

E-LEARNING FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

Charity Registration No. 1086306
Company Registration No 3978344

Trustees and Principal Advisors

Board of Trustees

Lord Willis*	Chairman
Lord Mitchell	(Resigned 16/9/10)
David Butler, OBE**	
Dame Wendy Davies	
John McAllister Nicholson	(Resigned 16/9/10)
William Donoghue	(Resigned 16/9/10)
Alisdair Cameron	
Michael Butler	
Professor Diana Laurillard***	
Robert Marsh****	
Ian Carrel	(Appointed 16/9/10)
Lord Knight	(Appointed 16/9/10)
Lynn Petersen	(Appointed 16/9/10)
David Stuart Burrows	(Appointed 7/12/10)
William Niel McLean	(Appointed 1/3/11)

* Chair of Nominations, Employment & Remuneration Committee ** Chair of Finance, Audit and Risk Committee ***Chair of Grants Committee ****Chair of Fundraising Committee

Officers

The day to day management of the work of the charity is delegated by the trustees to the officers of the Foundation who are:

Chief Executive	Valerie Thompson	
Company Secretary	Anthony Denton (Resigned 27/5/11)	
Registered Office & Principal Address	3000 Hillswood Drive Chertsey Surrey KT16 0RS	
Auditor	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY	
Bankers	Lloyds TSB 49 High Street Godalming Surrey GU7 1AT	CAF Bank Ltd Kings Hill West Malling Kent ME19 4SQ
Lawyers	Mundays LLP Cedar House 78, Portsmouth Road Cobham Surrey KT11 1AN	

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The trustees, who are also directors of the charity for the purposes of the Companies Act and the sole members currently, submit their report and the audited financial statements for the year ended 31 March 2011. In preparing their report and the financial statements of the charity the trustees have complied with the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" 2005.

Structure, Governance and Management

The charity is a charitable company limited by guarantee number 1086306, incorporated under the Companies Act 1985 registration number 3978344 on 17 April 2000, and formally launched at the House of Commons in February 2001 following application to the Charity Commission. It is governed by a memorandum and articles of association, last amended on 8 July 2003.

The board of trustees meets in full session on at least four occasions during the year when it agrees the broad strategy and areas of activity for the Foundation. The board delegates a number of its governance functions to an established committee structure, which includes a finance, audit and risk committee, grants committee, fundraising committee and a nominations, employment and remuneration committee. All supporting committees have their decisions ratified by the board. At least once each year the board reviews both its risk and reserve policies.

The trustees as members are liable to contribute £1 per head in the event of insolvent winding up of the Foundation.

The Foundation is a member of the Charity Finance Directors Group (CFDG). The CFDG provides much helpful information on good practice, changes in the law affecting charities and acts as an authoritative lobby on behalf of charities with government and regulators.

Trustee recruitment and induction

The trustees regularly review the skill set of the board and match this against the requirements of the business plan. On this basis they are able to review the make-up of the board and if necessary recruit new members to fill any apparent gaps or vacancies. New trustees are sought by open advertisement, through specialist recruitment agencies and through recommendation.

Prospective trustees are reviewed by the nominations employment & remuneration committee whose recommendations for trustee appointments are then put before the full Board for approval. Prospective trustees are invited to attend a Board Meeting as observers to meet the other trustees and confirm their continued interest to act as a trustee before the appointment is recorded at Companies House. This is followed by a meeting or series of induction sessions with the Chief Executive to brief each new trustee on the detailed operations and operating policies of the Foundation.

Risk management

The trustees have examined the major strategic, business and operational risks that the charity faces and an action plan has been developed for the mitigation of the major risks identified. A programme has been established for the regular monitoring and management of risk on an ongoing basis.

Investment policy

Funds not immediately required for the running of the charity or for the furtherance of its objects are placed on deposit with the charity's bankers to generate interest as part of the Foundation's treasury management operations. No other investment instruments or facilities e.g. equities, bonds or unit trusts are approved by the board.

Public benefit

The principles of public benefit, as defined by the Charity Commission, were formally noted by the Board on 1 June 2010. At that time, the Trustees confirmed having regard to the Charity Commissions' guidance and their belief that the e-Learning Foundation provides identifiable benefits to a section of the public.

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

Grant making policy

When making grants the Foundation invites applications through e-mailings, publication of the grants round on the Foundation's website and press releases to the specialist education press. Affiliated schools are invited to submit their proposals in a specific format by a specified deadline. The applications are then summarised by the Chief Executive before being reviewed by the Grants Committee against the funds approved by the board for each grant round. The Grants Committee, under the delegated authority of the board, then approve the institutions who are to receive grants and the amount of those grants after taking into account any restrictions which might apply to the different funding streams making up that round. Each grant round is then reported and minuted at the next full board meeting. Following each Grant Round a representative sample of grants given are audited and the audit results reviewed by the Grants Committee.

Reserves Policy

As part of the management of risk the Foundation recognises the need to retain free reserves to enable it to work to a long term strategy without the need to make short term adjustments forced on it by temporary deficits in funding. The Foundation has no regular guaranteed sources of income but does have fixed operating costs in terms of activities required to maintain its presence and further its charitable objectives. The trustees believe that a target of 24 months cover of the fixed operating costs plus an estimated cost of closing the charity down in an orderly manner is a reasonable target of reserves to carry forward. This will allow the Foundation to retain for a reasonable period of time the organisation needed to source new funds whilst continuing to fulfil its charitable objectives. Unrestricted funds at the year end stand at £864,655, an increase of £18,734 from the previous year. The Foundation's free reserves, being unrestricted funds less tangible fixed assets, amounted to £849,354 as at 31 March 2011.

The target level of reserves is calculated based on forward budgets and forecasts and takes into account anticipated future income flows adjusted to reflect the risk of non-receipt. On current forecasts the level of reserves required is £743,000. The Trustees believe that the current level of free reserves is adequate. Owing to the risks inherent in the assumptions used in forward planning the reserves policy and the adequacy of current reserve levels is reviewed annually as part of the annual budgeting process. The Foundation has been aware for several years that Becta core funding would cease at the end of this financial year and has been taking action to replace Becta funding with broader based and sustainable funding through the Donation Management Service, corporate sponsorship and school and supplier affiliation fees. The Fundraising Committee will continue to seek new supporters.

Financial Review

Incoming resources during the financial year amounted to £2,294,981. Unrestricted donations for the general support of the Foundation's activities were £692,553. Of this, £281,680 was provided by the Nominet Foundation, £125,000 was provided by Becta, £11,280 from Dixon's Retail Group., £10,000 each was provided by Equanet, Novatech Ltd, Samsung Electronics UK Ltd, Toshiba Information Systems Ltd and XMA Ltd in support of our Corporate Partner Scheme. £3,841 was donated by the Welsh Assembly, £2,877 by the NE e-Learning Foundation, £2,500 by Stone Limited, £2,000 each from the Edith Murphy Foundation, the Ellerdale Trust and the William Allen Young Charitable Trust., £1,250 from the Sir James Rolls Charitable Trust. In addition to this £204,125 was received from other small contributions of £1,000 or less and contributions from the DMS programme. Unrestricted income was also generated from Conference and Administration fees of £85,116, Affiliation fees of £74,646 and Income from the sale of Investments of £68,650 and Interest of £2,682.

Restricted funds of £1,424,453 were received during the year. Of this, £281,000 was from Becta, Intel provided a £6,595 Benefit in Kind donation providing the resource to allow us to develop a new brand for a "Good for Learning" endorsement for selected partners from the retail sector which will be launched in 2011-12. 3.co.uk provided 30 dongles as a pilot program to The King Richard School in Portsmouth (£3,600). The balance of £1,133,258 was generated from parental donations made through the Donation Management Programme and a donation of £500 from the Annie Tranmer Trust.

Outgoing expenditure amounted to £2,276,427. This included grants made of £1,357,679 to local e-Learning Foundations and schools operating e-learning programmes. The balance was made up of expenditure for generating funds £25,316, charitable activities of £875,932 and governance £17,500. (See Note 5 for details)

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

Objectives, activities and achievements

The charity's objects are to further education for the public benefit through encouraging and enabling the adoption of information, learning and communications technologies (ILCT) in schools and in the home on a basis of equity of access for all with special regard to the education needs, including the provision of information, advice and funding support of those who have social or economic disadvantage or who have a disability. This will be achieved by pursuing three core objectives:

1. Supporting Schools

- Our main activity is to support schools and Academies who are running, or wish to start, e-learning programmes that involve the cooperation of teachers, parents and other stakeholders to generate financially sustainable funding to support 1:1 provision of a suitable device and help with access to Broadband at home where required regardless of the means of the family. Typically we work with a school over a period of time, from the initial enquiry to the launch of the programme to the parents and then the implementation of the e-learning programme and the ongoing management of the programme in terms of assistance with donation collection and annual re-launches to new cohorts of pupils.
- We began the year with 400 schools actively engaged in supporting 1:1, 24/7 access to e-learning. By March 2011 we had grown that to 469, a 17% increase, very nearly achieving our target of 500 schools.
- Our Donation Management Service has proved very successful in reducing the administrative burden that schools face in making regular collections of donations from parents and this was confirmed in our annual survey of schools. The number of schools using this service is currently at 136 and we finished the year with 8,000 donors, 38% up on the previous year. Income from the service grew 20% to £197k against a target of £310k. A major reason behind this shortfall was major changes to our contract with Becta for a £1m grant fund for schools which was reduced by £720k to £280k immediately after the General Election. We are also seeing average donation values fall in line with price reductions of computers, a trend we welcome.
- Public benefit is evident in our free advisory service to schools that results in them being able to offer an e-learning programme to all their parents, regardless of their ability to make a donation towards it.

2. Campaigning for solutions to the Digital Divide

- Our second major area of activity is to build on our reputation as a major source of expertise and information on the digital divide as it affects schoolchildren, and use that reputation to influence the new Education Ministers who came into power after the 2010 General Election with a very different approach to ICT in education. ICT is not a priority for the Department for Education, based on the feedback from Ministers that the evidence of its impact on pupils results and achievements is not conclusive. Our objective is to collect compelling evidence for Ministers to see.
- We took on a PR agency during the year who achieved regular national and regional media coverage including a BBC News interview over the Christmas period.
- We network actively with a wide range of organisations who serve our target audience i.e. Headteachers, Governors, parents, and attend conferences and exhibitions to increase our visibility, running workshops and giving keynote presentations wherever we can.
- We ran two of our own conferences during the year. The May event in Bristol was entitled "Keeping up with the Future" and the November event in London was entitled "Survival of the Fittest", both responding to topical issues affecting schools and linked to our charitable objectives.
- We attended BETT in January 2011 as an exhibitor and received 300 visits from schools to our stand. We also ran one of the workshops and were featured on several other stands, giving us excellent visibility.
- Our website is an important resource centre for teachers, parents, potential sponsors and the media and is kept up to date with news, a blog, video materials and training resources. Conference delegates can register online, schools can apply to affiliate and donors can make a donation online.
- Public benefit is evident in terms of the Foundation promoting knowledge and understanding of the plight of children from low income families through education media articles and conference presentations.

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

3. Developing sustainable funding for home access

- Our final major area of activity is our role in helping schools raise sustainable funding. We do this in a variety of ways, and the approach is tailored to each school's circumstances with the help of advice given by our School Liaison Managers.
- The Digital Divide Fund was launched in 2004 with contribution from Government, the private sector and charities & trusts. The fund has allowed us to make grants to schools to run an equity programme by effectively providing funds to cover the poorest element of families. How much the families are invited to donate is down to the school and the availability of additional financial resources they can apply to the programme. In 2010/11 we were successful in winning a £1m grant fund from Becta but this was then reduced to £280k by the new incoming Government. As a result we were able to offer £343k of financial help and we paid out grants to the value of £225k to schools during the year.
- Public benefit is evident in terms of the Foundation making grants available to schools to allow them to provide low income families with computers and home access to the Internet. The average Free School Meal figure for schools receiving support was 34% which is very high (the national average is 15%).

Employee involvement

The organisation is currently structured with the Chief Executive supported by the Operations Director at the senior level with the remaining seven staff reporting to either of these people.

Employees are consulted on issues of concern and interest to them by means of bi-monthly team meetings and regular meetings of the School Liaison Manager team. They are also kept informed on specific matters directly by management through e-mail and ad hoc meeting. The charity carries out exit interviews for all staff leaving the organisation. A system of personal quarterly reviews is in place which provides further opportunities for staff to raise any concerns and the charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Child protection policy
- Health and safety policy
- Disciplinary and grievance procedure policy

These are set out in detail in a Staff Handbook.

Trustees responsibilities in relation to the financial statements.

The trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable 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;
- 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

e-LEARNING FOUNDATION

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The charity is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use and disposition
- Proper records are maintained and financial information used within the charity or for publication is reliable
- The charity complies with relevant laws and regulations

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The national e-Learning Foundation's systems of internal control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss, and include:

- A business plan and an annual budget approved by the trustees
- Regular consideration by the trustees of financial results, variance from budgets and non-financial performance indicators
- Delegation of authority and segregation of duties
- Identification and management of risks.
- Adequate systems in place to manage expenses which do not form part of remuneration.

Plans for the future

The Business Plan for 2011-2012 provides for a very different economic and political environment compared to previous years. With Government funding now concluded the charity must become financially self-sustaining. The fundraising and operational challenges this creates are not insignificant and so our key targets and objectives for the coming year are:

- To achieve a step change in the number of schools addressing 1:1 access through:
 - a compelling argument to schools to develop a strategy and implement a programme
 - alternative (to the current equity model) ways of achieving 1:1 access
 - significantly increasing awareness of our approach by schools
- To develop ways to support families where their school is not active in addressing out of school provision, notably through the retail channel
- To re-instate our campaigning and PR activity to ensure that digital inclusion for schoolchildren remains at the forefront of the consciousness of politicians, Headteachers, School Governors, potential funders and the media
- To secure new and sustainable sources of income now that our Government funding has come to an end while actively managing our overheads

Auditor

A resolution to re-appoint haysmacintyre as auditors for the next financial year will be proposed to members at the next Annual General Meeting.

e-LEARNING FOUNDATION

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

Small companies exemption

This report has been prepared in accordance with the small companies regime of the Companies Act 2006, approved by the board on 7 June 2011 and signed on its behalf by:

Lord Willis
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE E-LEARNING FOUNDATION

We have audited the financial statements of e-Learning Foundation for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report

Tracey Young, Senior Statutory Auditor
for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditors

Fairfax House
15 Fulwood Place
London

e-LEARNING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total funds 2011 £	Total funds 2010 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Commissions conference & administration fees		85,116	-	85,116	110,602
Membership		83,915	-	83,915	71,349
Grants and contracts for advice and information, research and project management		-	-	-	1,095
Investment income and interest		8,944	-	8,944	2,682
<i>Incoming resources from charitable activities</i>					
Donations and similar incoming resources	2	692,553	1,424,453	2,117,006	2,429,567
Total incoming resources		<u>870,528</u>	<u>1,424,453</u>	<u>2,294,981</u>	<u>2,615,295</u>
RESOURCES EXPENDED					
Cost of generating funds	3	25,316	-	25,316	60,770
Charitable activities	4	869,337	1,364,274	2,233,611	2,638,606
Governance	5	17,500	-	17,500	22,350
Total resources expended		<u>912,153</u>	<u>1,364,274</u>	<u>2,276,427</u>	<u>2,721,906</u>
Net incoming resources before transfers		(41,625)	60,179	18,554	(106,611)
Transfer between funds	13	(8,291)	8,291	-	-
Net incoming resources after transfers		<u>(49,916)</u>	<u>68,470</u>	<u>18,554</u>	<u>(106,611)</u>
Gains or losses on investments assets	9	68,650	-	68,650	-
Net movement in funds		<u>18,734</u>	<u>68,470</u>	<u>87,204</u>	<u>(106,611)</u>
Total funds at 1 April 2010		845,921	103,348	949,269	1,055,880
Total funds at 31 March 2011		<u><u>864,655</u></u>	<u><u>171,818</u></u>	<u><u>1,036,473</u></u>	<u><u>949,269</u></u>

All incoming resources and resources expended derive from continuing activities.

All recognised gains and losses are included in the above statement of financial activities.

e-LEARNING FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		15,301		30,372
Investments	9		2		3,853
			<u>15,303</u>		<u>34,225</u>
CURRENT ASSETS					
Debtors	10	86,401		512,508	
Cash at bank and in hand		1,297,587		1,083,753	
		<u>1,383,988</u>		<u>1,596,261</u>	
CREDITORS: amounts falling due within one year	11	362,818		681,217	
		<u>362,818</u>		<u>681,217</u>	
NET CURRENT ASSETS			<u>1,021,170</u>		<u>915,044</u>
NET ASSETS	12		<u>1,036,473</u>		<u>949,269</u>
Unrestricted funds					
General funds			864,655		845,921
Restricted Funds					
			<u>171,818</u>		<u>103,348</u>
Total funds	13		<u>1,036,473</u>		<u>949,269</u>

These financial statements are prepared in accordance with the small companies regime of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board of Trustees on 7 June 2011 and are signed on its behalf by

LORD WILLIS

Chair

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1. PRINCIPAL ACCOUNTING POLICIES

- (a) The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The Statement of Recommended Practice "Accounting and Reporting by Charities" 2005 and the Charities Act 1993 has been applied in the preparation of these financial statements.
- (b) Grants and other donations receivable, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable when the conditions for receipt of the grant are met, and are shown as charitable activities.
- (c) Incoming resources generated from sponsorship and advertising are included when receivable. Income from equity investment is accounted for on an ex div date basis. Bank and other interest is accounted for on a receivable basis.
- (d) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- Cost of generating funds are costs incurred in organising and administrating membership conferences, projects, advice and information
 - Charitable activities include grants, fundraising marketing and communications, advice and campaigning
 - Governance costs include the governance of the charity primarily associated with constitutional and statutory requirements.
- (e) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached under the control of the charity are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. The directly attributable costs of processing grants and applications, including support to actual and potential applicants are included in "Charitable Activities". The activity of Grants Payable does not receive any allocation or estimated proportion of non-directly attributable costs or other overhead costs.
- (f) In addition to directly attributable costs, each of the other three activities (School Support, Campaigning and Fundraising) is allocated a proportion of the balance of non-directly attributable costs and other overhead costs on the basis of staff time. These allocations represent the cost of overall direction, delivery and administration of each activity. No allocation of time has been attributed to Governance.
- (g) Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Items of equipment are capitalised where the purchase price exceeds £500. IT Projects are capitalised but written off in the year incurred as the trustees believe they have no intrinsic value other than to the Foundation.
- (h) Rentals paid under operating leases are charged as incurred.
- (j) Pension costs charged in the Statement of Financial Activities represent contributions to employee personal pension plans paid by the charity during the year.
- (j) Investments held as fixed assets are valued at the trustees' best estimate of market value.
- (k) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- (l) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

e-LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

2 DONATIONS AND SIMILAR INCOMING RESOURCES	Unrestricted £	Restricted £	2011 £	2010 £
Nominet Foundation	281,680	-	281,680	-
Birmingham e-Learning Foundation	-	-	-	90,000
Motorola Foundation	-	-	-	37,005
TES	-	-	-	31,465
DSGI	-	-	-	21,804
Dixon's Retail Group	11,280	-	11,280	-
Equanet	10,000	-	10,000	-
Novatech Ltd	10,000	-	10,000	-
Samsung Electronics UK Ltd	10,000	-	10,000	-
Toshiba Information Systems Ltd	10,000	-	10,000	-
XMA Ltd	10,000	-	10,000	-
Intel	-	6,595	6,595	-
Smyths Toys	-	-	-	5,000
Other donations of less than £5,000 including parental donations through DMS	220,752	1,136,858	1,357,610	1,145,971
	<u>563,712</u>	<u>1,143,453</u>	<u>1,707,165</u>	<u>1,331,245</u>
Grants from UK Government				
Department for Children, Schools and Families (Becta)	125,000	281,000	406,000	1,098,322
The Welsh Assembly	3,841	-	3,841	-
	<u>692,553</u>	<u>1,424,453</u>	<u>2,117,006</u>	<u>2,429,567</u>
Total				
3 COST OF GENERATING FUNDS			2011	2010
			£	£
Conferences and exhibition costs			25,316	60,770

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

4. CHARITABLE ACTIVITIES

	School Support £	Campaigning £	Sustainable Fundraising £	Support Costs £	2011 Total £	2010 Total £
Communications	5,576	21,872	22,059	-	49,507	41,606
Staff costs	197,671	61,058	168,795	182,476	610,000	685,400
Recruitment						
Costs	1,926	-	42	-	1,968	7,257
Travel	25,346	1,905	5,515	6,020	38,786	42,600
Premises and general office	43,138	4,030	25,448	-	72,616	60,202
IT & tele- communications	25,312	2,365	14,938	-	42,615	18,560
Depreciation	9,842	920	5,808	-	16,570	17,063
Bank charges and interest	316	30	12,473	-	12,819	10,712
Irrecoverable VAT	14,279	4,231	11,643	898	31,051	16,770
	<u>323,406</u>	<u>96,411</u>	<u>266,721</u>	<u>189,394</u>	<u>875,932</u>	<u>900,170</u>
Apportionment of support costs	10,513	66,387	112,494	(189,394)	-	-
	<u>333,919</u>	<u>162,798</u>	<u>379,215</u>	<u>-</u>	<u>875,932</u>	<u>900,170</u>
Grants payable					1,357,679	1,738,436
Total resources expended on charitable activities					<u>2,233,611</u>	<u>2,638,606</u>

5. GOVERNANCE

	2011 £	2010 £
Trustee indemnity insurance	1,771	1,771
Auditors' remuneration - statutory audit	8,800	8,500
Legal and professional fees	416	805
Secretarial fees and other	65	98
Trustee meetings	4,485	3,510
Trustee recruitment	-	6,000
Irrecoverable VAT	1,963	1,846
	<u>17,500</u>	<u>22,530</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

6. EXPENDITURE	2011	2010
	£	£
Total expenditure includes:		
Depreciation	16,571	17,064
Operating leases – building rental	58,985	44,719
Trustees' liability insurance	1,771	1,771
	<u> </u>	<u> </u>
Total staff costs comprise:		
Wages and salaries	394,629	534,036
Social security costs	43,847	53,418
Pension contributions	156,027	80,693
	<u> </u>	<u> </u>
	594,503	668,147
	<u> </u>	<u> </u>
	Number	Number
Average number employed stated as full-time equivalents:		
Administration	10.0	12.3
	<u> </u>	<u> </u>
The number of employees whose emoluments, as defined for taxation purposes (total pay, vehicle and medical insurance, excluding pension) amounted to over £60,000 in the year were as follows:		
	Number	Number
£110,000 - £120,000	-	1
£60,000 - £80,000	1	1
	<u> </u>	<u> </u>
	£	£
Contributions paid to a defined contribution scheme for the above higher paid employees excluding salary sacrifice	10,638	16,608
	<u> </u>	<u> </u>
	Number	Number
Number of employees who accrued benefits under the money purchase scheme	1	2
	<u> </u>	<u> </u>

Trustees receive no remuneration from the foundation. During the year one trustee was reimbursed travel expenses (2010: none).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

7. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

8. TANGIBLE FIXED ASSETS
**IT and communications
equipment and software**
£
Cost

At 1 April 2010

93,814

Additions

1,499

At 31 March 2011

95,313

Depreciation

At 1 April 2010

63,442

Charge for year

16,570

At 31 March 2011

80,012

Net Book Value

At 31 March 2011

15,301

At 31 March 2010

30,372

9. INVESTMENTS
**Unlisted
UK shares**
£

Value at 1 April 2009

3,853

Disposals

(3,851)

Value as at 31 March 2011**2****Historical cost as at 31 March 2011****2**

The gifts of unquoted shares received in previous financial years were disposed in the year. Investments as at 31 March 2011 relate to the Charity's subsidiary company.

The Charity established e-Learning Enterprises Limited, a fully owned subsidiary, on 16 August 2002 (Company registration 4513357). This company has not traded during the financial year ended 31 March 2011 and is presently dormant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

10. DEBTORS	2011	2010	
	£	£	
Trade debtors	5,856	344,282	
Other debtors	60,377	151,676	
Prepayments and accrued income	20,168	16,550	
	<u>86,401</u>	<u>512,508</u>	
	<u><u>86,401</u></u>	<u><u>512,508</u></u>	
11. CREDITORS: amounts falling due within one year	2011	2010	
	£	£	
Trade creditors	24,043	19,041	
Other taxes and social security	25,101	27,089	
Other creditors	285,203	582,494	
Accruals and deferred income	28,471	52,593	
	<u>362,818</u>	<u>681,217</u>	
	<u><u>362,818</u></u>	<u><u>681,217</u></u>	
12. ANALYSIS OF NET ASSETS BETWEEN FUNDS	General	Restricted	Total
	Funds	Funds	Funds
	£	£	£
Fixed assets	1,994	13,307	15,301
Investments	2	-	2
Current assets	1,192,063	191,925	1,383,988
Current liabilities	(329,405)	(33,414)	(362,818)
	<u>864,655</u>	<u>171,818</u>	<u>1,036,473</u>
	<u><u>864,655</u></u>	<u><u>171,818</u></u>	<u><u>1,036,473</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

13. RECONCILIATION OF FUNDS	31 March 2010 £	Incoming Resources £	Outgoing Resources £	Other gains/ (losses) £	Transfers £	31 March 2011 £
Restricted funds:						
The Mercers' Company	33,000	-	(14,661)	-	-	18,339
Becta (DCSF)	40,225	281,000	(206,660)	-	-	114,565
Other restricted funds including parental donations	30,123	1,143,453	(1,142,953)	-	8,291	38,914
Total restricted funds	<u>103,348</u>	<u>1,424,453</u>	<u>(1,364,274)</u>	<u>-</u>	<u>8,291</u>	<u>171,818</u>
Unrestricted funds:						
General funds	845,921	870,528	(912,153)	68,650	(8,291)	864,655
Total funds	<u>949,269</u>	<u>2,363,631</u>	<u>(2,276,427)</u>	<u>68,650</u>	<u>-</u>	<u>1,036,473</u>

Purposes of restricted funds

All restricted funds have arisen from donations to support schools who wish to adopt or expand local e-learning projects which offer a sustainable, equitable home access programme for their students. Funds from the Mercers Company are restricted to schools in London. Funds from Becta and other restricted funds are available to support schools across the whole of England.

Transfers between funds relate to earlier year adjustments.

14. OTHER FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating losses will result in the following payments falling due in the year to 31 March 2011.

	Land and buildings	
	2011 £	2010 £
Expiring in one to two years	<u>50,000</u>	<u>50,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2011

15 GRANTS PAYABLE	£
Shireland Collegiate Academy/George Salter Collegiate Academy	20,000
Addington High School	12,000
Sutherland Business & Enterprise College	11,000
Bishop Challoner Catholic College	10,000
Bristol Brunel Academy	10,000
East Park Infants School	10,000
Sir Thomas Boteler Church of England High School	10,000
St Mary's Catholic College	10,000
Bishop Thomas Grant School	9,661
King Richard School	9,600
Furness Academy	9,000
Hillcrest School	8,000
The Bishop David Brown School	7,500
Homewood School & Sixth Form Centre	7,000
Waterloo Primary School	7,000
Lambeth e-Learning Foundation	5,000
PerinsCommunity School	5,000
St Saviour's & St Olave's Comprehensive C of E Girls School	5,000
The Oldershaw School	5,000
Westbourne Primary School	5,000
Riverdale Primary School	4,500
St Joseph's Catholic Junior School	4,000
Stuart Bathurst Catholic High School	4,000
Tidemill Primary School	3,600
Meadowside Community Primary School & Nursery	3,000
Blue Coat C of E (A) Junior School	2,500
Childwall Valley Primary	2,500
Roskear Primary and Nursery School	2,500
St Breock Primary School	2,500
St Bridget's Catholic Primary School	2,500
Chatsmore Catholic High School	2,000
Guilsborough School	2,000
Latchford St James CE Primary	2,000
Launceston Community Primary School	2,000
St John Baptist Primary School	2,000
Settle College	1,560
Holy Family Catholic Primary School	1,500
St John Plessington Catholic Technology College	1,500
St Peters C of E Controlled Primary School	1,000
Wilmington Grammar School for Girls	1,000
Wilsden Primary School	1,000
	<hr/>
	224,921
154 schools participating in the DMS programme	1,132,758
	<hr/>
	1,357,679
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