



Annual Report and Financial Statements

For the Year Ended 31 March 2010

**I CAN Charity (formerly Invalid Children's Aid Nationwide)
Company Limited by Guarantee
Charity Founded in 1888
Registered under the Charities Act 1960
Company Registered Number 00099629
England and Wales Charity Registered Number 210031
Scottish Charity Registered Number SC039947**

I CAN Charity
Annual Report & Financial Statements for the Year Ended 31 March 2010

COUNCIL OF TRUSTEES' REPORT

The Trustees of I CAN Charity ("I CAN" or "the Charity") present the Council's report and consolidated audited financial statements for the year ended 31 March 2010.

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

Principal Office and Registered Office

I CAN Charity
 8 Wakley Street
 London
 EC1V 7QE

Company limited by guarantee
 Registered in England
 Company Registered Number 00099629
 England and Wales Charity Registered Number 210031
 Scottish Charity Registered Number SC039947

Tel: 0845 225 4071
 Fax: 0845 225 4072
 Web: www.ican.org.uk

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. Susan Blackwood
 Mr. Harold Bowman
 Mr. Rodney Buse

Mr. Donald Chilvers
 Sir John Craven
 Mr. Howard Jacobs
 Mrs. Lesley James CBE
 Mr. Oliver Thompson

THE COUNCIL

Lady Elizabeth Vallance
 Mr. Sean Nesbitt
 Ms. Frances Jacob
 Ms. Julia Budd
 Mr. Jim Burke
 Mrs. Andrea Dinnick
 Mr. Joe Eagle
 Mr. Adrian Hosford
 Dr. Victoria Joffe MRCSLT
 MHPC
 Mr. Nick Peacey
 Mr. Steven Perez
 Mr. Mark Richardson
 Mrs. Katharine Weston

Date Elected

10.09.07
 06.09.04
 10.09.07
 06.09.04
 23.09.02
 10.09.08
 17.09.01
 Co-opted till Sept2010
 Co-opted till Sept2010
 10.09.08
 10.09.08
 Co-opted till Sept2010
 10.09.09

Position

Chair
 Vice-Chair
 Treasurer from 10.09.08

Sub-Committees

Finance, Nominations, Remuneration
 Finance, Nominations, Remuneration
 Audit, Finance, Remuneration
 Nominations
 Audit, Finance
 Programme Development
 Programme Development
 Programme Development
 Audit
 Audit, Finance
 Programme Development

EXECUTIVE MANAGEMENT

Chief Executive
 Director of Resources and Company Secretary
 Director of Fundraising
 Director of Communications
 Director of Operations
 Head of Dawn House Centre
 Head of Meath Centre

Ms. Virginia Beardshaw
 Mr. Patrick Stewart
 Mr. Charles Simpson
 Ms. Lisa Knowles
 Mrs. Clare Geldard
 Mrs. Anne Jordan
 Ms. Janet Dunn OBE

SOLICITORS

Slaughter & May
 One Bunhill Row
 London
 EC1Y 8YY

BANKERS

The Co-operative Bank
 1 Islington High Street
 London
 N1 9TR

AUDITORS

PricewaterhouseCoopers LLP
 80 Strand
 London
 WC2R 0AF

INVESTMENT MANAGERS

Capita Financial Group
 2 The Boulevard
 Geldard Road
 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 2008.

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 | 3 |
| Nominations | 2 |
| Programme Development | 2 |
| Remuneration | 2 |

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 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 major risks that have been identified are the loss or impairment of staff, pupils, assets and major contracts.

Where the Charity charges for its services, the price is agreed with each purchasing authority and the prices charged are based on the principles of cost recovery. The agreed or anticipated 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 for major items of expenditure.

The 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, which provides educational services to children with communication needs has been consolidated into I CAN's accounts. The I CAN Consolidated Fund and Ministering Children's League Fund are subsidiary charities of I CAN Charity and have also been consolidated into I CAN's accounts.

The Communication Trust (TCT) was founded by BT Better World Campaign, Afasic, Council for Disabled Children and I CAN. During the year TCT has received funding from the Department for Children, Schools and Families (DCSF) amongst other funders. I CAN is hosting TCT. The purpose of TCT is to raise awareness of the importance of speech, language and communication needs (SLCN) 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 TCT, including the appointment of a full-time director of TCT, to a programme board consisting of the founding organisations.

Objectives and Activities

The main objectives of the Charity are to break down the barriers for children with communication needs 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 (Dawn House School in Nottingham and Meath School in Surrey) for children aged 5 to 19 years. The schools accept pupils from any geographical area. The majority of pupils are funded by local authorities with a small number funded by other means;
- Training and Consultancy Activities include the provision of consultancy services in return for fees and grants, training the children's workforce by means of standard and bespoke courses including courses based on I CAN's Talk Programmes. 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.
- Development Activities are funded by voluntary income. The programmes are developed to provide staff in settings and schools with professional development in order to support children's communication and to identify and assist those who have communication needs;
- Awareness Raising and Information are directed towards parents, carers, the children's workforce, health workers, parliamentarians, opinion formers and the media.

Achievements and Performance

In 2009/2010 I CAN has built on the success of the publication of John Bercow's Review of services for children and young people with SLCN and the Government's Better Communication Action Plan.

The achievements and performance of the principal areas of I CAN's work were as follows:

During the year 126 children and young people with severe and complex communication difficulties received intensive support and education at I CAN's two special schools. Of the 78 pupils who attended Dawn House School, 7 out of the 10 in Year 11 achieved GCSE's and 10 pupils went onto further education.

I CAN delivered an increasing portion of its work through training and consultancy. We have relationships with over 90 Local Authorities across the UK and collaborated with them on improving speech and language services through consultancy and training projects to improve provision. I CAN's training programme has reached over 3,500 people, with 339 professionals attending short course training on specialist communication subject to ensure that they are better equipped to tackle children's speech, language and communication needs.

I CAN continued to develop its *Secondary Talk* and *Early Talk 0-3* programmes. *Secondary Talk* supports secondary schools in becoming 'communication friendly' by providing expert consultants, training and activity packs – and by developing a programme specifically tailored to their own identified priorities. Currently being piloted in 14 secondary schools across England initial feedback has been extremely positive '*I think what's really good about the programme is that it matches the needs of the school and is so flexible*'.

Early Talk 0-3 aims to tackle head on the concern that in some areas of the UK, more than 50% of children are entering school with poor language skills - the focus is on supporting the language development of children under the age of three. The programme provides resources, activities and training but takes a strategic approach, working with Children's Trusts to help them identify what support and resources they need to support young children's communication. ET 0-3 is currently being piloted in 4 children's trusts.

2009/10 has also seen the development and piloting of *A Chance to Talk* with The Communication Trust and the Every Child a Chance Trust. A Chance to Talk will help clusters of primary schools, to develop an evidence based approach to improving the speech, language and communication skills of children aged 4-. Elements of A Chance to Talk includes: direct support for children with delayed language through a 'catch up' programme, delivered by trained teaching assistants and volunteers; and intensive one-on-one and group support for children with more severe and persistent communication difficulties, delivered by trained language specialists. It is being piloted in 32 schools in total, across four

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Local Authority areas. A Chance to Talk will lay the foundations for improved life chances for 4,320 children over the pilot period.

This year, we have developed our knowledge of the speech, language and communication needs of young people in the youth justice sector. Commissioned by the Communication Trust we have carried out market research, and have developed, piloted and evaluated a training package in 5 Youth Offending Teams so they can identify and support hidden communication needs.

I CAN's Talking Point website, the UK's flagship one stop shop for information about speech language and communication development, has had ¼ million visits from parents, carers and professionals this year. Talking Point provides up to date information about the 'ages and stages' of communication development, online and downloadable games that encourage and support communication development and advice for parents on what they should do if they think their child has problems communicating. In addition, I CAN has distributed 45,000 free resources to parents, carers, nurseries and schools. The resources provide information, tips, games and advice to help parents and teachers more confidently support children's communication development.

Our awareness raising work includes a programme of 'communication road-shows' where we collaborate with Local Authorities to highlight the importance of children's speech and language development. Last year we reached 10,000 parents and carers with information about communication development through this roadshow programme.

Financial Review

Overall

In the second year of the strategy for the years 2008 to 2011, entitled *I CAN, We Will*, I CAN increased total income and increased the amount spent on charitable activities. This was achieved in a very challenging economic environment. Rigorous cost control led to a reduction in the costs of generating funds and governance costs.

Expenditure on charitable activities was £8,166,000 (2009: £7,889,000). Net outgoing resources in the year were £112,000 compared with £582,000 in the previous year. £237,000 (2009: £543,000) of restricted expenditure was funded out of amounts raised in previous years and £53,000 (2009: £336,000) of restricted income that was received in the year has been carried forward to future periods. This results in a net reduction in restricted reserves of £183,000 (2009: £207,000).

The Charity's income for the year to 31 March 2010 at £8,996,000 was 8% above the level achieved in the previous year (2009: £8,331,000). I CAN's total expenditure at £9,108,000 in the year to March 2010 was £195,000 ahead of the previous year (2009: £8,913,000).

The net outgoing resources of £112,000 together with the gain on investments of £928,000 (2009: loss of £269,000) resulted in a net increase in funds of £816,000 in 2010 (£851,000 outgoing in 2009).

Fundraising

The year to 31 March 2010 saw a 18% increase in voluntary income to £3,769,000 (2009: £3,183,000).

During the year I CAN benefitted from the continuing and generous support of the Department of Children, Schools and Families, The Communication Trust, BT, Openreach, The Gatsby Charitable Foundation, The Paul Hamlyn Foundation and other organisations and individuals. This support enabled the Charity to increase its level of funded activity during the year.

Fundraising costs decreased in the year by 7% to £777,000. The ratio of fundraising income to expenditure for 2010 was 4.8: 1 compared with 3.8: 1 in the prior year.

Activity

Schools' Activities' income at £4,348,000 during the year represented a slight 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 Training and Consultancy Activities of £1,394k. The considerable increase over the expenditure in this area from the previous year is due to the fact that the work of The Communication Trust has been in this area this year rather than in the area of Information, where it was included last year.

Governance costs at £165,000 for 2010 represent an assessment of the cost of those activities including the strategic planning and management of I CAN.

Reserves

The Charity continues to be dependent on several sources of income to finance its current and projected operations. Some income (unrestricted) has no constraints placed on its use and may be expended on any of the Charity's objectives. The majority of income (restricted) is subject to specific conditions placed on its use by the donor. The Charity's aim 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 2010 the net use of restricted reserves was £183,000 (2009 £207,000). This was as a result of expenditure of £237,000 (2009 £543,000) from previously received restricted income held in reserves and the addition of £53,000 (2009 £336,000) of restricted funds received in the year that could not be spent in the current year.

Each year the minimum level of unrestricted reserves is reviewed by the Trustees 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 concluded that a minimum of £1,500,000 is required in General Funds to meet the Charity's requirements at this time. At 31 March 2010 the General Funds held amounted to £2,421,000 and therefore met 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 2010 was a rise of 25%. Although this is below the benchmark rise of 43% calculated from the FTSE All Share index, the Trustees are satisfied with the performance of the investments as the strategy is to invest in order to avoid the significant swings seen in the value of the benchmark. The return on investment of the fund relating to general reserves has returned 43% since 2005 compared to a return of 3% in the benchmark over the same period.

Future Plans

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

I CAN's 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 the end of 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 by the end of 2010 to 6,000 children with severe disabilities in the UK who need it.**

The priorities for our work in 2010/11 include:

- Providing expert support and education to at least 122 children with severe and complex speech, language and communication needs through I CAN's two special schools.
- Helping more parents understand the speech, language and communication needs of their children and ensuring that these needs are met by carrying out at least 50 assessments of children's educational needs.
- Developing more direct services for children and families - such as an enquiry service – to help identify needs and provide advice and support to children, young people and families.
- Continuing to develop *Very Early Talk*, *Secondary Talk* and *A Chance to Talk*, ensuring that pilots are evaluated to show the impact of these programmes on children, young people and families.
- Supporting the delivery of the government's Better Communication Action Plan. In particular we are considering how best to capitalise on the heightened awareness of the importance of children's speech and language development that will come with the planned National Year of Speech, Language and Communication.
- Increasing our partnership work with Local Authorities and commissioners to reach more children with SLCN and achieve training and consultancy income in this area of at least £470k.
- Training over 1,000 professionals through our short course programme and workplace and ambassador training, giving them the tools and the confidence to develop and support children's speech, language and communication development.
- Ensuring that I CAN is in a position to attract new strategic corporate supporters and forge a major charity of the year relationship, thus being able to reach more families with information and resources during the planned National Year of Speech, Language and Communication.

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

The trustees (who are also the directors of I CAN Charity for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

I CAN Charity
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- make judgements and 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;
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 legislation in other jurisdictions.

Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. The significant activities undertaken to carry out our aims for the public benefit and our achievements measured against those aims are provided on pages 4 and 5 of this report.

By order of the Council



Lady Elizabeth Vallance
Chair of Trustees



Frances Jacob
Treasurer

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF I CAN CHARITY

We have audited the financial statements of I CAN Charity for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors 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 those Acts.

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 company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity'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 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Council of Trustees' Report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

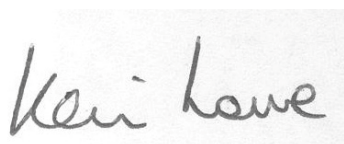
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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's and the 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 of the state of the group's and parent company's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Council of Trustees' Report is consistent with the financial statements.

A handwritten signature in black ink that reads "Kevin Lowe". The signature is written in a cursive style and is positioned above the printed name and title.

Kevin Lowe (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

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

London

Consolidated Statement of Financial Activities for the Year ended 31 March 2010

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Capital Funds £'000 | 2010 Total £'000 | 2009 Total £'000 |
|---|-------------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| INCOMING RESOURCES | | | | | | |
| INCOMING RESOURCES FROM CHARITABLE ACTIVITIES | | | | | | |
| Schools Activities | | 4,348 | - | - | 4,348 | 4,460 |
| Training and Consultancy Information | | 626 | - | - | 626 | 377 |
| | | 158 | - | - | 158 | 165 |
| INCOMING RESOURCES FROM GENERATED FUNDS | | | | | | |
| Gifts, Donations and Legacies | 2 | 2,031 | 1,738 | - | 3,769 | 3,183 |
| Investment Income | 10 | 95 | - | - | 95 | 146 |
| TOTAL INCOMING RESOURCES | | 7,258 | 1,738 | - | 8,996 | 8,331 |
| RESOURCES EXPENDED | | | | | | |
| COSTS OF GENERATING FUNDS | | | | | | |
| Fundraising Costs | | 777 | - | - | 777 | 840 |
| | | 777 | - | - | 777 | 840 |
| CHARITABLE ACTIVITIES | | | | | | |
| Schools Activities | | 4,409 | 326 | - | 4,735 | 4,865 |
| Training and Consultancy Activities | | 1,394 | 782 | - | 2,176 | 1,195 |
| Development Activities | | - | 386 | - | 386 | 331 |
| Information | | 442 | 427 | - | 869 | 1,498 |
| | | 6,245 | 1,921 | - | 8,166 | 7,889 |
| GOVERNANCE COSTS | 6 | 165 | - | - | 165 | 184 |
| TOTAL RESOURCES EXPENDED | 4 | 7,187 | 1,921 | - | 9,108 | 8,913 |
| NET (OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS | | | | | | |
| Gains/(Losses) on Investment Assets | | 620 | - | 308 | 928 | (269) |
| NET MOVEMENT IN FUNDS | | 691 | (183) | 308 | 816 | (851) |
| Fund balances brought forward at 1 April 2009 | | 3,968 | 932 | 1,970 | 6,870 | 7,721 |
| Fund balances carried forward at 31 March 2010 | 13, 14 & 15 | 4,659 | 749 | 2,278 | 7,686 | 6,870 |

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

There is no difference between the net outgoing 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 2006) amounted to £112,000 (2009 £591,000). This equates to the net (outgoing) resources before other recognised gains less the realised gain or loss on sale of investments (see Note 10) and any gains or losses on the disposal of fixed assets (see Note 9).

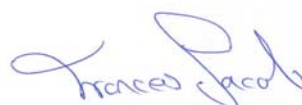
Consolidated and Charity Balance Sheets as at 31 March 2010

| | Notes | Group | | Charity | |
|--|-------|---------------|---------------|---------------|---------------|
| | | 2010 £'000 | 2009 £'000 | 2010 £'000 | 2009 £'000 |
| Fixed Assets | | | | | |
| Tangible Assets | 9 | 2,751 | 3,000 | 2,286 | 2,484 |
| Investments | 10 | 4,736 | 3,724 | 3,491 | 2,726 |
| | | 7,487 | 6,724 | 5,777 | 5,210 |
| Current Assets | | | | | |
| Debtors | 11 | 2,914 | 2,246 | 1,745 | 1,020 |
| Short Term Deposits | | 36 | 36 | 36 | 36 |
| Cash at Bank and in Hand | | 362 | 623 | 111 | 376 |
| | | 3,312 | 2,905 | 1,892 | 1,432 |
| Current Liabilities | | | | | |
| Creditors falling due within one year | 12 | (3,113) | (2,759) | (1,906) | (1,436) |
| Net Current Assets/(liabilities) | | 199 | 146 | (14) | (4) |
| Net Assets | | 7,686 | 6,870 | 5,763 | 5,206 |
| Capital Funds | | | | | |
| Endowment Funds | 13 | 2,278 | 1,970 | 355 | 306 |
| Restricted Funds | | | | | |
| Fixed Asset Funds | 14 | 141 | 251 | 141 | 251 |
| Others | 14 | 608 | 681 | 608 | 681 |
| | | 749 | 932 | 749 | 932 |
| 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 | 2,421 | 1,730 | 2,421 | 1,730 |
| | | 4,659 | 3,968 | 4,659 | 3,968 |
| Total Funds including revaluation reserve of £1,292,000 (2009: £364,000) | | 7,686 | 6,870 | 5,763 | 5,206 |

Approved by the Council on 7 July 2010 and signed on its behalf by:



Lady Elizabeth Vallance – Chair



Frances Jacob – Treasurer

Consolidated Cashflow Statement for the Year Ended 31 March 2010

| | Notes | 2010 | | 2009 | |
|--|----------|-------|--------------|-------|------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Net cash(outflow)/inflow from operating activities | A | | (143) | | 589 |
| Capital expenditure and financial investment | | | | | |
| Acquisition of tangible fixed assets | | (34) | | (375) | |
| Acquisition of investments | | (84) | | (67) | |
| Proceeds from sale of investments | | - | | 283 | |
| | | | (118) | | (159) |
| Cash (outflow)/inflow before increase in liquid resources | | | (261) | | 430 |
| Management of liquid resources | | | | | |
| (Increase) in short term deposits | | | - | | (2) |
| (Decrease)/increase in cash in the year | B | | (261) | | 428 |
| Notes to the Consolidated Cashflow Statement | | | | | |
| A Reconciliation of Changes in Resources To Net cash (outflow)/inflow from operating activities | | | | | |
| Net (outgoing) resources | | (112) | | (582) | |
| Depreciation | | 283 | | 284 | |
| (Increase)/decrease in debtors | | (668) | | 620 | |
| Increase in creditors | | 354 | | 267 | |
| Net cash (outflow)/inflow from operating activities | | | (143) | | 589 |
| B Analysis of Changes in Cash during the Year | | | | | |
| Opening balance at 1 April | | | 623 | | 195 |
| Movement | | | (261) | | 428 |
| Closing balance at 31 March | | | 362 | | 623 |

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), "Accounting and Reporting by Charities" published (revised 2005), the Charities Act 1993 as amended by the Charities Act 2006 and the Companies Act 2006.
- (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 normally 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.

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.

I CAN Charity

Notes to the Financial Statements – 31 March 2010

- (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 |
| Buildings 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 less appropriate depreciation.

- (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 separately administered funds. 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 undertakings made up to 31 March 2010 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 adapted the Companies Act formats to reflect the Charity SORP and the special nature of the Charity's activities. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by the Companies Act 2006 and the Charity SORP.

I CAN Charity
Notes to the Financial Statements – 31 March 2010

| 2. Gifts, Donations & Legacies | 2010 | 2009 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Statutory Grants | 1,569 | 922 |
| Grant Making Trusts | 974 | 1,097 |
| Corporate Donations and Sponsorship | 502 | 620 |
| Legacies | 435 | 46 |
| Other Donations and Events | 289 | 498 |
| | 3,769 | 3,183 |
| Statutory Grants included in the above were as follows: | | |
| Department for Children, Schools & Families (DCFS) | | |
| Schools Standards Grant | 86 | 211 |
| Devolved Capital Formula Funding | 62 | - |
| Standards Fund | 46 | - |
| Teacher Performance Thresholds | 40 | 26 |
| Specialist Schools – Status Funding | 60 | 60 |
| Harnessing Technology Grant | 3 | - |
| Electronic Learning Credit | - | 4 |
| Statutory Grants – TCT | 885 | 519 |
| Statutory Grants – Fundraised CYPF | 248 | 53 |
| | 1,430 | 873 |
| Children’s Workforce Development Council | | |
| Statutory Grants - TCT | 50 | - |
| Statutory Grants – Fundraised New | - | 49 |
| | 70 | - |
| Department of Health | | |
| | 19 | - |
| | 1,569 | 922 |
| 3. Trading Subsidiary | | |
| | 2010 | 2009 |
| | £'000 | £'000 |
| Sales | 4,779 | 4,802 |
| Cost of Sales | (4,684) | (4,706) |
| | 95 | 96 |
| I CAN Charity support costs | (51) | (47) |
| | 44 | 49 |
| Covenant to I CAN Charity | (44) | (49) |
| Net Profit | - | - |
| Aggregate assets | 1,357 | 1,338 |
| Aggregate liabilities | (1,357) | (1,338) |
| 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 speech, language and communication needs.

I CAN Charity
Notes to the Financial Statements – 31 March 2010

| 4. Analysis of Expenditure | Staff Costs | Other | Depreciation | 2010 Total | 2009 Total |
|--------------------------------------|------------------------|--------------|---------------------|-----------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Direct charitable expenditure | | | | | |
| Schools Activities | 3,738 | 787 | 210 | 4,735 | 4,863 |
| Training and Consultancy | 1,494 | 653 | 29 | 2,176 | 1,196 |
| Development Activities | 298 | 84 | 4 | 386 | 332 |
| Information | 433 | 415 | 21 | 869 | 1,498 |
| | 5,963 | 1,939 | 264 | 8,166 | 7,889 |
| Governance Costs (Note 6) | 113 | 50 | 2 | 165 | 184 |
| Costs of Generating funds | | | | | |
| Fundraising | 453 | 306 | 18 | 777 | 840 |
| | 6,529 | 2,295 | 284 | 9,108 | 8,913 |
| Staff costs: | | | | | |
| Wages and Salaries | | | | 5,115 | 5,000 |
| Social Security costs | | | | 468 | 452 |
| Other pension and benefit costs | | | | 315 | 319 |
| Agency staff and consultants | | | | 364 | 845 |
| Other staff costs | | | | 267 | 286 |
| | | | | 6,529 | 6,902 |
| Operating leases rentals | | | | | |
| - Land and buildings | | | | 80 | 80 |

The average number of employees during the year was 200 (2009: 206). Their full time equivalents would be 164 (2009: 165) which can be apportioned by categories as follows: educational services 137 (2009: 126), fundraising and communications 20 (2009: 26) and administration 7 (2009: 13).

| | Number in 2010 | Number in 2009 |
|---|-----------------------|-----------------------|
| Emoluments of higher paid employees: | | |
| £60,001 to £70,000 | 4 | 3 |
| £70,001 to £80,000 | 3 | 3 |
| £80,001 to £90,000 | 1 | 2 |
| £90,001 to £100,000 | 1 | 1 |

Emoluments for these purposes include pension contributions and benefits.

Contributions for four (2009: three) higher paid employees were made to the Teachers' Pension Scheme and are paid at the same rate as for other teachers. Contributions of £28,038 (2009: £33,113) were paid to defined contribution schemes for five (2009: six) higher paid employees.

| 5. Allocation of Support Costs | Occupancy | Human Resources | Finance and Information Technology | 2010 Total | 2009 Total |
|---------------------------------------|------------------|----------------------------|---|-----------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fundraising | 136 | 6 | 23 | 165 | 170 |
| Activity | | | | | |
| School Activities | - | 118 | 405 | 523 | 607 |
| Development Activities | 25 | 4 | 13 | 42 | 48 |
| Training and Consultancy | 74 | 22 | 73 | 169 | 95 |
| Information | 129 | 7 | 26 | 162 | 214 |
| | 364 | 157 | 540 | 1,061 | 1,134 |
| Governance Costs | 133 | - | - | 133 | 127 |
| | 497 | 157 | 540 | 1,194 | 1,261 |

I CAN Charity
Notes to the Financial Statements – 31 March 2010

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

| Analysis of support costs | Staff Costs | Other | Depreciation | 2010 | 2009 |
|------------------------------------|-------------|------------|--------------|----------------|----------------|
| | £'000 | £'000 | £'000 | Total £'000 | Total £'000 |
| Occupancy | 192 | 258 | 47 | 497 | 627 |
| Human Resources | 40 | 117 | - | 157 | 168 |
| Finance and Information Technology | 287 | 221 | 32 | 540 | 466 |
| | 519 | 596 | 79 | 1,194 | 1,261 |

| 6. Governance Costs | 2010 | 2009 |
|---|------------|------------|
| | £'000 | £'000 |
| Strategic planning and management | 133 | 127 |
| Statutory and trustee reports and reviews | - | 16 |
| Auditors' remuneration – audit services | 22 | 26 |
| Auditors' remuneration – other services | 10 | 6 |
| Legal advice | - | 9 |
| | 165 | 184 |

7. Consolidated Accounts

The Charity has taken advantage of the exemption provided by the Companies Act 2006 and the Charity SORP not to publish its own Income and Expenditure account. The surplus for the year within the Charity accounts is £557,000 (2009: £691,000 deficit).

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. There were no claims in 2010; (2009: Nil).

I CAN Charity
Notes to the Financial Statements – 31 March 2010

| 9. Tangible Fixed Assets | Group | | | | Total |
|--|-------------------------|-------------------|--------------------|----------------------------|----------------|
| | Buildings & Renovations | Freehold Property | Leasehold Property | Equipment & Motor Vehicles | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 April 2009 | | | | | |
| Opening Balance | 1,071 | 3,208 | 196 | 670 | 5,145 |
| Additions | 8 | - | - | 26 | 34 |
| Disposals at Cost | - | - | - | - | - |
| At 31 March 2010 | 1,079 | 3,208 | 196 | 696 | 5,179 |
| Depreciation | | | | | |
| At 1 April 2009 | | | | | |
| Opening Balance | (267) | (1,388) | (50) | (440) | (2,145) |
| Charge for the year | (108) | (65) | (19) | (91) | (283) |
| Eliminated on Disposal | - | - | - | - | - |
| At 31 March 2010 | (375) | (1,453) | (69) | (531) | (2,428) |
| Net book values at 31 March 2010 | 704 | 1,755 | 127 | 165 | 2,751 |
| Net book values at 31 March 2009 | 804 | 1,820 | 146 | 230 | 3,000 |
| | | | | | |
| | Charity | | | | |
| Cost | | | | | |
| At 1 April 2009 | | | | | |
| Opening Balance | 1,071 | 2,692 | 196 | 670 | 4,629 |
| Additions | 8 | - | - | 26 | 34 |
| Disposals at Cost | - | - | - | - | - |
| At 31 March 2010 | 1,079 | 2,692 | 196 | 696 | 4,663 |
| Depreciation | | | | | |
| At 1 April 2009 | | | | | |
| Opening Balance | (267) | (1,388) | (50) | (440) | (2,145) |
| Charge for the Year | (108) | (14) | (19) | (91) | (232) |
| Eliminated on Disposal | - | - | - | - | - |
| At 31 March 2010 | (375) | (1,402) | (69) | (531) | (2,377) |
| Net book values at 31 March 2010 | 704 | 1,290 | 127 | 165 | 2,286 |
| Net book values at 31 March 2009 | 804 | 1,304 | 146 | 230 | 2,484 |
| | | | | | |
| 10. Investments | Group | | Charity | | |
| | 2010 | 2009 | 2010 | 2009 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Market Values | | | | | |
| At 1 April 2009 | | | | | |
| Opening Balance | 3,724 | 4,209 | 2,726 | 3,065 | |
| Additions | 84 | 67 | 84 | 67 | |
| Disposals | - | (283) | - | (283) | |
| Realised gains/(loss) | - | (9) | - | (9) | |
| Net increase in unrealised gains/(loss) | 928 | (260) | 681 | (114) | |
| At 31 March 2010 | 4,736 | 3,724 | 3,491 | 2,726 | |
| Nature of Investments | | | | | |
| UK Fixed Interest – gilts and securities | 1,426 | 1,063 | 1,149 | 851 | |
| UK equities | 1,589 | 1,836 | 1,280 | 1,470 | |
| European Bonds | 245 | - | 197 | - | |
| Foreign equities | 815 | 322 | 656 | 258 | |
| UK Common investment funds - Charishare | 661 | 503 | 209 | 147 | |
| At 31 March 2010 | 4,736 | 3,724 | 3,491 | 2,726 | |
| Historical cost of investments | 3,508 | 3,424 | 2,590 | 2,506 | |

I CAN Charity

Notes to the Financial Statements – 31 March 2010

Investments also include an investment in the trading 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 | 2010 | 2009 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Dividends and interest on Listed Investments | 95 | 114 |
| Interest on Cash Deposits | - | 32 |
| | 95 | 146 |

| 11. Debtors | Group | | Charity | |
|--|--------------|--------------|----------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due within one year | | | | |
| Debtors for school fees | 1,169 | 1,241 | - | - |
| Non school fee debtors | 1,358 | 624 | 1,358 | 624 |
| Other Debtors | 12 | 16 | 12 | 31 |
| Prepayments and accrued income | 375 | 365 | 375 | 365 |
| | 2,914 | 2,246 | 1,745 | 1,020 |

Non school fee debtors include £942,000 due from the DCSF (2009: £13,000)

| 12. Creditors | Group | | Charity | |
|---|--------------|--------------|----------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due within one year | | | | |
| Creditors | 565 | 291 | 565 | 291 |
| Other creditors including tax and Social Security | 389 | 401 | 389 | 401 |
| Accruals | 148 | 75 | 148 | 75 |
| Amount owed to I CAN Services Limited | - | - | 150 | - |
| Deferred Income | 2,011 | 1,992 | 654 | 669 |
| | 3,113 | 2,759 | 1,906 | 1,436 |

Deferred income relating to school fees received and receivable of £1,323,000 has been released in the year while further income of £1,357,000 was deferred to the following year. Deferred income of £654,000 relating to trading activities has also been deferred to the following year.

| 13. Capital Funds | Transfers to | Investment | 2010 | 2009 |
|------------------------------------|---------------------|-------------------|--------------|--------------|
| | Other Funds | Gains | £'000 | £'000 |
| | £'000 | £'000 | | |
| Expendable Endowment | | | | |
| Countess of Meath | - | - | 92 | 92 |
| Permanent Endowment | | | | |
| Princess Alice Fund | - | 50 | 264 | 214 |
| I CAN Consolidated Fund | - | 10 | 652 | 642 |
| Ministering Children's League Fund | - | 248 | 1,270 | 1,022 |
| | - | 308 | 2,278 | 1,970 |

Countess of Meath

Income is 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.

I CAN Charity
Notes to the Financial Statements – 31 March 2010

| 14. Restricted Funds | Restricted Income | Restricted (Expenditure) | 2010 | 2009 |
|-------------------------------|-------------------|--------------------------|------------|------------|
| | £'000 | £'000 | £'000 | £'000 |
| Fixed Asset Funds | | | | |
| School Aged Children | - | (110) | 141 | 251 |
| | - | (110) | 141 | 251 |
| Other Funds | | | | |
| School Aged Children | 153 | (147) | 224 | 218 |
| Development Activities | 614 | (600) | 168 | 154 |
| Projects and Other | 971 | (1,064) | 216 | 309 |
| | 1,738 | (1,811) | 608 | 681 |
| Total Restricted Funds | 1,738 | (1,921) | 749 | 932 |

School Aged Children

Funds received for the benefit of children aged up to 19 years old.

Development Activities

Funds received to finance the development programmes.

Projects and Other

Funds received for development of the Children's workforce.

| 15. Unrestricted Funds | Income | (Expenditure) | Investment Gains | 2010 | 2009 |
|--------------------------------------|--------------|----------------|------------------|--------------|--------------|
| | £'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 | 7,258 | (7,187) | 620 | 2,421 | 1,730 |
| Total Unrestricted Funds | 7,258 | (7,187) | 620 | 4,659 | 3,968 |

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.

| 16. Analysis of Group Net Assets | General Funds | Designated Funds | Fixed Asset Funds | Restricted Funds | Capital Funds | 2010 Total | 2009 Total |
|----------------------------------|---------------|------------------|-------------------|------------------|---------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Tangible Fixed Assets | 136 | - | 1,958 | 141 | 516 | 2,751 | 3,000 |
| Investments | 3,051 | 280 | - | - | 1,405 | 4,736 | 3,724 |
| Net current assets/(liabilities) | (766) | - | - | 608 | 357 | 199 | 146 |
| Total net assets | 2,421 | 280 | 1,958 | 749 | 2,278 | 7,686 | 6,870 |

17. Commitments under Operating Leases

At 31 March 2010 the Charity had commitments under a lease for its Central Office in London to 5 December 2016. The ongoing annual rental is £80,000 (2009: £80,000) which is due to expire in more than five years.

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 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. One of the Trustees (2009 - none) pays additional school fees on normal commercial terms for accommodation of their child. There were no other transactions with other related parties which require disclosure, other than as stated in Note 8.

21. Pension Obligations

The group participates in two pension schemes:

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

The total pension cost for the group was £268,000 (2009: £268,000).

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 not less than every four 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% |

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 2010 the employer contribution was 14%.

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.