196	138	2,859
	Charity				
Cost					
At 1 April 2007	678	2,692	196	694	4,260
Additions	141	-	-	155	296
At 31 March 2008	819	2,692	196	849	4,556
Depreciation					
At 1 April 2007	(101)	(1,260)	-	(556)	(1,917)
Charge for the year	(63)	(64)	(30)	(89)	(246)
At 31 March 2008	(164)	(1,324)	(30)	(645)	(2,163)
Net Book Values at 31 March 2008	655	1,367	166	204	2,393
Net book values at 31 March 2007	577	1,432	196	138	2,343

Notes to the Financial Statements – 31 March 2008

10. Investments	Group		Charity	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Market Values				
At 1 April 2007	5,487	5,107	4,209	3,915
Additions	95	804	95	804
Disposals	(1,100)	(710)	(1,100)	(710)
Realised losses	(22)	-	(22)	-
Net increase in unrealised (losses) / gains	(251)	286	(117)	200
At 31 March 2008	4,209	5,487	3,065	4,209
Nature of Investments				
UK Fixed Interest – gilts and securities	1,931	1,995	1,564	1,836
UK equities	1,155	2,418	920	1,914
Foreign equities	257	132	204	105
UK Common investment funds - Charishare	866	942	377	354
At 31 March 2008	4,209	5,487	3,065	4,209
Historical cost of investments	3,535	4,866	2,945	4,042

Investments also include an investment in the subsidiary company at a cost of £4 (see note 3). The holdings are invested in Managed Charity Funds. No holding exceeds 5% of the value of the portfolio.

Investment Income	2008	2007
	£'000	£'000
Dividends and interest on listed investments	142	224
Interest on cash deposits	37	15
	179	239

11. Debtors	Group		Charity	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Debtors for school fees	1,670	1,463	-	-
Sundry Debtors	872	474	872	24
Other Debtors	18	9	18	356
Prepayments and accrued income	306	193	306	193
	2,866	2,139	1,196	573

Notes to the Financial Statements – 31 March 2008

12. Creditors	Group		Charity	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Creditors	315	500	315	500
Other creditors including tax and social security	440	370	297	490
Accruals	181	97	324	97
Deferred Income	1,556	1,586	49	20
Amounts owed to I CAN Services Ltd	-	-	-	248
	2,492	2,553	986	1,107

Deferred income (relating to school fees received and receivable) of £1,586,000 has been released in the year while further income of £1,556,000 was deferred to the following year.

13. Capital Funds	Transfers to Other Funds	Investment Losses	2008	2007
	£'000	£'000		
Expendable Endowment				
Countess of Meath	-	(5)	135	140
Permanent Endowment				
Princess Alice Fund	-	(8)	271	279
I CAN Consolidated Fund	-	(52)	656	708
Ministering Children's League Fund	-	(37)	1,168	1,205
	-	(102)	2,230	2,332

Countess of Meath

Income to be applied for the benefit of the schools.

Princess Alice Fund

The income may be used for the general charitable purposes of I CAN Charity.

The **I CAN Consolidated Fund** and **Ministering Children's League Fund** are subsidiary charities of I CAN Charity. Income may be used for any general charitable purpose of I CAN Charity.

With the exception of the Countess of Meath endowment, only income from the endowment funds may be expended by the Charity. The capital itself must be held in perpetuity unless otherwise authorised by the Charity Commission or so permitted under the trust under which the fund was set up.

Notes to the Financial Statements – 31 March 2008

14. Restricted Funds	Restricted Income	Restricted (Expenditure)	2008	2007
	£'000	£'000	£'000	£'000
Fixed Asset Funds				
Schools	100	59	256	215
	100	59	256	215
Other Funds				
Schools	397	396	328	327
Talk programmes	606	561	304	259
Projects and other	891	882	251	242
	1,894	1,839	883	828
Total Restricted Funds	1,994	1,898	1,139	1,043

Schools

Funds received for the benefit of I CAN schools.

Talk programmes

Funds received to finance the specialist programmes of the Charity.

Projects and other

Funds received for specialist projects and other initiatives to support the needs of children with a communication disability.

15. Unrestricted Funds	Income	(Expenditure)	Investment Losses	2008	2007
	£'000	£'000	£'000	£'000	£'000
Designated: Fixed Asset Funds					
Schools	-	-	-	1,916	1,916
Trading Activities	-	-	-	4	4
Central Services	-	-	-	38	38
	-	-	-	1,958	1,958
Designated: Other Funds					
Major Projects	-	-	-	280	280
				280	280
General Funds	6,487	(6,942)	(171)	2,114	2,740
Total Unrestricted Funds	6,487	(6,942)	(171)	4,352	4,978

Fixed asset funds

Net book value of the fixed assets essential to the delivery of the Charity's direct charitable activities (not otherwise funded by Capital or Restricted Funds).

Other designated funds

Funds set aside to finance major projects which cannot be funded out of current income but which are critical to the efficient and effective operation and development of the Charity. This includes the development of buildings and their furnishings at the sites of I CAN's two schools.

Notes to the Financial Statements – 31 March 2008

16. Analysis of Group Net Assets	General Funds	Designated Funds	Fixed Asset Funds	Restricted Funds	Capital Funds	2008 Total	2007 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	179	-	1,958	256	516	2,909	2,859
Investments	2,281	280	-	54	1,594	4,209	5,487
Net current assets / (liabilities)	(346)	-	-	829	120	603	7
Total net assets	2,114	280	1,958	1,139	2,230	7,721	8,353

17. Commitments Under Operating Leases

At 31 March 2008 the Charity had commitments under a lease for its Central Office in London to 5 December 2016. The ongoing annual rental is £80,000 (2007: £80,000).

18. Contingent Liabilities

I CAN Charity received grants from the Department for Children, Schools and Families (DCSF) towards the cost of building works at two of its schools: Meath (£132,000) and Dawn House (£832,000). Under the agreements with the DCSF if the asset for which the grant was given is subsequently disposed of, the Secretary of State may require repayment of the grant or such amount as he considers represents the value of the proportion of the asset at the date of disposal for which the grant was given. None of the properties were disposed of and therefore the amount which may become repayable cannot be quantified.

19. Capital

The Company is limited by guarantee and has no share capital. The liability of the sixty members under the guarantee is limited to £1 each.

20. Related Party Transactions

The Charity is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities what are wholly owned members of the I CAN Charity Group. There were no transactions with other related parties which require disclosure, other than as stated in Note 8.

21. Pension Obligations

The Group operates two pension schemes:

- (i) The Teachers Pension Scheme (TPS); and
- (ii) The Defined Contribution Scheme

The total pension cost for the group was £256,232 (2007: £240,413).

Teachers' Pension Scheme

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

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

Latest actuarial valuation:	31 March 2004
Actuarial method:	Prospective Benefits
Investment returns per annum:	6.5% per annum
Salary scale increases per annum:	4.5% per annum
Market value of assets at date of last valuation:	£163,240 million
Proportion of members' accrued benefits covered by the actuarial value of the assets:	100%

Notes to the Financial Statements – 31 March 2008

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the year to 31 March 2008 the employer contribution was 14.1%.

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The Government Actuary is unable to identify the Charity's share of the underlying assets and liabilities of the scheme. Accordingly, the Charity has accounted for its contributions as if it were a defined contribution scheme.

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