

Futurelab Education

Report and Financial Statements

Period Ended

31 March 2011

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BDO LLP
Chartered Accountants

FUTURELAB EDUCATION

Annual report and financial statements for the period ended 31 March 2011

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FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011

The Trustees present their report and audited financial statements for the period ended 31 March 2011

Charity Name: Futurelab Education

Charity registration number 1113051

Company registration number 05689928

Registered Office and operational address:

CAN Mezzanine
32-36 Loman Street
London
SE1 0EH

Trustees

Lord Puttnam of Queensgate
Jeremy Silver
Sue Thexton
Lynne Turner
John Willis
Peter Hyman
Dylan William

Secretary:

Stephen Breslin

Senior Management Team:

Stephen Breslin	Chief Executive
Christopher Godden	Non Executive Director for Finance

Auditors

BDO LLP
One Victoria Street
Bristol
BS1 6AA

Bankers:

Barclays Bank
Park House
Newbrick Road
Stoke Gifford
Bristol BS34 8YU

Solicitors:

Metcalfes
46 Queen Square
Bristol
BS1 4LY

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

Structure, Governance and Management

Governing document

Futurelab Education (Futurelab) is a charitable company limited by guarantee, incorporated and registered as a charity on 27 January 2006. On this date Nesta Futurelab, part of NESTA, agreed Futurelab would take over the business and operate independently. The organisation was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the organisation being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of the Board of Trustees

Under the requirements of Futurelab's Memorandum and Articles of Association there shall be no fewer than three Trustees in office. The current Trustees may serve for a period of two terms or until the third if it is agreed by the Board. This term expires at the date of the AGM. A retiring Trustee shall be eligible for re-appointment as a Trustee with effect from the end of the AGM at which they retire.

The members of the Board of Trustees bring a broad range of skills which have been invaluable to Futurelab. They bring business and finance skills, with expertise in broadcast, digital media and publishing. Specialist skills in education research and curriculum development mean that Futurelab can receive guidance in evaluating the effect its work has on our target audiences.

Subsequent additions or replacements to the Board of Trustees are likely to be found within our network, targeting individuals who are willing to be part of shaping the organisation, who bring particular skills or experience in the educational technology and research areas.

Induction and Training

Some Trustees are already familiar with the work of Futurelab. Trustees are invited to the Futurelab offices to meet the team and spend time familiarising themselves with the aims of the organisation. These inductions are arranged after the new Trustee has been given an induction pack which includes:

Briefing Notes – giving background information on Futurelab's recent activity and key achievements

Business plan – the current business plan

Meeting dates – dates for Futurelab Board of Trustees meetings in the coming year

Memorandum & Articles – the Memorandum and Articles of Association including the objects of the charity

Terms of Reference and Code of Practice for Trustees

Declaration of Interest Policy – the procedures governing Declaration of Interest at meetings

Guidelines on becoming a Trustee – the Charities Commission publication 'The Essential Trustee' on the Hallmarks of an Effective Charity and the Trustee's role

Forms for signature – a Trustee undertaking form, a Trustee declaration form, Form AP01 for Companies House, a contact details form, bank details form, and a declaration of interest form

Visits and contact with Futurelab are encouraged between Board meetings.

Risk Management

The major risks to which the organisation is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks. Specifically the financial performance and the resulting financial situation of the organisation are reviewed at every meeting of the Main Board of Trustees. As required, external audits are also conducted. The critical risk register is reviewed by the Main Board annually.

The principal areas that are regularly reviewed as part of the charity's risk management are: Financial (income, expenditure, investment and financial processes), Management (staff, line management, training, planning, facilities, governance and board membership), and Reputation (communications, public and stakeholder relations, credibility, partnerships and branding).

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

Objects of the organisation

The principal activity of Futurelab is research and development for innovation in education. In setting our objectives and planning our activities, our Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

In order to enable learners of all ages to cope with and contribute to the changing social, economic, cultural and global life of the country, Futurelab believes it is critical to create innovative learning resources and practices. To be effective, these must offer different approaches to teaching and learning, operate within transformed educational institutions and draw on the best that is offered by digital resources.

We believe that in order to create engaging and effective learning approaches, we need to harness the expertise of the education, creative, technical and research communities and enable the participation of the UK's children, parents and teachers in designing educational futures.

Our mission is "to effect positive change to the education system by stimulating and demonstrating creative approaches to the development of future learning resources and practices".

All that Futurelab does is designed to impact a positive change in educational policy and practice. Similarly, all that we do is in partnership with industry, research, policy and practice.

Operational Report/Achievements and Performance

Projects and outputs

The projects undertaken during the year are described in this section in terms of their primary objectives, the outputs they produced and the impact that those outputs had. These projects were carried out under the Becta Grant 2008 – 2011. Outputs listed are only those that are publicly available.

Developing a Learner Entitlement

These activities achieved the following objectives over the three year grant period:

- The development of outline 'learner entitlement propositions' for learning in technology-enhanced environments (both formal and informal) - developed with reference to learners, policy makers, industry, practitioners
- An increased understanding and awareness of learners' expectations and expressed entitlements for learning in technology-enhanced learning environments amongst key NDPBs and education leaders
- An increased understanding and awareness by leading practitioners, policy makers and researchers of the potential roles of digital technologies in enhancing learner voice and learner entitlement
- Relationships and communications routes built between learner advocacy sector and the UK Technology and Education Sector
- Design, build, test and soft launch an online resource for the 14-19 age group that takes account of learners' aspirations, entitlements and engagement in technology-enhanced environments
- Engage partners in the learner advocacy, youth, technology and education sectors to inform design and content of the resource and cultivate ownership and use of it
- Develop dissemination and communication plans for a full resource launch
- Promote the Infocow resource through a high profile campaign, including launch event, online advertising, and dissemination through networks
- Make the Infocow resource sustainable and secure its future by developing networks and processes that can independently maintain the site. This may include managing groups of young people to maintain and moderate content on the site and exploring long-term funding opportunities
- To modify existing site functionality and add or remove features for sustainability purposes. This will include ongoing reviews of site effectiveness, impact, moderation and safety
- Network development and expansion to support dissemination and pursuit of viable sustainability models, including possible additional funding opportunities

Outputs

Learner Entitlement Charter (<http://www.futurelab.org.uk/projects/greater-expectations>)

InfoCow Resource (<http://www.infocow.org.uk/>)

Impact

The learner entitlement publication along with the learners charter pull out poster was accepted as an influential work possibly because of the wide group of collaborators in its origin and for the perspectives that it offered. The InfoCow website has proved popular with its user group who had been heavily involved in its production and development. Long-term outputs will not be known as it has only been launched for a year.

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

Digital participation

This programme supported teacher practice and developed young people's digital literacy and their opportunities for digital participation across several projects. An initial set of activities undertook the following

- To conduct a comprehensive desk review of "digital literacy" and "digital participation" research and its practical implications in the context of primary and secondary curriculum reforms
- To develop a series of participatory workshops with teachers to design practical approaches to digital literacy and participation in the primary and secondary school curriculum
- To co-develop classroom strategies for digital literacy and participation with teachers and learners, to pilot these approaches, and to analyze and report the outcomes
- To develop a series of case study exemplars of digital literacy and participation approaches in primary and secondary school classrooms

The following were projects with specific focus

Digital literacy interventions in schools

- To provide insight about existing digital literacy interventions in schools across the country
- To explore teacher and student perceptions of the impact of digital literacy interventions in schools
- To produce a report analysing school experiences of developing digital literacy interventions and drawing conclusions which can support schools in developing their own approach to digital literacy
 - Developing teachers' practice
- To produce two workshops to support teachers' professional development to enable them to support learners' digital literacy within curriculum teaching
- To gather qualitative feedback from teachers on the workshop activities and ways in which the workshops have supported their classroom practice
- To produce a downloadable teacher professional development resource to support teachers to develop an understanding of digital literacy and supporting learners' digital literacy in the classroom
 - Digital literacy across home and school
- To explore and support the active role of the learner in mediating home-school relationships in order to enhance their learning
- To develop guidance for schools on using technologies as part of a strategy for home school communication to support children's learning
- To explore and understand children's, parents' and teachers' perceptions about boundaries and relationships between in-school and out-of-school learning
- To explore the connections and differences between children and young people's digital literacy practices in and out of school, with a view to developing an understanding of how schools and teachers could respond in light of these connections and differences
 - how schools and teachers could recognise, understand and build on children's out of school digital literacy practices (home to school direction) and
 - how schools and teachers could support children's digital literacy practices out of school (school to home direction)
- Young People's research group
- To work with a small group of young researchers to support them in the development of research skills and the development of their own research questions in the area of digital literacy
- To support the young people in their research into the area of digital literacy
- To work with the young people to provide the outcomes of their research in an accessible format of their choice
- Engaging Family and Informal Learning

The aims of the programme of work in family and informal adult learning will be

- The development of a shared understanding by policymakers and providers of the existing landscape of tools, resources and services to support family learning and adult learning with adult learning aligned to the current DIUS consultation on Informal Adult Learning. Shaping the way ahead www.adultlearningconsultation.org.uk
- The development of a shared understanding by policymakers and providers of the purposes, needs and aspirations of those learning at home using online tools and resources
- The development of a set of longer-term recommendations for strategies to support family and adult learning using online resources

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

Outputs

- Review of the research and evidence on home school communication to support children's learning (<http://www.futurelab.org.uk/projects/home-school-relationships>)
- Teachers' Handbook on home-school links (<http://www.futurelab.org.uk/projects/home-school-relationships>)
- Review of Digital Participation research and evidence (<http://www.futurelab.org.uk/projects/digital-participation>)
- Digital Participation User scenarios for primary & secondary teachers (written and video) (<http://www.futurelab.org.uk/projects/digital-participation>)
- Digital literacy and participation handbook (<http://www.futurelab.org.uk/projects/digital-participation>)
- Family Learning Policy Recommendations Report (<http://www.futurelab.org.uk/projects/learning-in-families>)
- Adult informal learning Open Discussion Event and Policy Seminar (<http://www.futurelab.org.uk/projects/adult-informal-learning>)
- Industry and National Education Champions Report (<http://www.futurelab.org.uk/projects/adult-informal-learning>)
- Academic paper on support for learners' digital literacy
- Digital participation Teacher CPD resource pack (<http://www.futurelab.org.uk/projects/digital-participation>)
- Academic Paper on Digital literacy across home and school
- Young peoples' research outputs (<http://www.futurelab.org.uk/projects/digital-participation>)

Impact

The digital participation strand of activity has been one of the key areas in which Futurelab has established an international reputation (along with games and learning). A key measure of this success has been the accolades bestowed by the DML group in the United States including invitations to schedule day-long panels within the key global digital participation conference held in California each year that they have run. Details of publication distribution are given later.

Games and Learning

Futurelab undertook extensive research into games and learning during the course of the grant. The projects included the following:

- The development of a shared understanding by education policymakers and providers of appropriate responses to the emergence of computer games as a significant cultural phenomenon
- The development of a shared understanding of the existing evidence base in the field, and the potential for use of games in education
- The development of a set of longer-term recommendations for understanding, responding to and using games practices and games-based learning in formal and informal education
 - Gaming in families
- To support parents to appreciate the benefits and risks associated with playing computer games and how these can be managed
- To support children to be informed and safe while playing computer games
- To develop informed and comprehensive guidance for families on the benefits and risks of computer gaming

Serious games in education

- To identify and document the usage, definition and as far as possible pedagogy, of serious games, that is, games where the educational goal takes precedence, in training outside of the school education system
- To identify and document serious games usage within schools, focusing on the benefits, risks and how they are being used effectively
- To analyse some of the assessment processes used by serious games, especially within schools
- To identify implications for schools from the use of serious games in the wider society and share these with teachers

Games for learning

- To extract from existing research into digital games and learning a set of principles to guide how to structure and design the most effective games based learning experiences in classrooms
- To test those principles in a classroom environment as standalone principles, and in the context of digital games
- To create a resource for teachers that enables them to use the findings of the project in their own practice

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

Outputs

- Review of the research and evidence on families and gaming (<http://www.futurelab.org.uk/projects/games-and-learning>)
- Literature Review of Serious Games in Education (<http://www.futurelab.org.uk/projects/games-and-learning>)
- Handbook for teachers in using games (<http://www.futurelab.org.uk/projects/games-and-learning>)
- Design principles for games and education (<http://www.futurelab.org.uk/projects/games-and-learning>)

Impact

Futurelab has consistently been regarded as a world authority in games and learning as a field and has played a key role in advising policy (through parliamentary select committee meetings and the likes of UKCIS on which it has several representatives) and in advancing practice (projects have been held as key exemplars of new approaches in many teacher forums)

Innovations

Work to develop a resource to showcase innovation in education and to develop and disseminate a greater understanding of the mechanisms of innovation in education

- To design, build and provide an inspiring, easy-to-use online resource that gives access to useful, relevant and interesting innovations, showcasing them across education's varied communities (policy, educational practitioners & leaders, education industry and research communities)
- To trial the resource with the target audiences and incrementally develop and refine the resource to best ensure that it has a good possibility of successful uptake
- To make connections and links with content providers and networks to develop a sustainable strategy for longer term provision of the resource
- To promote the resource amongst the target audience
- To trial the resource with the target audiences and refine it to best ensure that it has a good possibility of successful uptake and provides an inspiring, easy-to-use online resource that gives access to useful, relevant and interesting innovations
- Make education eye sustainable and secure in its future

Outputs

- Review on 'Overcoming barriers to educational innovation' (<http://www.futurelab.org.uk/resources/publications-reports-articles/literature-reviews/Literature-Review1398>)
- Map of Innovation Online resource "Education Eye" (<http://www.educationeye.org.uk/>)

Impact

While it is difficult to gauge the overall impact of Futurelab's work in education innovations, it is clear that it has made a contribution to the thinking of the educational 'establishment' and helped to shift approaches to education through its work

Mobilising Technology Leadership

- A vibrant and engaged dialogue between research, policy, practice, creative and technology sectors about the future of education and technology
- An increased understanding of emergent technology and creative developments in the field amongst senior civil servants such as the ICT Champions Group
- An increased awareness of emergent technology and creative developments amongst key NDPBs and education leaders
- An increased demand for innovation in education and technology from education leaders and practitioners
- An identification of key new issues and areas for strategic intervention
- To increase demand for innovation in education and technology from education leaders and practitioners
- To showcase the benefits of innovative approaches to learning with technology to the education community including policymakers, industry, researchers, senior civil servants, NDPBs and education leaders
- To inspire greater numbers from the education community to try innovative approaches to learning using technology
- Inspire new and innovative practice using technology among 'technology champions'
- Inspire greater numbers from the education community, both in and outside school, to try innovative approaches to learning using technology
- Inspire new and innovative practice using technology among 'technology champions'
- Showcase the benefits of using innovative approaches to learning with technology to the wider education community including policymakers, industry, researchers, industry and the third sector

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

Outputs

- Podcast and video assets for Education Leaders (<http://www.futurelab.org.uk/resources/multimedia/podcasts>)
 - BETT stand and presence 2009, 2010 (you had to be there)
 - Vision Magazine (<http://www.futurelab.org.uk/resources/publications-reports-articles/vision-magazine>)
 - Handbooks for system leaders (<http://www.futurelab.org.uk/resources/publications-reports-articles/handbooks>)
 - 'InspirED' e-briefings (<http://inspired.futurelab.org.uk/>)
- Impact

Vision

Publication	Date	Downloads	Print distribution
VISION Issue 11	Jul- Dec 2010	628	10,000
VISION Issue 10	Jan - Jun 2010	704	12,000
VISION Issue 9	Jul - Dec 2009	166	10,000
VISION Issue 8	Jan - Jun 2009	111	12,000
VISION Issue 7	Jul - Dec 2008	75	10,000

Financial Review

Overview

The total income for the period was £1,504,433 (2010 £2,454,663) Total expenditure for the year was £2,131,566 (2010 £2,916,632) to give a deficit of £627,133 (2010 £461,969) Within this deficit, there is a deficit of £55,465 against restricted funds (2010 £125,441)

Within the financial statements the cost of activities includes all costs directly incurred in relation to projects The cost of provision of services cover the overheads not directly related to these projects

Reserves and Investment Policies

In order to provide ongoing financial stability, the organisation aims to hold reserves at a level that will provide funds to cover a minimum of six months of costs in the event of a failure to secure funding Currently we have £1,271,082 in unrestricted reserves which we consider sufficient

During the year Futurelab had an average of £1,257,176 on deposit through Barclays Wealth The average return on this investment was just under 2% against an average base rate for the same period of 0.5% These funds are included within the cash and bank balances

The funds available for investment are split into the following categories

Short term – Funds that need to be immediately available to cover the next three months of trading These shall be held on bank deposit at the best available rates Immediate access to the funds is required Management of these funds will be delegated to the organisation's management team

Medium term – Funds that need to be available on short notice to cover the activities between three and six months These shall be held in low risk investments with a target income return greater than bank base rate Access to the funds is required at a maximum of one weeks notice Management of these funds will be delegated to an Investment Manager

Long term – The remaining funds available for investment on a longer term basis Long term funds shall be held in investments that are likely to provide enhanced income and capital growth Access to the fund is required at a maximum of three month's notice Management of these funds will be delegated to an Investment Manager

Funding sources and how expenditure has supported key objectives of the charity

The main source of funding for the charity was Becta Engagement directly with them has enabled Futurelab to influence educational policies and further education through the investigation of new ways of teaching and learning A variety of other funding sources are spread through the education system including government agencies and commercial partners Projects undertaken with these partners form both a source of income and a route into the educational network essential to our work

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

Current Business

Education Research

BECTA Research, Total Grant Value £4m, March 2008 – March 2011

Over the last three years, the bulk of our education research has been funded directly by BECTA to provide evidence, resources and tools to support the Harnessing Technology 2.0 strategy. The final deliverables against the BECTA project will be completed by the end of February and this will bring the project to a close.

European Projects

We are currently partners in 3 projects funded under the European Union FP7 program

- iTEC, Total Grant Value £380k, September 2010 – September 2014
- Pathways, Total Grant Value £65k, January 2011 – January 2014
- ECB, Total Grant Value £65k, February 2011 – February 2013

Project summaries for all of these projects can be found in Appendix B

Other Projects

- HP Catalyst, £50k, September 2010 – September 2011

School Consultancy

Background

On 24 May 2010, the new coalition Government announced a package of measures to reduce expenditure in the public sector which included the closure of BECTA by March 2011. Currently, BECTA "leads the national drive to inspire and lead the effective and innovative use of technology throughout learning". There will no longer be a national agency promoting technology in education in England.

On 5th July 2010, Department for Education announced the end of the Building Schools for the Future programme (BSF). ICT spending was expected to reach £4.5bn over the programme's lifetime. Of the schools that were due to see ICT refits, only 26 of the 89 planned will go ahead. BSF wasn't just about buildings, or ICT. Many had seen it as a catalyst and route to transform learning and to develop teaching and learning across schools. The end of the programme will still leave a demand for support around effective use of ICT to improve learner outcomes.

In October 2010, Futurelab launched the FuturelabHub Network which aspires to be a national network of schools which Futurelab will support with research inputs to drive improvements in learner outcomes. Each hub school will receive a package of support from Futurelab for a fee of £20,000.

Futurelab will seek to accredit one Hub school in each geographical (possibly) Local Authority area in England and cover 80% of Local Authorities within five years (= 120 Futurelab Hubs).

Given the strategy is to recruit only one Futurelab Hub in each area, the bar will be set deliberately high. The process will be primarily invitation driven based on acknowledged high performing status of school combined with commitment to utilise enquiry-based learning approaches which are aimed at developing solutions to the key challenges identified in school development plans.

A readymade national infrastructure of hubs will make Futurelab an attractive partner to businesses, policy makers and Government agencies seeking to try out new approaches.

The original plan was to sign up 12 Hubs by March 2012. The relatively small numbers was to ensure both quality of delivery and that the availability of appropriate Futurelab learning facilitators. We currently have 7 schools signed up as Hubs.

Plans for future periods

Whilst the trustees consider that the charity has sufficient reserves to continue to operate at its reduced size for the next two years, they are aware of the need to protect reserves.

The charity is currently in negotiations aimed at finding more secure funding that will enable it to continue with its charitable objectives.

Trustees responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

FUTURELAB EDUCATION

Report of the Trustees for the period ended 31 March 2011 (continued)

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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether United Kingdom Generally Accepted Accounting Practice, 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

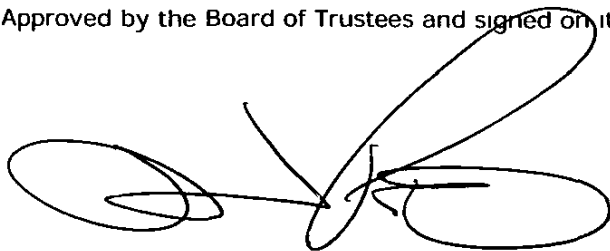
All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

Small Company Exemptions

In preparing this report, advantage had been taken of the small companies' exemption. The report follows the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice 2005.

Approved by the Board of Trustees and signed on its behalf by

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a final horizontal stroke.

Trustee – D Puttnam

Date 21 June 2011

FUTURELAB EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FUTURELAB EDUCATION

We have audited the financial statements of Futurelab Education 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 charity's trustees, as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on page 10), the trustees (who are also the directors of the 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity'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.

FUTURELAB EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FUTURELAB EDUCATION (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, or
- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

BDO LLP

BDO LLP

Statutory Auditor

Epsom

United Kingdom

Date *21 October 2011*

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

FUTURELAB EDUCATION

Statement of financial activities for the period ended 31 March 2011

	Note	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Incoming resources from generated funds					
<i>Activities for generating funds</i>					
Investment income		24,358	-	24,358	26,874
Other incoming resources	2	7,586	-	7,586	57,573
<i>Incoming resources from charitable activities</i>					
Grants and contracts		361,167	1,111,322	1,472,489	2,370,216
Total incoming resources	3	393,111	1,111,322	1,504,433	2,454,663
Resources expended					
<i>Charitable activities</i>					
External cost of projects		220,918	211,604	432,522	747,747
Cost of provision of services		685,588	955,183	1,640,771	2,108,214
<i>Governance costs</i>		58,273	-	58,273	60,671
Total resources expended	4	964,779	1,166,787	2,131,566	2,916,632
Net incoming/(outgoing) resources before transfers		(571,668)	(55,465)	(627,133)	(461,969)
Transfers between funds	10	(55,465)	55,465	-	-
Net incoming resources and net movement in funds	5	(627,133)	-	(627,133)	(461,969)
Balance brought forward at 1 April 2010		1,898,215	-	1,898,215	2,360,184
Balance carried forward at 31 March 2011		1,271,082	-	1,271,082	1,898,215

All amounts relate to continuing activities

All gains and losses recognised in the year are included above

The notes on pages 15 to 20 form part of these financial statements


FUTURELAB EDUCATION**Company number
05689928****Balance sheet at 31 March 2011**

	Note	2011	2010
		£	£
Fixed assets	7	12,476	20,505
Current assets			
Debtors	8	53,597	325,704
Cash and bank balances		1,324,426	1,846,635
		<u>1,378,023</u>	<u>2,172,339</u>
Creditors: amounts falling due within one year	9	(119,417)	(294,629)
		<u></u>	<u></u>
Net current assets		1,258,606	1,877,710
		<u></u>	<u></u>
Net assets		1,271,082	1,898,215
		<u></u>	<u></u>
Financed by:			
Funds of the charity			
Restricted funds	10	-	-
Unrestricted funds			
General funds	10	1,271,082	1,898,215
		<u></u>	<u></u>
	10	1,271,082	1,898,215
		<u></u>	<u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company has elected to take advantage of the audit exemption conferred by section 477 of the Companies Act 2006 in relation to entities below the small companies audit threshold and has accordingly elected for the financial statements to be audited under the Charities Act 1993

The financial statements on pages 13 to 20 were approved by the trustees and authorised for issue on 21 June 2011


Trustee – D Puttnam
Trustee – J Silver

The notes on pages 15 to 20 form part of these financial statements

FUTURELAB EDUCATION

Notes forming part of the financial statements for the period ended 31 March 2011

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting and reporting by Charities (SORP 2005) published in March 2005 and applicable accounting standards and FRSSE.

Income

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Depreciation

Fixed assets are stated at cost less depreciation.

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Leasehold improvements	- 33 3% per annum on cost
Plant and equipment	- 33 3% per annum on cost

Assets are capitalised where the cost exceeds £500 and are depreciated from the month of purchase.

General Funds

Unrestricted General Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds, which have been given for a specific purpose by the donor or statutory body. Expenditure which meets these criteria is charged to the fund, together with fair allocation of management and support costs on an employee basis.

Resources expended

External cost of projects are those costs directly incurred in connection with the various projects carried out by the company.

Expenditure is included in the financial statements on an accruals basis. Expenditure where possible is charged directly to the projects.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, together with fair allocation of management and support costs on an employee basis.

Leases and hire purchase contracts

Rentals paid under operating leases are charged to the Statement of Financial Activities as they fall due.

Pension schemes

Contributions to the group's defined contribution pension scheme are charged to the statement of financial activities in the year in which they become payable.

Going concern

The trustees are confident that the company has sufficient free reserves and ongoing other income to continue as a going concern. There are plans in place to deal with any future deficit in accordance with the long term strategy as outlined further in the trustees report.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of financial activities.

FUTURELAB EDUCATION

Notes forming part of the financial statements for the period ended 31 March 2011
(Continued)

2	Other income resources			2011	2010	
				£	£	
	<i>Other income</i>					
	Delegate income			650	40,246	
	Literature reviews			204	193	
	Speaker fees/conferences			4,429	13,821	
	Other			2,303	3,313	
				7,586	57,573	
3	Total incoming resources			2011	2010	
				£	£	
	United Kingdom			1,152,377	2,434,872	
	Rest of the world			352,056	19,791	
				1,504,433	2,454,663	
4	Expenditure	External cost of projects	Cost of provision of services	Governance	2011	2010
		£	£	£	£	£
	Purchases	395,518	-	-	395,518	669,549
	Salaries	-	1,021,020	44,343	1,065,363	1,381,162
	Pension contribution	-	85,494	-	85,494	117,707
	Temporary and contract staff	-	32,240	-	32,240	56,832
	Recruitment	-	(75)	-	(75)	6,762
	Staff development and training	-	32,126	-	32,136	14,863
	Enhanced benefits	-	39,679	-	39,679	37,261
	Rent and rates	-	90,579	-	90,579	85,933
	Heat and light	-	6,874	-	6,874	10,044
	Other premises costs	-	11,086	-	11,086	17,595
	Printing, postage and stationery	-	13,771	-	13,771	9,290
	Telephone	-	12,757	-	12,757	22,812
	Insurance	-	11,316	-	11,316	11,505
	Subscriptions	-	997	-	997	1,092
	Office equipment	-	35,362	-	35,362	29,147
	Travel and subsistence	-	78,896	-	78,896	119,077
	Entertaining	-	7,797	-	7,797	8,275
	External meeting rooms	-	4,281	-	4,281	2,875
	Marketing materials	2,312	-	-	2,312	4,486
	Publications	34,692	-	-	34,692	74,223
	Press and PR	-	35,408	-	35,408	54,405
	Website	-	7,599	-	7,599	18,733
	Conference fees	-	8,478	-	8,478	6,908
	Legal and professional	-	9,935	-	9,935	6,642
	Audit and accountancy	-	-	11,025	11,025	11,800
	Board costs	-	-	2,905	2,905	4,528
	Sundry expenses	-	1,505	-	1,505	2,221
	Bank charges and interest	-	1,668	-	1,668	1,361
	Depreciation	-	16,858	-	16,858	25,258
	Disposal of fixed assets	-	1,420	-	1,420	(797)
	Bad debts	-	8,151	-	8,151	21,139
	Non-reclaimed VAT	-	65,549	-	65,549	83,944
		432,522	1,640,771	58,273	2,131,566	2,916,632

FUTURELAB EDUCATION

Notes forming part of the financial statements for the period ended 31 March 2011 (Continued)

4 Expenditure continued...

	2011 £	2010 £
Cost of activities	432,522	747,747
Cost of provision of services	1,640,771	2,108,214
Governance costs	58,273	60,671
	<u>2,131,566</u>	<u>2,916,632</u>

5 Net incoming resources

Net incoming resources are stated after charging -

	2011 £	2010 £
Audit services	11,000	10,500
Other services	-	1,300
Depreciation	16,858	25,258
Operating leases		
Land and buildings	65,319	63,000
Other	9,577	3,596
	<u></u>	<u></u>

6 Salaries

	2011 £	2010 £
Gross salaries and wages	963,330	1,239,989
Employers national insurance	102,033	141,173
Pension	85,494	117,707
	<u>1,150,857</u>	<u>1,498,869</u>

The staff costs of the charity are shown above. The average number of full time equivalent employees in the year was

	2011 Number	2010 Number
Management	3	3
Administration	21	30
	<u>24</u>	<u>33</u>

1 employee earned more than £60,000 in the year (2010 3) Their emoluments fell into the following bands

	2011 Number	2010 Number
£60,000 to £69,999	-	1
£120,000 to £129,999	1	1
£140,000 to £149,999	-	1

FUTURELAB EDUCATION

Notes forming part of the financial statements for the period ended 31 March 2011 (Continued)

Contributions to the defined contribution pension scheme in respect of these employees were £Nil (2010 £7,658)

The Chairman of the Trustees received £39,960 for his services in line with the Articles of Association (2010 £39,960), which has been included in governance costs. This was paid through the company's payroll. No other trustees received any remuneration in the year (2010 £nil)

There was no reimbursement of Trustees travel and subsistence expenses during the current or previous year

7 Fixed assets

	Leasehold improves. £	Plant and equipment £	Total £
<i>Cost</i>			
At 1 April 2010	313,863	347,216	661,079
Additions	-	12,589	12,589
Disposals	(313,863)	(307,127)	(620,990)
At 31 March 2011	-	52,678	52,678
<i>Depreciation</i>			
At 1 April 2010	310,559	330,015	640,574
Charge for the year	2,138	14,720	16,858
Eliminated on disposals	(312,697)	(304,533)	(617,230)
At 31 March 2011	-	40,202	40,202
<i>Net book value</i>			
At 31 March 2010	3,304	17,201	20,505
At 31 March 2011	-	12,476	12,476

8 Debtors: amount falling due within one year

	2011 £	2010 £
Trade debtors	47,886	293,078
Other debtors and prepayments	5,711	32,626
	53,597	325,704

FUTURELAB EDUCATION

Notes forming part of the financial statements for the period ended 31 March 2011 (Continued)

9 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdraft	-	53,225
Trade creditors	20,528	132,243
Other creditors	(128)	9,385
Tax and social security creditor	14,659	54,222
Accruals and deferred income	84,358	45,554
	119,417	294,629

Deferred income (included within accruals and deferred income) relates to fees invoiced in advance for Futurelab Hubs

	2011 £	2010 £
Deferred income at 1 April 2010	-	-
Incoming resources deferred in the year	60,000	-
Income resources released from prior years	-	-
	60,000	-

10 Statement of Funds

	B/fwd £	Incoming resources £	Outgoing resources £	Transfers £	C/fwd £
Unrestricted funds					
General funds	1,898,215	393,111	(964,779)	(55,465)	1,271,082
Restricted funds					
Becta	-	1,000,000	(1,007,574)	7,574	-
ITEC	-	111,322	(159,213)	47,891	-
	-	1,111,322	(1,166,787)	55,465	-
Total funds	1,898,215	1,504,433	(2,131,566)	-	1,271,082

Transfers have been made, in line with our reserves policy, to cover excess staff costs incurred in completing the projects

FUTURELAB EDUCATION

Notes forming part of the financial statements for the period ended 31 March 2011
(Continued)

11 Funds

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Fund balances at 31 March 2011 are represented by:				
Tangible fixed assets	12,476	-	12,476	20,505
Current assets	1,378,023	-	1,378,023	2,172,339
Current liabilities	(119,417)	-	(119,417)	(294,629)
	<u>1,271,082</u>	<u>-</u>	<u>1,271,082</u>	<u>1,898,215</u>

12 Pensions

The pension charge amounted to £85,494 (2009 £117,707). At the year end a debtor of £128 (2010 creditor of £9,385) was outstanding and is included in other creditors.

13 Commitments under operating leases

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	2011 £	2010 £
Expiring		
Within one to two years	-	3,596
Over five years	-	63,000
	<u>-</u>	<u>66,596</u>