



helps children
communicate
REGISTERED CHARITY 21003-1

Annual Report and Financial Statements 2008/2009



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 2009.

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

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

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

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. Harold Jacobs
Mrs. Lesley James CBE
Mr. Oliver Thompson

THE COUNCIL	Date Elected	Position	Sub-Committees
Lady Elizabeth Vallance	10.09.07	Chair	Finance, Nominations, Remuneration
Mr Sean Nesbitt	06.09.04	Vice-Chair	Finance, Nominations, Remuneration
Ms. Susan Cordingley	23.09.02	Treasurer – Resigned 10.09.08	Audit, Finance, Remuneration
Ms. Frances Jacob	10.09.07	Treasurer – from 10.09.08	Audit, Finance, Remuneration
Ms. Julia Budd	06.09.04		Nominations
Mr. Jim Burke	23.09.02		Audit, Finance
Mrs. Andrea Dinnick	10.09.08		
Mr. Joe Eagle	17.09.01		
Mr. Nick Peacey	10.09.08		
Mr. Steven Perez	10.09.08		Audit
Mrs. Lesley Thompson	11.09.06	Resigned 10.09.08	Audit
Mrs. Katharine Weston	Co-opted 10.03.09		

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

Council of Trustees' Report

SOLICITORS	BANKERS	AUDITORS	INVESTMENT MANAGERS
Slaughter and 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 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	2
Nominations	3
Remuneration	3

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.

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.

Council of Trustees' Report

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 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;
- 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;
- 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;
- Communications and Information 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

2008/2009 has seen the realisation of I CAN's campaigning work with the publication of John Bercow's Review of services for children and young people with SLCN. The government's response, the Better Communication Action Plan, outlined an ambitious three year funded programme of system improvement, service development and public awareness raising that will change lives.

The Better Communication Action Plan places speech, language and communication as one of the government's 2009 priorities, a point echoed in the *Healthy Lives, Brighter Futures* Report published jointly by the Department of Health and the DCSF in February 2009. The fact that speech, language and communication issues have featured across a number of policy documents represents a significant achievement in terms of I CAN's public affairs work over the last few years. This is speech, language and communication at the core of children's policy.

Through voluntary income, I CAN has extended its roadshow programme which aims to raise awareness of the importance of speech, language and communication by reaching out to families in communities across the UK. Events have taken place in Bristol, Nottingham, Manchester and Greater London. This work has reached over 6,000 families and 500 members of the children's workforce and will be continuing until 2011 with support from the DCSF.

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.

Council of Trustees' Report

During the year 139 children and young people with severe and complex communication difficulties received intensive support and education at I CAN's two special schools. Both schools received excellent Ofsted results last year, being classed as 'Outstanding' for developing pupils' wellbeing. Of the 92 pupils who attended Dawn House School, 13 out of the 14 in Year 11 achieved GCSEs and 14 pupils went on to Further Education.

I CAN's Bill Harrison Assessment Centres in the South East and Midlands carried out over one assessment per week of children's needs (69 assessments in total). A review of one month's assessment of 8 children found that as a result of the assessment half the parents understood more and felt more confident about their children's needs. In addition, school-based support for each child was modified (for example, through a modified curriculum, communication aids or more personalised support in the classroom or through input from speech and language therapists, occupational therapists or educational psychologist.) In one case a family was able to secure their child a statement of special educational needs as the result of the assessment. In a further two cases, a child's statement was amended in the light of the assessment findings to better reflect their needs.

During the year 45 new settings took up I CAN's *Early Talk* programme. *Early Talk* gives early years practitioners the skills and training that they need to support children's communication development, ensuring that young children have the speech and language skills they need to start learning when they get to school.

The programme ensures that teachers and speech and language therapists share their skills and knowledge to maximise all children's potential and ensures that each nursery meets the communication needs of all of its children. I CAN is working in over 70 local authorities in England, 7 in Scotland, 2 in Northern Ireland and one in Wales. *Early Talk* is currently being implemented in over 270 Sure Start Children's Centres. In total, 3,725 early year' staff have been trained and 300 settings accredited. This means that approximately 10,000 children in these accredited settings are benefitting from an increased focus on speech, language and communication development.

Primary Talk, which gives primary school staff the skills and knowledge to effectively deliver information to children throughout the school day, is being piloted in approx 100 schools across three local authority areas (Somerset, Bradford and Walsall). *Primary Talk* benefits all children – from the confident and capable communicators to the children who have poor communication skills as well as those who have severe and complex language difficulties.

We have continued to develop the *Very Early Talk* and *Secondary Talk* programmes. Through *Very Early Talk* I CAN aims to support the speech, language and communication development of all children 0-3 by providing information and support to: parents and families; early years settings and healthcare professionals such as Health Visitors, midwives and community nurses. *Secondary Talk* aims to improve the attainment of young people held back in their education by poor language skills and reduce the number of young people excluded from school as a result of behavioural problems stemming from unidentified or unaddressed speech, language and communication needs.

I CAN's training programme has reached over 1,000 people, with 400 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 has reached 800 practitioners through workplace training.

Financial Review

Overall

In the first year of the strategy for the years 2008 to 2011, entitled *I CAN, We Will*, expenditure on charitable activities was £7,889,000 - the same as the previous year. Net outgoing resources in the year were £582,000 compared with £359,000 in the previous year. £543,000 of restricted expenditure was funded out of amounts raised in previous years and £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 £207,000.

Council of Trustees' Report

The Charity's income for the year to 31 March 2009 at £8,331,000 was 2% below the level achieved in the previous year. I CAN's total expenditure at £8,913,000 in the year to March 2009 was £73,000 ahead of that of the previous year.

The net outgoing resources of £582,000 together with the loss on investments of £269,000 (2008 loss of £273,000) resulted in net outgoing funds of £851,000 in 2009 (£632,000 outgoing in 2008).

Fundraising

The year to 31 March 2009 saw a 1% increase in voluntary income to £2,664,000 compared with the previous year.

During the year I CAN benefitted from the continuing and generous support of BT, Openreach, The Gatsby Charitable Foundation, The Paul Hamlyn Foundation and other organisations and individuals. This support enabled the Charity to maintain its level of funded activity during difficult economic times.

Fundraising costs increased during the year by 9% to £840,000. The ratio of fundraising income to expenditure for 2009 (including allocated support costs as described in note 5) was 3.2 : 1 compared with 3.4 : 1 in the prior year. Without the allocation of support costs the rate of fundraising income to expenditure for 2009 was 4.0 : 1 (2008 4.2 : 1). Investment was made in the year in the area of individual giving.

Activity

Schools' Activities' income at £4,460,000 during the year represented a 3% 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 £1,498,000 for the year to 31 March 2009, represents an increase on the previous year of 16%. Included in this expenditure is £542,000 spent on activities of The Communication Trust.

Governance costs at £184,000 for 2009 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. 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 2009 the net use of restricted reserves was £207,000. This was as a result of expenditure of £543,000 from previously received restricted income held in reserves and the addition of £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 2009 the General Funds held 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 2009 was a fall of 6.2 % which compares favourably with the bench-mark of a fall of 31% 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 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 2009/2010 include:

- Providing expert support and education to at least 131 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 70 assessments of children's educational needs.
- Following the successful *Primary Talk* pilot in Somerset, Bradford and Walsall, to maximise trading opportunities through continuing to roll-out and further embed the programme with local authorities across the country.
- Continue to develop *Very Early Talk* and *Secondary Talk*.
- Support the delivery of the government's Better Communication Action Plan and capitalise on the opportunities afforded by the increased policy focus on speech, language and communication to reach more children with SLCN and achieve consultancy income in this area of at least £500k.
- To train 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.
- To increase internal and external awareness around the fact that as many as 60% of young people in the Youth Justice system have undiagnosed SLCN, and forge strategic partnerships to create future tradable products and programmes to meet this need.

Council of Trustees' Report

- To develop 16 specialist *Early Talk* provisions, 10 *Primary Talk* specialist provisions, and at least 100 enhanced and supportive sites at both early years and primary ages.
- To extend I CAN's roadshow programme which aims to raise awareness of the importance of speech, language and communication by reaching out to families in communities across the UK. A total of 14 events are planned over the next two years, with funding from the DCSF. The aim is to develop a scalable public engagement model that might be rolled out across the country during the planned National Year of Speech, Language and Communication in 2011/2012.
- To ensure 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.
- Develop and secure funding for *A Chance to Talk* – a 3 wave model to support children's SLCN in collaboration with The Communication Trust and the Every Child a Chance Trust. The programme builds on the recommendations within the Rose Review of the Primary Curriculum, the emerging work of the Lamb Inquiry and the direction of travel within the Better Communication Action Plan. It will have a particular focus on tackling communication needs linked to social disadvantage – those described by Sir Jim Rose as having 'word poverty' - alongside those who have more entrenched difficulties.
- Work with MENCAP to develop and deliver a training programme aimed at improving support for people with learning difficulties who are at increased risk of offending because of their speech, language and communication needs.

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 are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and Group and of the incoming resources and application of resources of the Group for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 Charity will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

Council of Trustees' Report

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and the Group and to 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 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 I CAN website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

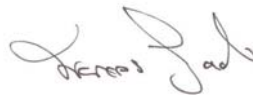
Public Benefit

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 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 2009 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 therein.

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.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 1985 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 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 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.

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.

Council of Trustees' Report

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 2009 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; 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, 13 July 2009

Consolidated Statement of Financial Activities for the Year Ended 31 March 2009

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Capital Funds £'000	2009 Total £'000	2008 Total £'000
INCOMING RESOURCES						
Incoming Resources from Charitable Activities						
Schools activities		4,460	-	-	4,460	4,612
Trading activities		377	-	-	377	522
Communications and information		684	-	-	684	529
Incoming Resources from Generated Funds						
Gifts, donations and legacies	2	1,007	1,657	-	2,664	2,639
Investment income	10	146	-	-	146	179
Total Incoming Resources		6,674	1,657	-	8,331	8,481
RESOURCES EXPENDED						
Costs of Generating Funds						
Fundraising costs		840	-	-	840	769
		840	-	-	840	769
Charitable Activities						
Schools activities		4,743	79	43	4,865	4,916
Trading activities		213	982	-	1,195	932
Development activities		-	331	-	331	749
Communications and information		1,026	472	-	1,498	1,293
		5,982	1,864	43	7,889	7,890
Governance Costs	6	184	-	-	184	181
Total Resources Expended	4	7,006	1,864	43	8,913	8,840
Net (Outgoing / Incoming Resources Before Other Recognised Gains)		(332)	(207)	(43)	(582)	(359)
(Losses) on investment assets		(52)	-	(217)	(269)	(273)
Net Movement in Funds		(384)	(207)	(260)	(851)	(632)
Fund balances brought forward at 1 April 2008		4,352	1,139	2,230	7,721	8,353
Fund Balances Carried Forward at 31 March 2009	13, 14 & 15	3,968	932	1,970	6,870	7,721

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 1985) amounted to £591,000 (2008 £381,000). This equates to the net (outgoing)/incoming resources before other recognised gains less the realised gain on sale of investments (see Note 10) and losses on the disposal of fixed assets (see Note 9).

The comparative figures for incoming resources for Schools Activities and Trading Activities have been restated to reflect more meaningful classifications made in the year to 31 March 2009. £165,000 that was previously shown as Trading Activities has been re-classified as Schools Activities.

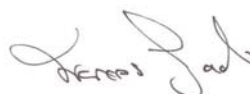
Consolidated and Charity Balance Sheets as at 31 March 2009

	Notes	Group		Charity	
		2009	2008	2009	2008
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	9	3,000	2,909	2,484	2,393
Investments	10	3,724	4,209	2,726	3,065
		6,724	7,118	5,210	5,458
Current Assets					
Debtors	11	2,246	2,866	1,020	1,196
Short term deposits		36	34	36	34
Cash at bank and in hand		623	195	376	195
		2,905	3,095	1,432	1,425
Current Liabilities					
Creditors falling due within one year	12	(2,759)	(2,492)	(1,436)	(986)
Net Current Assets/ (Liabilities)		146	603	(4)	439
Net Assets		6,870	7,721	5,206	5,897
Capital Funds					
Endowment funds	13	1,970	2,230	306	406
Restricted Funds					
Fixed asset funds	14	251	256	251	256
Others	14	681	883	681	883
		932	1,139	932	1,139
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	1,730	2,114	1,730	2,114
		3,968	4,352	3,968	4,352
Total Funds including revaluation reserve of £674,000 (2007: £621,000)		6,870	7,721	5,206	5,897

Approved by the Council on 8 July 2009 and signed on its behalf by:



Lady Elizabeth Vallance
Chair



Frances Jacob
Treasurer

Consolidated Cashflow Statement for the Year Ended 31 March 2009

		2009		2008	
		£'000	£'000	£'000	£'000
	Notes				
Net Cash (Outflow) / Inflow from Operating Activities	A		589		(901)
Capital Expenditure and Financial Investment					
Acquisition of tangible fixed assets		(375)		(296)	
Acquisition of investments		(67)		(95)	
Proceeds from sale of investments		283		1,100	
			(159)		709
Cash inflow / (outflow) before increase in liquid resources			430		(192)
Management of Liquid Resources (Increase) in short term deposits			(2)		(1)
Increase / (decrease) in cash in the year	B		428		(193)
Notes to the Consolidated Cashflow Statement					
A Reconciliation of Changes in Resources to Net Cash (Outflow) / Inflow from Operating Activities					
Net (outgoing) resources			(582)		(359)
Depreciation			284		246
(Increase) / decrease in debtors			620		(727)
Increase / (decrease) in creditors			267		(61)
Net cash (outflow) / inflow from operating activities			589		(901)
B Analysis of Changes in Cash during the Year					
Opening balance at 1 April			195		388
Movement			428		(193)
Closing Balance at 31 March			623		195

Notes to the Financial Statements – 31 March 2009

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 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.

Notes to the Financial Statements – 31 March 2009

- (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 2009 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 2009

2. Gifts, Donations & Legacies	2009	2008
	£'000	£'000
Statutory grants	403	233
Grant making trusts	1,097	835
Corporate donations and sponsorship	620	805
Legacies	46	151
Other donations and events	498	615
	2,664	2,639
Statutory grants included in the above were As follows:		
Department for Children, Schools and Families (DCFS)		
Devolved capital formula funding	-	65
Electronic learning credit	4	2
Schools standards grant	211	75
Standards fund	-	44
Teacher performance thresholds	26	17
Capital grant	-	29
Specialist schools – status funding	60	-
Statutory grants – schools	-	1
Statutory grants – fundraised CYPF	53	-
	354	233
Children’s Workforce Development Council		
Statutory grants – fundraised new	49	-
	403	233
3. Trading Subsidiary	2009	2008
	£'000	£'000
Sales	4,802	5,078
Cost of sales	4,706	4,976
	96	102
I CAN Charity support costs	(47)	(50)
	49	52
Covenant to I CAN Charity	(49)	(52)
Net profit	-	-
Aggregate assets	1,338	1,671
Aggregate liabilities	(1,338)	(1,671)
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 2009

4. Analysis of Expenditure	Staff Costs	Other	Depreciation	2009 Total	2008 Total
	£'000	£'000	£'000	£'000	£'000
Direct charitable expenditure					
Schools activities	3,994	653	216	4,863	4,916
Trading activities	1,032	144	20	1,196	932
Development activities	271	56	5	332	749
Communications and awareness raising	972	503	23	1,498	1,293
Governance costs (Note 6)	6,269	1,356	264	7,889	7,890
	110	72	2	184	181
Costs of Generating funds:					
Fundraising	523	299	18	840	769
	6,902	1,727	284	8,913	8,840
Staff costs:					
Wages and salaries				5,845	5,530
Social Security costs				452	428
Other pension and benefit costs				319	298
Other staff costs				286	-
				6,902	6,256
Operating Leases Rentals					
- Land and Buildings				80	80

The average number of employees during the year was 206 (2008: 208). Their full time equivalents would be 165 (2008: 167) which can be apportioned by categories as follows: educational services 126 (2008: 127), fundraising and communications 26 (2008: 24) and 13 administration (2008: 16).

	Number in 2009	Number in 2008
Emoluments of higher paid employees:		
£60,001 to £70,000	3	2
£70,001 to £80,000	3	2
£80,001 to £90,000	2	2
£90,001 to £100,000	1	1

Emoluments for these purposes include pension contributions and benefits.

Contributions for three (2008: three) higher paid employees were made to the Teachers' Pension Scheme and are paid at the same rate as for other employees in that scheme. Contributions of £33,113 (2008: £23,301) were paid to defined contribution schemes for six (2008: four) higher paid employees.

Notes to the Financial Statements – 31 March 2009

5. Allocation of Support Costs	General Management and Administration	Human Resources	Finance and Information Technology	2009 Total	2008 Total
	£'000	£'000	£'000	£'000	£'000
Fundraising	75	25	70	170	136
Activity					
School activities	268	90	249	607	602
Development activities	21	7	20	48	121
Trading activities	42	14	39	95	118
Communications and information	94	32	88	214	203
Governance costs	500	168	466	1,134	1,180
	127	-	-	127	181
	627	168	466	1,261	1,361

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.

	Staff Costs	Other	Depreciation	2009 Total
	£'000	£'000	£'000	£'000
Analysis of support costs				
General management and administration	332	249	46	627
Human resources	134	34	-	168
Finance and information technology	384	61	21	466
	850	344	67	1,261

6. Governance Costs	2009	2008
	£'000	£'000
Strategic planning and management	127	138
Statutory and trustee reports and reviews	16	18
Auditors' remuneration – audit services	26	25
Auditors' remuneration – other services	6	-
Legal advice re. governance issues	9	-
	184	181

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 £691,000 (2008: £460,000).

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. There were no claims in 2009; in 2008 one Trustee claimed expenses of £549.

Notes to the Financial Statements – 31 March 2009

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 2008					
Opening balance	819	3,208	196	849	5,072
Additions	253	-	-	122	375
Disposals at cost	(1)	-	-	(301)	(302)
At 31 March 2009	1,071	3,208	196	670	5,145
Depreciation					
At 1 April 2008					
Opening balance	(164)	(1,324)	(30)	(645)	(2,163)
Charge for the year	(103)	(64)	(20)	(97)	(284)
Eliminated on disposal	1	-	-	301	302
At 31 March 2009	(266)	(1,388)	(50)	(441)	(2,145)
Net Book Values at 31 March 2009	805	1,820	146	229	3,000
Net book values at 31 March 2008	655	1,884	166	204	2,909
	Charity				
Cost					
At 1 April 2008					
Opening balance	819	2,692	196	849	4,556
Additions	253	-	-	122	375
Disposals at cost	(1)	-	-	(301)	(302)
At 31 March 2009	1,071	2,692	196	670	4,629
Depreciation					
At 1 April 2008					
Opening balance	(164)	(1,324)	(30)	(645)	(2,163)
Charge for the year	(103)	(64)	(20)	(97)	(284)
Eliminated on disposal	1	-	-	301	302
At 31 March 2009	(266)	(1,388)	(50)	(441)	(2,145)
Net Book Values at 31 March 2009	805	1,304	146	229	2,484
Net book values at 31 March 2008	655	1,368	166	204	2,393

Notes to the Financial Statements – 31 March 2009

10. Investments	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Market Values				
At 1 April 2008				
Opening balance	4,209	5,487	3,065	4,209
Additions	67	95	67	95
Disposals	(283)	(1,100)	(283)	(1,100)
Realised losses	(9)	(22)	(9)	(22)
Net increase in unrealised (losses) / gains	(260)	(251)	(114)	(117)
At 31 March 2009	3,724	4,209	2,726	3,065
Nature of Investments				
UK Fixed Interest – gilts and securities	1,063	1,931	851	1,564
UK equities	1,836	1,155	1,470	920
Foreign equities	322	257	258	204
UK Common investment funds - Charishare	503	866	147	377
At 31 March 2009	3,724	4,209	2,726	3,065
Historical cost of investments	3,360	3,535	2,771	2,945

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	2009 £'000	2008 £'000
Dividends and interest on listed investments	114	142
Interest on cash deposits	32	37
	146	179

11. Debtors	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Amounts falling due within one year				
Debtors for school fees	1,241	1,670	-	-
Sundry Debtors	624	872	624	872
Other Debtors	16	18	31	18
Prepayments and accrued income	365	306	365	306
	2,246	2,866	1,020	1,196

Notes to the Financial Statements – 31 March 2009

12. Creditors	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Amounts falling due within one year				
Creditors	291	315	291	315
Other creditors including tax and social security	401	440	401	297
Accruals	75	181	75	325
Deferred Income	1,992	1,556	669	49
	2,759	2,492	1,436	986

Deferred income relating to school fees received and receivable of £1,556,000 has been released in the year while further income of £1,323,000 was deferred to the following year. Deferred income of £380,000 (relating to donations from grant making trusts) and £289,000 (relating to trading activities) has also been deferred to the following year.

13. Capital Funds	Transfers to Other Funds	Investment Losses	2008	2007
	£'000	£'000	£'000	£'000
Expendable Endowment				
Countess of Meath	(43)	-	92	135
Permanent Endowment				
Princess Alice Fund	-	(57)	214	271
I CAN Consolidated Fund	-	(14)	642	656
Ministering Children's League Fund	-	(146)	1,022	1,168
	(43)	(217)	1,970	2,230

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 2009

14. Restricted Funds	Restricted Income	Restricted (Expenditure)	2009	2008
	£'000	£'000	£'000	£'000
Fixed Asset Funds				
School aged children	-	(5)	251	256
	-	(5)	251	256
Other Funds				
Schools aged children	72	(182)	218	328
Development activities	429	(578)	155	304
Projects and other	1,156	(1,099)	308	251
	1,657	(1,859)	681	883
Total Restricted Funds	1,657	(1,864)	932	1,139

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 Losses	2009	2008
	£'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	6,673	(7,005)	(52)	1,730	2,114
Total Unrestricted Funds	6,673	(7,005)	(52)	3,968	4,352

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.

Notes to the Financial Statements – 31 March 2009

16. Analysis of Group Net Assets	General Funds	Designated Funds	Fixed Asset Funds	Restricted Funds	Capital Funds	2009 Total	2008 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	275	-	1,958	251	516	3,000	2,909
Investments	2,299	280	-	-	1,145	3,724	4,209
Net current assets / (liabilities)	(844)	-	-	681	309	146	603
Total net assets	1,730	280	1,958	932	1,970	6,870	7,721

17. Commitments Under Operating Leases

At 31 March 2009 the Charity had commitments under a lease for its Central Office in London to 5 December 2016. The ongoing annual rental is £80,000 (2008: £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 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 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 £268,646 (2008: £256,232).

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	100%

Notes to the Financial Statements – 31 March 2009

assets:

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 2009 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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