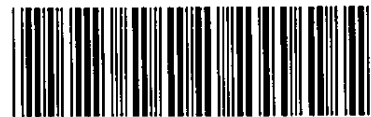


G House
No 3978344

**e-LEARNING FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

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e-LEARNING FOUNDATION

Legal and administrative information

Trustees and Principal Advisors

Board of Trustees

Lord Mitchell*	Chairman
Rt Hon Baroness Morris of Yardley	
Rt Hon Lord Foster of Bishop Auckland, DL	
David Butler**	
Dame Wendy Davies	
Robert Doe	(resigned 6/6/06)
George Philip Willis MP***	
Eileen Devonshire	(resigned 10/8/06)
Ian Douglas	
Roger Bennett	(resigned 5/12/06)
Susan Victoria Bishop	(resigned 5/12/06)
John McAllister Nicholson****	
Stephen Bacon	
Dominic Savage, OBE	
William Donoghue	(appointed 5/12/06)
Stephen Thomas Crowne	(appointed 27/3/07)

* Chair of Nominations, Employment & Remuneration Committee ** Chair of Finance 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	
Registered Office & Principal Operating address	Hillswood Business Park 3000 Hillswood Drive Chertsey Surrey KT16 0RA	
Auditors	Baker Tilly UK Audit LLP 12 Gleneagles Court Crawley West Sussex RH10 6AD	
Bankers	Lloyds TSB 49 High Street Godalming Surrey GU7 1AT	CAF Bank Ltd Kings Hill West Malling Kent ME19 4SQ

e-LEARNING FOUNDATION

REPORT OF THE TRUSTEES

for the year ended 31 March 2007

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 2007. 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 No 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 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 or through recommendation.

Prospective trustees are reviewed by the nominations employment and 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 meetings 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.

e-LEARNING FOUNDATION

REPORT OF THE TRUSTEES

for the year ended 31 March 2007 (continued)

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.

Reserve Policy

As part of the management of risk the Foundation recognises the need to retain a reserve 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.

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. 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. Unrestricted reserves at the year end stand at £706,613, a fall of £29,924 from the previous year. The trustees anticipate that with the change in DfES support over the next two years, when less funding will be available to support the core activities of the Foundation, the general fund will fall significantly below the target reserve level. Action has been taken to replace DfES funding with broader based and sustainable funding through the Donation Management Service but this will take several years before the Foundation is self-financing and reserves once again achieve the target level. In the meantime the Fundraising Committee will continue to look for supporters to bridge any gaps.

Financial Review

Incoming resources during the financial year amounted to £1,816,898. Unrestricted donations for the general support of the Foundation's activities were £548,601. Of this, £340,400 was given by the Department of Education & Skills, £62,110 from DSG International, £30,000 from The Mercers' Livery Company, £21,000 from the Community Foundation (Graham Wylie CBE), £5,000 from Martin and Sarah Large, £5,000 Handheld Learning Ltd, £4,000 from The Vodafone UK Foundation, £2,357 from Syscap, £2,000 from RM plc, £1,502 from Bizmedia Ltd, and £71,232 from other small contributions of less than £1,000 each largely from the DMS programme. In addition to this, additional unrestricted income was generated from Commissions, Conference and Administration fees of £31,466, Affiliation fees of £11,433 and Investment Income and Interest of £41,265.

Restricted funds of £1,182,754 were received during the year. Of this, £661,800 was from the DfES in support of our Digital Divide Fund, £49,000 from the Community Foundation in continuing support of the e-Learning initiative in the North East of England, £21,000 from The Vodafone UK Foundation, £20,000 from the Berkshire e-Learning Foundation in support of the e-Learning initiative in Berkshire and other parental donations made through the Donation Management Programme.

Out-going expenditure amounted to £1,955,334. This included grants made of £1,233,946 to local e-Learning Foundations and schools operating e-learning programmes (See Note 4 for details). The balance was made up of expenditure for generating funds £12,646, charitable activities £692,067 and governance £16,675.

e-LEARNING FOUNDATION

REPORT OF THE TRUSTEES

for the year ended 31 March 2007 (continued)

Objectives, activities and achievements

The charity's objects are to further education 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 disability. This will be achieved by pursuing three core objectives

1. Supporting Schools

- Our first major objective is to support the development and successful operation of a network of local e-learning projects involving teachers, parents and other local stakeholders to generate sustainable funding to support home access to ICT for all children, regardless of the means of the parents. Typically we work with a school over a period of time, from the initial enquiry to the launch of the programme to parents and then the implementation of e-learning within the school and home.
- We began the year with 131 schools actively engaged in home access and e-learning. By March 2007 we had grown that to 194, a 48% increase, very close to our target for the year of 200 schools.
- Our Donation Management Service has proved very successful in helping schools overcome concerns about the administrative burden of setting up their own local charity and then managing the monthly collection of parental donations. At the beginning of the year we had 16 contracts issued and generating income. By the end of the year we had 96 contracts issued to schools with 45 already generating income. Our unrestricted target income was £95,000, an ambitious 400% increase, and we achieved a creditable £70,516.
- Our twice yearly conference programme provides a valuable forum for schools to meet up with others more advanced in their programmes, or taking a different approach. In April 2006, the e-Learning Foundation held its spring conference at the @Bristol innovation centre. The event attracted 91 delegates from both primary and secondary schools. Our autumn 2006 conference was held jointly with Handheld Learning Ltd in the prestigious QEII Centre in Westminster. The event was sold out with over 500 delegates and an exhibition area showing the latest developments in handheld learning technologies.
- Our website (www.e-learningfoundation.com) continues to perform a strategic role, providing news and printable resources vital to ensuring schools are kept in the picture. It is also an important first call for schools not yet affiliated to our network, but wishing to find out more about how the e-Learning Foundation can help them. Delegates can register for our conferences on-line, and commercial companies can make their special offers and deals known to participating schools. In September 2006 a new website was launched that further improved the amount of resources that schools can access.
- In order to increase the amount of time we can spend with schools, and reduce time spent on administration, we invested in integration and simplification of our systems, integrating our contact database with our schools database.

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 home-school links, e-learning and the Digital Divide. Through this we can have a strong campaigning influence on the national agenda for the use of ICT to develop effective home-school links for all and the importance of addressing the Digital Divide within our education system.
- A major strategy in the Business Plan was to develop partnership working with other organisations closely involved in the education sector so that they would act as "Active Ambassadors" for the Foundation, spreading the word on the services and support that the e-Learning Foundation can provide schools. This proved to be very effective with several education charities as well as several commercial organisations agreeing to do this on our behalf.
- Our work to raise the profile of the digital divide as a source of educational disadvantage may also have been one of the contributing factors behind the £60m Computers for Pupils programme that DfES launched to schools and Local Authorities in October 2006. The programme will provide about 100,000 computers to children living in the 10% poorest areas of the country, and we were asked to play a major part in the launch event and subsequently through participation in both the Steering group and the Evaluation group.

e-LEARNING FOUNDATION

REPORT OF THE TRUSTEES

for the year ended 31 March 2007 (continued)

- Our campaign to increase awareness of the Digital Divide amongst Head teachers was prompted by a survey in 2005 when 65% of heads claimed not to know what the digital divide was. As a result of our work, when we re-ran the same survey in December 2006, only 10% claimed not to know, a significant improvement
- Finally, we were absolutely delighted to hear the Schools Minister, Jim Knight, state in his keynote speech at BETT 2007, the major technology in education exhibition in the UK, that universal home access to learning technologies was vital to the country, that it underpinned the Government's personalised learning agenda, and that it was an essential element of ensuring children from disadvantaged backgrounds got the same opportunities as their better off peers. He stated that the Government now aspired to every schoolchild having home access, and invited the e-Learning Foundation to orchestrate the third sector to work with Industry and the Government to develop a programme that will achieve this goal

3 Developing sustainable funding for home access

- Our third major area of activity is to play an active role in fundraising at a national and regional level, including grant giving through our Digital Divide Fund, with priority being given to disadvantaged areas
- The Digital Divide Fund was launched in 2004 with contributions from Government, the private sector and charities. The fund allows us to make grants to help schools "top up" parental contributions in areas of disadvantage and help new projects get kick-started. In 2006/7 we were successful in raising substantial grant funds, through a combination of contributions from Government, the private sector, the charitable sector and individual donors
- We recognise that the continued growth of the North East e-Learning Foundation would not have been possible without the very generous personal support of Graham Wylie CBE. And we thank The Mercers' Company very much for their financial support for our London projects and continued encouragement for our work
- In the summer of 2006 we were selected as a chosen charity for the DSG International "Switched on Communities" CSR programme, and this support included a substantial in-kind grant through the PC World retail chain. DfES agreed to match this contribution, and also add a further £250k into the Fund to support school projects
- Our grants round in 2006/7 attracted a record level of applications, 132 in total. After taking into account the quality of the applications, the circumstances of the community and the schools served, and the stated preferences of those who had made donations to the Fund, we made grant offers to 97 schools. Our target of granting £500,000 during the year was exceeded. Due to subsequent withdrawals from a few schools in the first round, we were able to make grant offers worth £802,992 from institutional donations (for a detailed breakdown see Accounting Note 4)

Employee involvement

Employees are consulted on issues of concern to them by means of regular staff meetings and are kept informed on specific matters directly by management. The charity will carry out exit interviews for all staff leaving the organisation. A system of quarterly reviews and annual appraisal 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
- Health and safety policy
- Disciplinary and grievance procedure policy

These are set out in detail in a Staff Handbook

e-LEARNING FOUNDATION

REPORT OF THE TRUSTEES

for the year ended 31 March 2007 (continued)

Trustees responsibilities in relation to the financial statements.

Company and Charity 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees have

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that are reasonable and prudent
- Prepared the financial statements on the going concern basis

Trustees have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity including taking all 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 accordance with company law, as the company's directors, we certify that

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are 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

Plans for the future

The Business Plan for 2007-2009 continues the acceleration of activity that started to build in the previous year, both in terms of adoption of home access programmes by schools and the adoption by Government of policies that help us achieve our aims. However, we also face significant financial challenges when the current DfES support for our operational costs ends in March 2008.

The key targets and objectives in this year's Business Plan are therefore

- ❑ Our fundraising will be focused on raising funds for our advisory services and campaigning work, notably through growth of the Donation Management Service which has a target of £177,000 income for 2007/8
- ❑ Our aim remains to reach the "tipping point", which we assess at about 500 active schools. Areas such as Kent provide positive signs that our programme can go "viral" once enough schools in a given area adopt the principles. Our target for 2007/8 is to achieve 300 schools with an active e-learning programme. This will involve over 40,000 pupils directly benefiting
- ❑ We will build the benefits of schools affiliating to the e-Learning Foundation

e-LEARNING FOUNDATION

REPORT OF THE TRUSTEES

for the year ended 31 March 2007 (continued)

Plans for the future (continued)

- ☐ We want to continue to raise awareness of the digital divide, and what schools can do to combat it. This will be through an extensive PR programme, running two major conferences in the spring and autumn, key conference speaking opportunities and working with partner organisations.
- ☐ We will provide grants to schools to the value of £1.5m in the current year, helping schools start and grow home and e-learning programmes.
- ☐ We will play a key role on the Ministerial Task Force on Universal Home Access, and also through the work strands that will develop the practical aspects of the programme.
- ☐ We will maintain a detailed fundraising programme, looking for major new sponsors to support us from 2008 onwards.

Auditors

The trustees, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Small companies exemption

This report was prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, approved by the board on 5 June 2007 and signed on its behalf by

LORD MITCHELL
Chair



e-LEARNING FOUNDATION

Independent auditors' report to the members of e-Learning Foundation

We have audited the financial statements on pages 9 to 18

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

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 and whether the Trustees' Report is consistent with the financial statements. We also 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the trustees' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985
- the information given in the Trustees' Report is consistent with the financial statements

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

12 Gleneagles Court

Brighton Road, Crawley

West Sussex RH10 6AD

27 June 2007

e-LEARNING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year to 31 March 2007

		Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Note					
Incoming resources					
<i>Incoming resources from generating funds</i>					
		31,466	-	31,466	41,180
		11,433	-	11,433	5,700
		1,379	-	1,379	3,497
		41,265	-	41,265	37,680
<i>Incoming resources from charitable activities</i>					
2	Donations and similar incoming resources	548,601	1,182,754	1,731,355	943,833
	Total incoming resources	<u>634,144</u>	<u>1,182,754</u>	<u>1,816,898</u>	<u>1,031,890</u>
Resources expended					
3	Costs of generating funds	12,646	-	12,646	17,687
4	Charitable activities	641,157	1,284,856	1,926,013	1,043,243
5	Governance	16,675	-	16,675	15,230
	Total resources expended	<u>670,478</u>	<u>1,284,856</u>	<u>1,955,334</u>	<u>1,076,160</u>
	Net incoming resources	(36,334)	(102,102)	(138,436)	(44 270)
9	Gains or losses on investment assets	6,410	-	6,410	(7,000)
	Net movement in funds	<u>(29,924)</u>	<u>(102,102)</u>	<u>(132,026)</u>	<u>(51,270)</u>
	Total funds at 31 March 2006	736,537	185,667	922,204	973,474
13	Total funds at 31 March 2007	<u>706,613</u>	<u>83,565</u>	<u>790,178</u>	<u>922,204</u>

All the above amounts relate to continuing activities of financial activities All recognised gains and losses are included in the above statement

e-LEARNING FOUNDATION

BALANCE SHEET

31 March 2007

	Note	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	8		20,521		27,944
Investments	9		7,002		592
			<u>27,523</u>		<u>28,536</u>
Current assets					
Stock				58,420	
Debtors	10	145,922		74,520	
Cash at bank and in hand		951,470		906,942	
			<u>1,097,392</u>	<u>1,039,882</u>	
Creditors amounts falling due within one year	11	334,737		146,214	
Net current assets			<u>762,655</u>		<u>893,668</u>
Net assets	12		<u>790,178</u>		<u>922,204</u>
Unrestricted funds					
General funds			706,613		736,537
Restricted funds			83,565		185,667
Total funds	13		<u>790,178</u>		<u>922,204</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

The financial statements on pages 9 to 18 were approved by the Board of Trustees and authorised for issue on 5 June 2007 and are signed on its behalf by

LORD MITCHELL

Chair



e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

1 Principal accounting policies

- (a) The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985. 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.
- (d) Incoming resources generated from sponsorship and advertising are included when receivable. Income from equity investment is accounted for on an ex divi date basis. Bank and other interest is accounted for on a receivable basis.
- (e) 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 administering 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.
- (f) 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 attaching 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.
- (g) In addition to directly attributable costs, each of the other four activities (Fundraising, Marketing, Advice and Communications and Campaigning) 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.
- (h) 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.
- (i) 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.

e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

1 Principal accounting policies (continued)

- (k) Investments held as fixed assets are valued at the trustees' best estimate of market value at the date of gift and have been written down to net realisable value as required
- (l) Stock is included at the lower of cost and net realisable value. Stock is Information Technology equipment to be distributed to qualifying schools. No stock was held at 31 March 2007
- (m) 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
- (n) 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

2 Donations and similar incoming resources

	2007 Unrestricted £	2007 Restricted £	2007 Total £	2006 Total £
Donations				
Community Foundation	21,000	49,000	70,000	100,000
DSGI	62,110	-	62,110	-
The Mercers' Livery Company	30,000	-	30,000	30,000
The Vodafone UK Foundation	4,000	21,000	25,000	-
Berkshire e-Learning Foundation	-	20,000	20,000	-
Martin & Sarah Large	5,000	-	5,000	5,000
Handheld Learning Ltd	5,000	-	5,000	-
Steljes	3,000	-	3,000	-
Syscap plc	2,357	-	2,357	2,000
RM PLC	2,000	-	2,000	-
Bizmedia Ltd	1,502	-	1,502	-
Wyse Leasing	1,000	-	1,000	1,000
Microsoft	-	-	-	13,000
American Express	-	-	-	7,000
Granada Learning	-	-	-	5,000
Crick Software	-	-	-	5,000
Nesta Futurelab	-	-	-	2,000
James Elliman School	-	-	-	1,000
Other small donations (including parental donations through DMS)	71,232	430,954	502,186	151,385
	<u>208,201</u>	<u>520,954</u>	<u>729,155</u>	<u>322,385</u>
Grants from UK Government				
Department for Education and Skills				
Establishment of regional e-Learning programmes	340,400	661,800	1,002,200	621,448
Total	<u>548,601</u>	<u>1,182,754</u>	<u>1,731,355</u>	<u>943,833</u>

e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

3	Cost of generating funds				2007	2006
					£	£
	Conference & exhibition costs				12,645	17,687
4	Charitable activities					
		2007	2007	2007	2007	2006
		Fundraising	Marketing & Comms	Advice	Campaigning	Total
		£	£	£	£	£
	Communications	733	53,544	1,007	163	55,447
	Staff costs	138,555	77,775	172,833	62,274	429,177
	Recruitment costs	-	12,185	-	-	12,185
	Travel	4,541	3,367	18,782	2,586	29,276
	Premises and general office	14,699	15,002	20,198	3,268	53,167
	Professional fees	-	-	-	-	-
	IT and Telecommunications	7,607	7,764	10,453	1,691	27,515
	Depreciation	2,842	2,900	3,906	632	10,280
	Bank charges and interest	22,885	191	257	42	23,376
	Bad debt provision	241	246	331	54	871
	Irrecoverable VAT	8,199	13,566	5,808	940	28,513
		<u>200,302</u>	<u>186,540</u>	<u>233,575</u>	<u>71,650</u>	<u>692,067</u>
	Grants payable				1,233,946	457,080
					<u>1,926,013</u>	<u>1,043,243</u>

e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

4 Charitable activities (continued)

Grants payable

The following donations are institutional donations made by the charity from restricted funds,

	£		£
Churchfields School	34,000	Bishop Barrington School	10,000
Alston Primary School	30,000	Brislington Enterprise College	10,000
Greenwich e-Learning Foundation	27,000	Valley Park Community School	10,000
Greenwich Schools (Mercers)	27,000	Central Foundation Girls School	10,000
Maghull School	25,260	White Mere Community School	10,000
Conway Primary School	25,000	St Bernard Catholic Primary School	10,000
Djanology City Academy	25,000	Nechells Junior School	10,000
Henbury School	25,000	Mount Grace School	10,000
Aston Manor Technology College	20,000	Kingsmead Community School	9,360
Bebington School	20,000	Carlton Hill Primary School	9,000
Galliard Primary School	20,000	Kells Lane School	9,000
All Saints College	20,000	Landau Forte School	8,433
Bowes Primary	20,000	Gilmorton Chandler School	8,061
Prince Albert School	18,000	Stow Heath	8,000
Queensbury School	16,000	Ormesby Primary School	6,930
Monkston Primary School	15,000	Graiseley Primary School	6,500
The St Marylebone School	15,000	St Cuthberts School	6,000
St Bernadettes Catholic Secondary School	15,000	Grangetown Primary School	5,500
Mount Pleasant School	13,000	Hilton Primary School	5,000
Larkrise School	12,878	The Crypt School	5,000
Moreton School	12,600	St Sebastians	5,000
Aston Tower Community School	12,000	Kenton Bar Primary School	5,000
Mansfield Green Community School	12,000	Southmoor Community School	5,000
King Edward VII School	11,500	St Matthias School	5,000
Birmingham e-Learning Foundation	11,250	St Andrews CE Primary School	5,000
Deykin Avenue Junior & Infant School	11,000	Brampton the Ellis Primary School	5,000
Kings College for the Arts & Technology	10,000	Busill Jones Primary School	5,000
Berger Primary School	10,000	Parkfield	4,632
Caedmon Primary School	10,000	Fame Primary School	4,000
Dyke House School	10,000	Milfield School	3,788
Holmesdale Technology College	10,000	Shenley Brook End School	3,000
St Angela's Ursuline School	10,000	St Andrews School	1,000
Sacred Heart School	10,000	North East Computer Grant	1,000
St Saviours & St Olaves School	10,000	Grays Infant and Nursery School	300
St Bartholomews School	10,000		

802,992

e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

5	Governance	2007	2006
		£	£
	Trustee indemnity insurance	1,365	1,365
	Audit fees	15,250	13,600
	Secretarial fees & other	60	265
		<u>16,675</u>	<u>15,230</u>
	Audit fees comprise, Baker Tilly UK Audit LLP		
	Audit Services		
	- Statutory Audit	11,200	-
	Other services		
	- Internal audit services	2,800	-
	- Other services	1,250	-
	Baker Tilly		
	Audit Services		
	- Statutory audit	-	9,300
	Other services		
	- Other services	-	600
	Tax Services		
	- Advisory services	-	3,700
		<u>15,250</u>	<u>13,600</u>
6	Total expenditure	2007	2006
		£	£
	Total expenditure includes		
	Depreciation	10,280	3,877
	Operating leases – building rental	41,473	39,950
	Trustees' liability insurance	1,365	1,365
	Total staff costs comprise		
	Wages and salaries	353,677	355,431
	Social security costs	41,981	41,323
	Pension contributions	45,950	23,454
		<u>441,608</u>	<u>420,208</u>
	Average number employed stated as full-time equivalents	2007 Number	2006 Number
	Administration	<u>7</u>	<u>6</u>

e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

6 Total expenditure (continued)

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

	2007 Number	2006 Number
£120,000 - £130,000	1	1
£60,000 - £70,000	1	-
	<hr/>	<hr/>
	2007 £	2006 £
Contributions paid to a defined contribution scheme for the above higher paid employees	17,639	12,356
	<hr/>	<hr/>

Trustees received no remuneration from the Foundation. During the year trustees were re-imbursed travel expenses of £959 (£895 in 2006)

7 Taxation

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

8 Tangible fixed assets

	IT and communications equipment £
Cost	
1 April 2006	50,103
Additions	2,857
Disposals	(19,879)
31 March 2007	<hr/> 33,081
Depreciation	
1 April 2006	22,159
Charge for year	10,280
Disposals	(19,879)
31 March 2007	<hr/> 12,560
Net book amount	
31 March 2007	<hr/> 20,521
	<hr/>
31 March 2006	<hr/> 27,944

e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

9	Investments	Unlisted UK shares £
	Cost	
	1 April 2006 and 31 March 2007	7,592
	Provision	
	1 April 2006	7,000
	Provided in year	590
	Write back of previous year's provision	(7,000)
	31 March 2007	590
	Net book value	
	31 March 2007	7,002
	31 March 2006	592

The Charity established e-Learning Enterprises Limited, a fully owned subsidiary registered in England, on 16 August 2002 (Company registration number 4513357) This company has not traded during the financial year ended 31 March 2006 and is presently dormant

		2007 £	2006 £
10	Debtors		
	Trade debtors	24,736	33,199
	Other debtors	78,906	27,983
	Prepayments and accrued income	42,280	13,338
		<u>145,922</u>	<u>74,520</u>
11	Creditors: amounts falling due within one year		
	Trade creditors	29,218	14,551
	Other taxes and social security	16,453	14,621
	Other creditors	203,614	52,945
	Accruals and deferred income	85,452	64,097
		<u>334,737</u>	<u>146,214</u>

e-LEARNING FOUNDATION

NOTES ON FINANCIAL STATEMENTS

31 March 2007

12 Analysis of net assets between funds

	2007 General Funds £	2007 Restricted Funds £	2007 Total Funds £
Fixed assets	2,872	17,649	20,521
Investments	7,002	-	7,002
Current assets	827,865	269,528	1,097,393
Current liabilities	(131,126)	(203,612)	(334,738)
	<u>706,613</u>	<u>83,565</u>	<u>790,178</u>

13 Reconciliation of funds

	31 March 2006 £	Incoming Resources £	Outgoing Resources £	31 March 2007 £
Restricted funds.				
Grant funding of local e-learning charities	185,667	1,182,754	(1,284,856)	83,565
Unrestricted funds:				
General funds	736,537	634,144	(664,068)	706,613
Total funds	<u>922,204</u>	<u>1,816,898</u>	<u>(1,948,924)</u>	<u>790,178</u>

Purposes of restricted funds

Grant funding of local e-learning charities

These are funds donated specifically for the support of local e-Learning projects

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 2008

	Land and Buildings 2007 £	2006 £
Expiring one to two years	<u>58,582</u>	<u>41,148</u>
Charitable Grant commitments	<u>-</u>	<u>5,000</u>