

BRITISH EDUCATIONAL COMMUNICATIONS
AND TECHNOLOGY AGENCY
(A charitable company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2009

Registered Company No. 2090588
Registered Charity No. 297241

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BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
COMPANY DETAILS
31 March 2009

Company details (*as at 31 March 2009*)

Name: The British Educational and Communications Technology Agency (Becta)

Charity registration no: 297241

Company registration no: 02090588

Address and registered office: Becta
Millburn Hill Road
Science Park
COVENTRY CV4 7JJ

Trustees and Board: Graham Badman CBE - acting chairman
(appointed chairman from 1 May 2009)
Derek Wise
John Roberts CBE
Rosemary Luckin
Stephen Gill
John Newbigin
Lopa Patel

DCSF Assessor: Dugald Sandeman

DBIS Observer: John Landeryou

Chief Executive: Stephen Crowne

Company Secretary: Peter Avis

Auditors: **External Auditors**
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS

Other advisors: **Internal Auditors**
RSM Bentley Jennison
Cedar House
Breckland
Renford Wood
Milton Keynes
MK14 6EX

Solicitors
Bird and Bird LLP
15 Fetter Lane
London
EC4A 1JP

Bankers
Barclays Bank
25 High Street
Coventry
CV1 5RE

The Board presents its annual report and the audited financial statements for the year ended 31 March 2009. They have been prepared in accordance with the reporting requirements of the Statement of Recommended Practice (revised 2005), Accounting and Reporting by Charities.

Legal and administrative information

The BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY ("Becta") is a non-departmental public body. Becta is a company limited by guarantee with charitable status, governed by its Memorandum and Articles of Association and Financial Memorandum with the Department for Children Schools and Families (DCSF).

Principal activities

The objects of the company are 'to provide system-wide leadership in all aspects of the application and embedding of new technology in the education, skills and children's sector' (remit letter from Minister of State for Schools and Learners, June 2008).

In furthering these objectives we comply with current statutory requirements, the requirements of Becta's governing documents, the financial memorandum, and any administrative requirements for the use of public funds. Our primary relationship is with the Department for Children, Schools and Families (DCSF) and we also have strong working links with the Department for Business, Innovation and Skills (DBIS) (formally Department for Innovation, Universities and Skills (DIUS)).

Becta is funded primarily through grants received from DCSF and DBIS. Further funds are derived from specific contracts with a range of other bodies.

Becta's Executive Committee in 2008-09 comprised:

Stephen Crowne	Chief Executive
Ian Adams	Executive Director for Partnerships, Commissioning, Marketing and Communications (resigned 30 June 2008)
Alan Cowie	Executive Director for Business Delivery and Organisational Development
Neil McLean	Executive Director for Institutional Workforce and Development
Stephen Lucey	Executive Director for Strategic Technologies
Tony Richardson	Executive Director for Strategy & Policy
Jane Williams	Executive Director for Further Education, Skills and Regeneration

Becta's Operational Committee in 2008-09 comprised:

Peter Avis	Director for Educational Policy
Vanessa Pittard	Director for e-Strategy
Paul Shoosmith	Director for Technical Strategy
Mark Wallbank	Director for Procurement Strategy
David Hassell	Director for Learning, Teaching and Inclusion
Mike Briscoe	Director for Institution, Leadership and Safeguarding
Cathy Ellis	Director for Improvement, Personalisation and Leadership
Christine Lewis	Director for Efficiency and Productivity in Further Education and Skills
Richard Pearse	Director for Finance and IT
Pat Hunt	Director for Organisational Change and Performance
Brian Hardie	Director for Marketing Communications
Colin Penfold	Director for Regional Delivery and Engagement
Nick Shacklock	Director for Universal Home Access (Interim)
Claire Gill	Director for Communications

Board members

Board members are currently appointed by the Secretary of State for Children, Schools and Families. Board members are usually appointed for a term of three years.

Members of the Board who are the trustees at the charity during the year ended 31 March 2009 were:

Chairman

Andrew Pinder CBE (retired 31 December 2008)
Graham Badman CBE (acting chairman from 01 January 2009)

Board

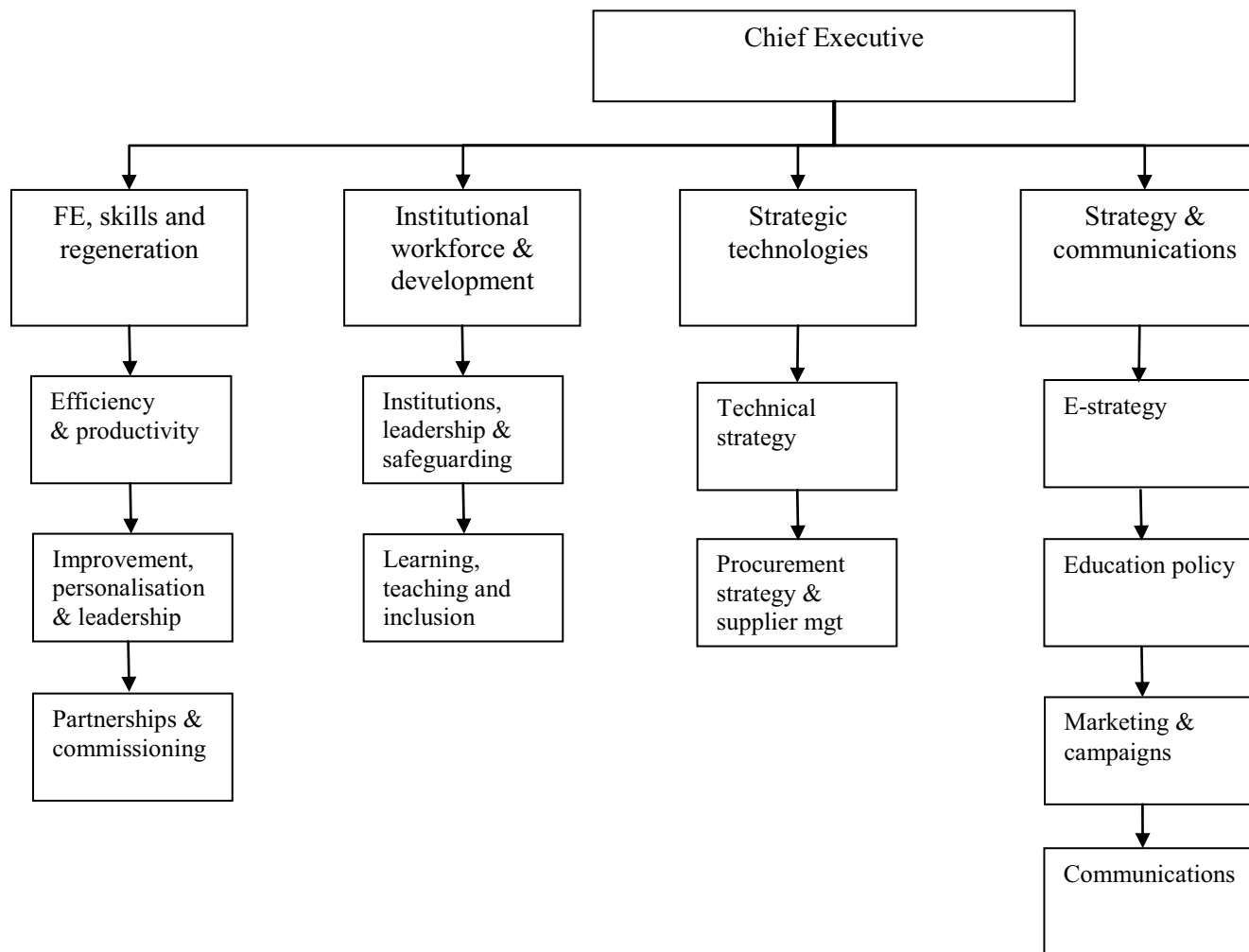
John Roberts CBE
Stephen Gill
Derek Wise
Graham Moore OBE (resigned 04 March 2009)
Rosemary Luckin
John Newbiggin (appointed 01 May 2008)
Lopa Patel (appointed 15 May 2008)

Each member completes a register of interests. None of the board members held other company directorships or other significant interests which may conflict with their management responsibilities. The register is available for inspection at the registered office by prior arrangement during normal business hours.

Structure, governance and management

- Status:** The British Educational and Communications Technology Agency (Becta) is a non-departmental public body (NDPB), a company limited by guarantee, and a registered charity. It is governed by its Articles of Association and its Management and Financial Memorandum with the Department for Children, Schools and Families (DCSF).
- Becta's role and history:** Becta leads the national drive to inspire and lead the effective and innovative use of technology throughout learning. It's our ambition to create a more exciting, rewarding and successful experience for learners of all ages and abilities, enabling them to achieve their potential.
- Becta is the Government's lead agency for Information and Communications Technology (ICT) in education, covering the United Kingdom. It was established in 1998 through the reconstitution of the National Council for Educational Technology (NCET). Becta is a company limited by guarantee with charitable status.
- In September 2008, the Prime Minister announced a programme to provide children from jobless and low income families with a computer and broadband access to the internet at home. Becta has been asked to lead this £200 million programme which will be known as 'Universal Home Access' and is expected to run until 2011.
- Becta's remit is published on its website at:
<http://foi.becta.org.uk/display.cfm?page=1676>
- Recruitment of trustees:** Becta's Board of trustees are appointed by the Secretary of State for Children, Schools and Families. Trustees are normally appointed for a period of three years, which may be renewed. Trustees are accountable to the Secretary of State for Becta's work.
- Board organisation:** Currently the Board consists of eight trustees together with an assessor nominated by the DCSF and a DBIS (formally DIUS) observer. The Chief Executive is an ex-officio member and the Executive Committee (senior leadership) of Becta attend Board meetings. The Board meets regularly: a minimum of four times a year but in practice more often. The Board met six times during financial year 2008-09.
- Board members are provided with an induction to Becta via an induction pack covering training materials on the responsibilities of trustees of public bodies, a code of conduct, and an introduction to the work of Becta, plus a personal introduction from the Chief Executive.
- Structure of Becta:** During 2008-09 the Partnerships, Commissioning, Marketing and Communications directorate was restructured. Marketing and Communications joined Strategy and Policy to form Strategy and Communications (S&C); Partnerships and Commissioning became Regional Delivery and Engagement and joined FE, Skills and Regeneration to form the new directorate, Further Education, Regeneration and Delivery. (FERD). The management structure is shown on page 5.

Becta's organisational and leadership structure as at 31 March 2009



Risks:

The major risks to Becta are reviewed regularly through the Chief Executive's report to the Board, through its Audit Committee and at the Weekly meetings of the Executive Committee. Systems and procedures have been established to manage those risks and these are reported in the Chief Executive's report. During the year the company's Internal Auditors were asked to review the risk management process and all recommendations were agreed. Key risks for 2008-09 included:

- Risk that differing priorities among partners or lack of understanding of technology reduces impact through lack of coherence of approach.
- Risk that local and regional bodies do not have the capacity and capability to support the changes needed for Becta's strategic objectives.
- There is a risk that users do not have the change skills to deliver what Becta is advocating.
- National attitudes to technology in education are damaged by a serious incident relating to the safety and protection of children, arising from misuse of the Internet within the education system.
- Becta's remit continues to increase without additional resources to provide it with the capacity to deliver its work.
- Risk that Becta does not have the capacity and capability to effectively deliver the Home Access programme.

Risk management is applied at all levels in the organisation with registers maintained for programme and project steering groups with escalation to the Operational & Executive Committees when appropriate.

Performance and activities

Decision-making and accountability

The strategic direction for Becta is set by a remit letter from the Secretary of State. This describes the overall purpose and function of Becta, and its contribution to the education system in the UK. The remit is supported by an annual priorities letter setting out particular areas of focus for the current financial year.

The Becta Executive develops a strategic plan of activity, designed to realise the objectives of the remit and priorities letter and this is translated into an annual business plan.

The Board of Trustees ensures that the business plan meets the requirements set out in the remit and priorities letter. Once their approval is obtained, an operational plan is developed which develops the business plan into a structured programme of work.

Performance targets are proposed by the Executive and approved by the Board at the start of the year. Performance against targets is reported to the Board at least quarterly (in practice more frequently) to ensure that Becta is on track, and to allow corrective action to be taken if there are issues with performance.

Assurance in these matters has been reinforced by Becta Directors who comprise the Operational Committee whose remit is to provide a 'cross directorate' perspective, decision making and intervention at operational level.

The Chief Executive is accountable to the Board for Becta's delivery against its remit and annual priorities.

Becta's performance for 2008-09

Becta was asked by the two sponsor departments, DCSF and DBIS (formally DIUS), to revise the government's technology strategy for learning and children's services and, following an extensive consultation period *Harnessing Technology: Next Generation Learning 2008-2014* was published in July 2008. The 2008-09 business plan describes Becta's role in delivering this strategy in terms of a number of Key Result Areas (KRAs). A summary of these KRAs and associated success measures is given below.

Key Result Areas

Leadership and Strategy

Ensure co-ordinated national leadership in harnessing technology effectively for the benefit of learners. Key partners demonstrate their commitment to deliver the new strategy by taking part in governance, embedding actions in their policies and operational plans, and allocating resource.

Target – 50% of key partners by March 2009.

Outcome – Over 50% of partners are committed to and engaged with the strategy.

Evidence and Research

Conduct research to support a strong, shared understanding within education policy and leadership of the role of technology in supporting education reform.

Target – All core strategy and policy partners report they have solid awareness of the role of technology in supporting educational reform.

Outcome – The majority of Becta contacts stated evidence of either 'influenced thinking' or 'influenced decision making' in the policy area.

School Learners: Effective and Safe use of Technology

Learners systematically make effective and safe use of technology to support their learning.

Target – Develop inclusive models for safe and effective learning with technology, and to have appropriate elements recognised by the Byron Review, Rose Review, QCA, LSCBs and Digital Britain.

Outcome – The programme completed all the planned objectives, making valued contributions to other system level initiatives and exceeding targets on the LSCB and Inclusion targets.

Schools: Effective and Safe use of Technology

Schools make effective and safe use of technology across the range of key functions

Target - 25% of schools demonstrate progress in key areas of activity, measured in areas such as leadership, workforce and business processes.

Outcome - Figures show that in March 2009 a further 766 schools demonstrated progress with the self-review framework.

FE&S: Efficiency and Effectiveness of training providers

Conduct and implement a review of the efficiency and effectiveness of the delivery chain for technology investment so that providers can make informed strategic investment choices in technology and learning resources that represent value for money.

Target - To have conducted and implemented a review of the efficiency and effectiveness of the delivery chain for technology investment so that providers can make informed strategic choices in technology and learning resources that represent value for money.

Outcome - Review completed. In addition, good progress positioning Becta in key policy areas including informal adult learning, digital inclusion, adult ICT skills and online collaboration for FE in a digital age

FE&S Workforce capability and leadership

Develop a capable and confident education and training workforce that is skilled in the effective deployment and exploitation of technology and is achieving top quartile international FE and Skills performance, in the deployment of technology.

Target - Deliver a single national prospectus for technology focused CPD embedded into national delivery by March 2009.

Outcome - All key deliverables met including the launch of "Generator" (self-improvement tool) on 5 March 09 at the FE & Skills NGL Conference in London, agreement on the arrangement for updating HMI and completion of the beta version of the National Prospectus.

Quality Standards for Products and Services

Establish recognised quality standards for digital learning resources and professional tools.

Target - Over 50% of a sample of demand-side users is positive about the criteria and approach. Over 25% of a sample of the supply-side recognises the value of achieving the quality standards.

Outcome - 70% of teachers consulted were positive about the quality criteria defined through stakeholder consultation, and 78% of teachers supportive of the approach determined for providing the necessary information for them to make informed decisions on which resources to use. 64% of publishers support the proposal of providing users with information on quality criteria.

Business processes and efficiency

Achieve the deployment of efficient, cost effective and appropriate technology to support improved education and training business processes.

Target - Achieve £35m cash saving

Outcome - Target has been achieved - £52.5m.

Learning Management Systems and Interoperability

Increase the proportion of institutions and training providers with integrated learning management systems.

Target - Increase the number of primary schools from 9% to 20%, the number of secondary schools from 26% to 40% and the number of FE Colleges from 46% to 55%.

Outcome - The Harnessing Technology survey shows that Learning Platforms are used by school management teams to access management information about learner progress and performance in 47% of primary schools and 62% of secondary schools. In addition, 68% of primaries and 76% of secondaries are able to access the school network, learning platform or repository from home.

Campaign

Key target audiences are aware of, understand and have positive attitudes with respect to the Next Generation Learning campaign.

Target - 10% prompted awareness among families with school age children by 31st March 2009.

Outcome - 13% prompted awareness achieved.

Home Access

To support the Government's aspiration of Universal Home Access for all learners in state maintained education aged 5 to 19 in England to have access to IT for learning at home.

Target – 1,785 Home Access Grants Awarded in the pilot stage to 31st March.

Outcome – 5,016 achieved.

By the end of the 2008-09 year all the above targets were achieved.

Corporate governance

Becta has established procedures to enable it to comply with Corporate Governance best practice through the accountable and the transparent management operations, decision-making processes and communications.

Currently the Board consists of eight publically appointed trustees, together with an assessor nominated by the DCSF and a DBIS (formally DIUS) observer, and has responsibility for key governance decisions and for developing strategic recommendations.

The Audit Committee consists of four of the board trustees. Its responsibilities includes a regular review of the adequacy of accounting systems and controls, the determination and scrutiny of the internal audit programme and reviewing the reports of the external auditors in relation to compliance with the regulatory and financial reporting requirements. It met three times during the year.

Other than the restructuring Partnerships, Commissioning, Marketing and Communications directorate referred to on page 4 there have been no major changes to its organisational structures or management procedures. Corporate governance and internal controls have been subject to continuing review.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. During the year, the company's internal auditors were asked to perform a review of risk management processes. All recommendations have been accepted and implemented.

Sensitive Data Security

Becta has not until now held large amounts of sensitive personal data, however, the Universal Home Access programme is likely to cause this situation to change. Becta is fully implementing the recommendations contained in the Data Handling Review to ensure that any data held is safely maintained and access and distribution secure. During the year there has been no loss of sensitive personal data.

Consultation with employees

Becta consults with staff and the PCS union. There is a Recognition Agreement in place setting out principles, scope and consultation processes.

There is a regular dialogue between the organisation and the Union and this falls under three categories:

- Strategic: changes that could affect all Becta staff, for example, remuneration and benefits.
- Operational: changes that are likely to affect staff in only one department, for example, departmental workload and structure changes
- Individual: issues that affect specific individuals, for example, particular welfare issues and disciplinary and grievance hearings.

The policies, procedures and notices are posted on the intranet for all staff to read and be informed of changes and implications. Also staff briefings and workshops are held as appropriate to explain the changes.

Employee relations

Becta has a good record in relation to sickness absence. For the year ended 31 March 2009 the average number of sick days per employee was 6 days (including all types of sickness) compared to the average for the Public Sector of over 9days. In early January, Becta launched its new sickness absence policy which was supported by training sessions for managers. The new policy introduced return to work interviews which are considered the most effective means of helping to reduce absence levels. The three highest reported reasons for sickness absence were:

- Non related work anxiety and stress
- Cold and Influenza
- Work related anxiety and Stress

HR are currently working on guidelines for managers on how to recognise and deal with signs of stress in their teams.

Equal opportunities and diversity

Becta is committed to equality of opportunity and diversity in all its activities and has appropriate equality and diversity policies in place.

It is the policy of Becta that nobody should be unfairly discriminated against directly or indirectly because of their ethnicity, national origin or nationality, gender, sexual orientation, marital status, religious beliefs, political affiliation, age, social class, disability, trades union membership or employment status.

For example, Becta seeks to ensure that no job applicant or employee receives less favourable treatment, directly or indirectly, on the grounds of disability and therefore reasonable adjustments have been carried out in relation to premises like motorised doors to assist people with impaired mobility.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with Becta continues and that appropriate training is arranged. It is the policy of Becta that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. For the year ended 31 March 2009 the average percentage of employees that were recorded as disabled was 13%.

Training & Development

A revised Learning & Development Strategy was published in the year following the appointment of the Training & Development Manager. A committee, chaired by a member of the Executive, was formed to prioritise and co-ordinate training proposals and met five times in the year.

Individual needs are assessed as part of the Performance Development Review process which is operated throughout the year and action plans agreed with the relevant line manager.

Environmental policy

As required under the Energy Performance of Buildings (Certificates & Inspections) (England & Wales) Becta's premises were assessed in the year and both buildings rated 'D' which is above the benchmark for existing buildings of 'E'. All practical recommendations for improvements in building efficiency will be included in a programme of refurbishment scheduled to commence in 2009-10.

Social and community issues

Becta's primary purpose is concerned with a major area of public life through its ambition to create a more exciting, rewarding and successful experience for learners of all ages and abilities enabling them to achieve their potential.

Health and safety management

Becta has a robust set of Health & Safety procedures in place as part of its management arrangements and this is promoted throughout the organisation via the H&S Committee, which meets quarterly, and consults with staff representatives.

Becta audits its H&S practices annually with a Health & Safety Executive recognised audit and the results and actions posted on the staff intranet. During the year, Becta's baseline score increased to eight (maximum is ten) from a score of two in 2006-07. As part of H&S and for the wellbeing of all staff, Becta records and reports all accidents and sickness absence to the H&S committee focusing on issues such as stress within the workplace.

Becta has also supported a Disability Discrimination Act (DDA) access audit of its premises to ensure that it complies with current legislation.

Plans for 2009-10

Becta's Business Plan for 2009-10 describes the work by which Becta will ensure delivery of the Government's *Harnessing Technology: Next Generation Learning* strategy. At the same time it sets out the actions which Becta will take in 2009-10 to support the departmental strategic objectives of both DCSF and DBIS (formally DIUS), to meet the requirements of our remit, annual priorities letter, and to contribute to implementation of the Children's Plan. Becta's key role is to develop and lead the implementation of this system-wide strategy to harness technology to improve learning and skills. This strategy aims to support DCSF and DBIS in achieving Departmental Strategic Objectives (DSOs), making a contribution to:

- Narrowing the gap and raising educational achievement
- Improving the health and wellbeing of children and young people
- Increasing the number of young people on the path to success
- Improving the skills of the population throughout their working lives
- Building social and community cohesion
- Strengthening Further and Higher education systems

In taking this role forward Becta exercises leadership by setting expectations through the *Harnessing Technology* strategy. This entails being clear with our delivery partners about key actions, gaining commitment, and agreeing and exercising accountability. Becta will therefore work closely with them, challenging and supporting them and ensuring we all prioritise building the capacity of providers and partnerships to use technology effectively for self-improvement. Sector implementation plans, agreed with partners and with relevant government departments, provide a key focus for Becta's leadership of strategy delivery. Sector partnership boards agree these plans annually, govern their delivery and report progress and issues to the high-level National Strategy Group chaired by the Chief Executive.

This 2009-10 business plan therefore reflects both Becta's broader strategic leadership role, described in Core Activity, and its leadership in the delivery of key Strategic Interventions to support change, the latter forming a key part, alongside partner-led activity, of implementation plans for *Harnessing Technology*. The Strategic Interventions are designed to accelerate the pace of change, and comprise:

- Demand Side Campaign
- Exploiting capital investments to achieve world class outcomes
- Children's Home Access
- Exploiting ICT to improve parental engagement (including online reporting)
- Increase workforce capability – Schools
- Increase workforce capability –Further Education

The largest of these, accounting for half of Becta's budget is the Children's Home Access Programme. This aims to turn the aspiration that all families have access to technology at home into a reality, so that every learner has an equal opportunity to realise their full potential. This programme will invest over £200m during implementation and run until 2011.

The Executive Committee have identified risks to this 2009-10 business plan in the categories of External, Operational and Change, and evaluated these in terms of Probability and Impact. The most significant of the risks identified are:

- Economic uncertainty due to the pre-election status and the financial situation leading to erratic planning and spending at national, local and institutional level (External)
- Public expenditure cuts result in a lower priority for Becta's agenda and consequent reduction in resources (External)
- The engagement from policy teams within the newly formed department for Business, Innovation and Skills (Operational)
- Local and regional bodies do not have the capacity and capability to deliver in support of Becta's strategic objectives (Operational)
- Becta's capacity if their remit should increase without additional resources being provided (Change) and
- Becta's higher profile increases the risk of challenge resulting in reputational damage (Change).

All high level risks have been reviewed by the Becta Board and Audit Committee, alongside mitigating actions taken by Becta staff, and will be reviewed regularly throughout the year.

Remuneration Report

Unaudited section of the Remuneration Report

The Financial Regulations issued by the Treasury requires that an Annual Report and Accounts now include a Remuneration report containing certain specified information. This report is included below.

The Remuneration Committee met once during the year to consider the remuneration policy for the Chief Executive, Executive Directors and Directors. Membership of the Remuneration Committee during 2008-09 was:

Graham Badman CBE
Stephen Gill
John Roberts CBE

The Chief Executive's remuneration is reviewed annually in the light of the Secretary of States decision on the recommendations of the Senior Salaries Review Body and is subject to full satisfactory performance. The Chief Executive has a contract of employment which commenced on 12th June 2006 in which details of his six months notice period are outlined.

Executive Directors receive performance pay, which is up to 10% of their salary, in accordance with their bonus scheme arrangements. These are agreed by the Remuneration Committee and as part of the annual pay remit. Executive Directors have a principal statement that outlines details of their notice period. They are entitled to be members of the Local Government Pension Scheme, or where previous membership applies, the Teachers Pension Scheme. The statement also provides details of the terms relating to severance for loss of office. Currently there are no special arrangements for Executive Directors to receive termination awards.

All Executive Directors are entitled to receive six months notice on termination of their employment.

Audited section of the Remuneration Report

The following sections provide details of the audited remuneration and pension interests of the Board of Trustees and senior employees.

Remuneration of the board of trustees

	2008-09	2007-08
	£'000	£'000
Chairman of the board		
Andrew Pinder (retired 31 December 2008)		
Salary	26	30
Employers National Insurance Contributions	<u>3</u>	<u>3</u>
	<u>29</u>	<u>33</u>
Graham Badman (acting chairman from 01 January 2009)		
Fee (including VAT)	<u>9</u>	<u>-</u>
	<u>38</u>	<u>33</u>
Chairman of the audit committee		
John Roberts		
Fee	<u>5</u>	<u>10</u>

No other member of the board received remuneration from the company. Authority to pay the Chairman's remuneration is given under the Memorandum and Articles of Association and agreed with the Charity Commission.

Expenses of £5,650 (2007-08: £4,567) were reimbursed to 8 (2007-08: 4) members of the board during the year in respect of travel and other business costs.

Remuneration of the Chief Executive and Executive Directors

The remuneration of the Chief Executive, who is not a member of the board, was:

	2008-09	2007-08
	£'000	£'000
Salary (including Performance Related Pay)	153	148
Employers pension contributions	23	14
Relocation Expenses	<u>-</u>	<u>73</u>
	<u>176</u>	<u>235</u>

The Chief Executive is an ordinary member of the London Pension Fund Authority (LPFA) Pension Scheme.

Remuneration of Executive Directors

Emoluments

	Salary and allowance payments for the year end 31 March 2009 £'000	Benefit-in kind payments (to nearest £100) for the year ended 31 March 2009 £	Total salary and benefit-in-kind for the year ended 31 March 2008 £'000
Ian Adams (resigned 30 June 2008)*	95-100	6,200	100-105
Alan Cowie	125-130	-	105-110
Stephen Crowne	150-155	-	220-225
Stephen Lucey	105-110	-	95-100
Neil McLean	110-115	-	100-105
Tony Richardson	120-125	-	105-110
Jane Williams	130-135	-	110-115

Bonuses are not agreed and paid until after the year end. The above figures, therefore, include the payment of the bonuses relating to 2007-08 performance but exclude amounts in relation to bonuses relating to 2008-09 performance.

The emoluments of Ian Adams includes £70,000 in lieu of notice and compensation for the loss of office payments.

Pension benefits

	Real increase in pension £'000	Real increase in lump sum £'000	Total accrued pension £'000	Total accrued pension lump sum £'000	CETV at 1 April 2008/ start of service £'000	CETV at 31 March 2009 £'000	Employer funded real increase in CETV £'000
Alan Cowie	0-2.5	(0)-(2.5)	25-30	75-80	304	330	4
Stephen Crowne	0-2.5	0-2.5	50-55	155-160	958	1,044	27
Stephen Lucey	0-2.5	(0)-(2.5)	35-40	105-110	659	702	3
Neil McLean	0-2.5	(0)-(2.5)	15-20	45-50	251	321	50
Tony Richardson	0-2.5	0-2.5	5-10	5-10	42	69	15
Jane Williams	0-2.5	0-2.5	60-65	185-190	668	854	144

Cash Equivalent Transfer Values

The CETV figures at 1 April 2008 may be different from the closing figure in last year's Financial Statements. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Graham Badman CBE
 Chairman

Stephen Crowne
 Accounting Officer

16 July 2009

16 July 2009

Financial review

Income and expenditure

The principal funding for Becta is grant-in-aid received from the Department for Children Schools and Families (DCSF) and the Department for Business, Universities and Skills (DBIS) (formally Department for Innovation, Universities and Skills (DIUS)). This is supplemented by additional funding being received from other UK Non-departmental Public Bodies in the education sector to support specific activities. Income for 2008-09 was £61.61m compared to £38.71m. The increase represents additional funding to support an increased remit and programme delivery and an additional £5.0m in respect of the Universal Home Access programme announced in September.

The increased programme costs of £25.09m compared to £15.33m in 2007-08 is reflective of the additional programme delivery and amplified grant funded work streams during the year. In addition the total of grants payable to third parties has increased to £13.91m from £3.96m which includes £4.31m of capital grants in respect of the Universal Home Access programme. To support this, a grant rationale process, determining the appropriate use of grant funding as an option has been developed.

Whilst corporate support costs for the year of £7.48m, compared to £5.19m in 2007-08, have increased in response to the additional resource required to support the expanded remit of the organisation, the percentage of corporate support costs of total expenditure has reduced to 12.3% compared to 15.5% last year.

Unrestricted fund deficit

The balance sheet at 31 March 2009 shows an unrestricted fund deficit of £1.89m (2008: £0.94m). This reflects the inclusion of London Pension Fund Authority (LPFA) defined benefit pension scheme liabilities falling due in future years, with overall deficit in this pension fund increased from £2.35m to £4.81m, and the provision for compensation payments former employees who took early retirement through the Teachers Pension Fund (TPS). Becta's sponsoring department, the Department for Children, Schools and Families (DCSF) has agreed to meet this through future grants or grants-in-aid where it is not met from Becta's other sources of income.

Grant-in-aid for 2009-10, taking into account the amounts required to meet the Becta's liabilities falling due in that year, has already been included in the department's estimates for that year, which have been approved by Parliament, and there is no reason to believe that the department's future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Reserves policy

The charity's reserves policy is based on a realistic assessment of its need for reserves and has been formally agreed with the trustees.

Reserve levels are reviewed annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments, the nature of the reserves and the specific accounting rules with which Becta must comply.

Becta's working capital for its core activities, its free reserves (that is those funds not tied up in fixed assets, designated and restricted funds), is restricted to a maximum of 2% cash equivalent of its annual grant-in-aid entitlement. For 2008-09 the actual amount carried over was £796,000 (2007-08: £242,000).

The charity has a number of other designated and restricted funds, which are represented by fixed and current assets. The purpose of these funds is detailed in note 11 in the financial statements.

Payment of creditors

The Late Payment of Commercial Debts (Interest) Act requires government bodies to make payment to suppliers within 30 days of either the provision of goods or services or the date on which the invoice is received, unless otherwise agreed. The DTI also introduced new regulations effective from 7 August 2002 giving suppliers the right to claim compensation (fixed sums and interest) for late payments.

The agency supports HM Treasury's Better Payment Practice Code. During the year, improved analysis of payment performance has shown that 61.9% of all invoices received were paid within 30 days of *invoice date*. (The code requires payment to be made within 30 days of the date an invoice is *received* or the date that goods or services were provided, whichever is later). This calculation takes no account of invoices legitimately delayed by query and may also be distorted by the delay between the time services are provided and the date an invoice is received, however this measure will be closely monitored to ensure suppliers to the company are being dealt with in accordance with the code of practice. Becta has received no claims for interest under the Act during the year and no claims for compensation have been received but regardless of this we will ensure that going forward the payment performance is much improved.

Investment policy

The trustees' aim in investing the company's funds is to maximise the return on bank and treasury deposits pending their application for charitable purposes. The trustees adopt a risk-averse position with regard to investment.

In anticipation of the larger value of DCSF grant funds receivable in respect of Universal Home Access, Becta has arranged banking facilities with The Office of the Paymaster General to avoid significant deposits being held outside of the Exchequer banking pyramid.

Grant making policy

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.

Statement as to disclosure of information to auditors

The trustees who were in office on the date of approval of these financial statements have confirmed as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

The National Audit Office (NAO), on behalf of the Comptroller and Auditor General, have been appointed auditors of the company under the Government Resources and Accounts Act 2000 (audit of non-profit making companies) Order 2009.

Graham Badman CBE
Chairman

16 July 2009

Stephen Crowne
Accounting Officer

16 July 2009

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
STATEMENT OF TRUSTEES' RESPONSIBILITIES
31 March 2009

The trustees (who are also directors of the British Educational Communications and Technology Agency 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 company 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The Secretary of State for Children, Schools and Families has appointed Stephen Crowne, Chief Executive, as Accounting Officer of the British Educational Communications and Technology Agency.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding the Agency's assets, are set out in Managing Public Money issued by HM Treasury.

In so far as the trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

1. Scope of responsibility

As Accounting Officer and Chairman (as representative of the Board of Trustees), we have responsibility for maintaining a sound system of internal control that supports the achievement of British Educational Communications and Technology Agency's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is responsible, in accordance with the responsibilities assigned to him in *Managing Public Money*.

Becta ensures effective policy alignment, and the effective management and escalation of risk, by closely working with DCSF through a number of routes: active involvement of the Departmental Assessor on the Board; regular liaison with our sponsor team; regular meetings with more senior officials including the Director General for Schools; and regular meetings with the Ministers of State for Schools.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at British Educational Communications and Technology Agency for the year ended 31 March 2009 and up to the date the financial statements are signed and accords with Treasury guidance.

3. Capacity to handle risk

The Board has a fundamental role to play in the management of risk, which includes setting the risk appetite for different aspects of the organisation, and influencing the culture of risk management. Each year the Board reviews the organisation's approach to risk management and approves changes and improvements to key elements of its policy, processes and procedures.

The responsibility for implementing British Educational Communications and Technology Agency's risk management strategy is delegated to the Chief Executive. However, the responsibility for identifying and managing risk rests with all staff and the Executive.

4. The risk and control framework

The Audit Committee, which met three times during 2008-09, monitors the adequacy and effectiveness of the risk management framework. Its role includes setting and monitoring risk management key performance indicators (KPIs). These KPIs reflect the risk management framework in principle, and its operation in practice.

The Board regularly receives a summary of the KPI's including the most significant risk exposures facing the Organisation.

In carrying out this role, the Audit committee seeks to ensure that risk management activity is integral to the overall performance and management of British Educational Communications and Technology Agency, and that the consideration of risk is embedded as a key management activity.

Risk registers, with mitigating actions, assessments of impact and probability are maintained at programme, directorate, operational committee and company level with clear processes for escalation. These are reviewed monthly by programme boards and operational committee and at each Audit Committee meeting.

The Corporate Planning and Performance function provide quality assurance and guidance on risk management, additionally, the process of managing risk is regularly reviewed by the internal auditors and any recommendations implemented.

During the year, a project has been initiated to implement the recommendations contained in the Hannigan Report on data handling. External information security expertise has been procured to assist with the design and implementation of appropriate policies and processes to ensure information security.

5. Review of effectiveness

As Accounting Officer and Chairman, we jointly have responsibility for reviewing the effectiveness of the system of internal control. Our review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within Becta who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. We have been advised on the implications of the result of our review of the effectiveness of the system of internal control by the Board, the Audit Committee and our Internal Audit advisors, RSM Bentley Jennison, who have confirmed to me that their work has been undertaken in accordance with the Government Internal Audit Standards.

On completion of a programme of reviews agreed with the Audit Committee at the start of the year, RSM Bentley Jennison gave the following statement:

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of BECTA's arrangements. For the 12 months ended 31 March 2009, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of BECTA's arrangements for governance, risk management and control is positive in all areas.
(source, Internal Audit Annual Report, year ended 31 March 2009)

The impact of the substantial expansion of our remit added to by the Prime Minister's announcement of the Universal Home Access programme in September, to be delivered by Becta, has placed new demands on us as an organisation. We are pleased therefore to report that the Governance and Risk Management processes operated through the year were found to be effective with no significant recommendations made or issues found.

We worked with our internal auditors to focus on areas where we judged that there was scope for improving control over key business processes. These were:

a, Procurement

The significant uplift in marketing activity in support of the Next Generation Learning Campaign and launch of Home Access caused expenditure to run at higher levels than had been planned. This presented opportunities to retest the market by re-tendering in respect of some of our requirements when the higher volumes became apparent and these opportunities were not always fully explored.

b, Purchasing, Ordering & Creditors

Internal audit's assurance level of this process was lowered to 'adequate' following the outcome of a review requested by us into the administration of a contract for the provision of marketing services. This review found that compliance with established internal control procedures was inadequate. We believe the situation arose as the result of a rapid increase of demand placed on the marketing function which was compounded by an over reliance on temporary staff as they built up capacity in the face of the higher workload.

We have fully adopted the recommendations made to us in response to the identified weaknesses and re-emphasised the importance of strict adherence to agreed business processes to ensure the risk of recurrence is absolutely minimised.

Key Issue

Universal Home Access

The responsibility for delivery of the Home Access programme brings with it challenges which we have not had to deal with before. In response to this challenge we have been careful to ensure Becta has taken every opportunity to consult with agencies with experience of managing similar programmes and to take advice from experts in the field of application process design, secure payment mechanisms and at the same time, capitalise on our own expertise in the field of supplier accreditation. The programme will also benefit from our existing relationships with Local Authorities and other stakeholders in providing eligible applicants with access to technology in support of their learning.

Plans

Faced with these challenges and the need for all public sector organisations to vigorously pursue efficiencies to ensure cost effective delivery of services in the current economic climate we have identified a number of areas of focus for the coming year:

- The need for budget holders to maximise returns on the funds placed at their disposal will drive the demand for more accurate, timely management information to support their decisions. A new financial reporting structure has been introduced for the year 2009-10 and we shall be closely reviewing actual performance against our plans in terms of both delivery and financial impact with members of the management team.
- We shall accelerate implementation of the workflow enabled 'procure to payment' software solution which has been successfully operating in pilot for the past three months. This, along with appropriate training to be provided to the relevant members of staff, will greatly improve our control over process compliance in the critical areas of procurement and cost management.
- Building on the work completed in the year just ended, a comprehensive training programme is being delivered to all members of staff to ensure we maintain the information security standards required in response to the Data Handling Review.

Graham Badman CBE
Chairman

16 July 2009

Stephen Crowne
Accounting Officer

16 July 2009

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR
GENERAL TO THE MEMBERS OF BRITISH EDUCATIONAL COMMUNICATIONS
AND TECHNOLOGY AGENCY LIMITED
31 March 2009

I certify that I have audited the financial statements of the British Educational Communications and Technology Agency for the year ended 31 March 2009 under the Government Resources and Accounts Act 2000. These comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement, and the related notes. The financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the trustees and auditor

The Trustees (who are the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Trustees' Responsibilities. The Trustees are also responsible for preparing the Remuneration Report in accordance with the Government Financial Reporting Manual.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my 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 part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual. I report to you whether, in my opinion, the information given in the Trustees' Annual Report is consistent with those financial statements. I also report whether in all material respects the incoming and outgoing resources, including the income and expenditure, have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if, in my opinion, BECTA has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects BECTA's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of BECTA's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Report and Financial Statements and consider whether it is consistent with the audited financial statements. This other information comprises the Company Details and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my 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 and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error and that in all material respects the incoming and outgoing resources, including the income and expenditure, have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR
GENERAL TO THE MEMBERS OF BRITISH EDUCATIONAL COMMUNICATIONS
AND TECHNOLOGY AGENCY LIMITED
31 March 2009

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of Becta's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- information given within the Trustees' Annual Report is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects, the incoming and outgoing resources, including the income and expenditure, have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Date: 27 July 2009

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND
EXPENDITURE ACCOUNT)
for the year ended 31 March 2009

		2008-09		2007-08 (as restated)	
	Note	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Total £'000
Incoming resources from generated funds					
Voluntary income					
- DCSF Grant-in-aid		54,785	6,500	61,285	10,459
- DCSF and other government grants		31	234	265	27,935
Investment income		60	-	60	86
Incoming resources from charitable activities					
		-	-	-	226
Total incoming resources	3	<u>54,876</u>	<u>6,734</u>	<u>61,610</u>	<u>38,706</u>
Resources expended					
Charitable activities	4	52,879	7,528	60,407	38,743
Governance costs	4	241	-	241	152
Pension finance costs / (income)	14	138	-	138	(31)
Total resources expended		<u>53,258</u>	<u>7,528</u>	<u>60,786</u>	<u>38,864</u>
Notional cost of capital		(31)	-	(31)	(14)
Total resources expended including notional costs		<u>53,227</u>	<u>7,528</u>	<u>60,755</u>	<u>38,850</u>
Reversal of notional cost of capital		31	-	31	14
Gross expenditure for the year		<u>53,258</u>	<u>7,528</u>	<u>60,786</u>	<u>38,864</u>
Net incoming (outgoing) resources/ net surplus/(deficit) before other recognised gains/(losses)		1,618	(794)	824	(158)
Actuarial (losses)/gains on defined benefit pension scheme		(2,567)	-	(2,567)	1,539
Net movement in funds		<u>(949)</u>	<u>(794)</u>	<u>(1,743)</u>	<u>1,381</u>
Fund balances brought forward (as restated)	11	<u>(940)</u>	<u>938</u>	<u>(2)</u>	<u>(1,383)</u>
Fund balances as at 31 March 2009	11	<u><u>(1,889)</u></u>	<u><u>144</u></u>	<u><u>(1,745)</u></u>	<u><u>(2)</u></u>

The figures for 2007-08 have been restated to reflect a change in format, a revision of the allocation of Grant-in-aid between Restricted and Unrestricted funds and a reallocation of costs between governance and charitable activities.

The statement of financial activities includes all gains and losses in the year. All activities derive from continuing operations.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
BALANCE SHEET
for the year ended 31 March 2009

		2009		2008 (as restated)	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7		1,485		531
Current assets					
Debtors	8	321		618	
Cash at bank and in hand		14,767		7,392	
		<u>15,088</u>		<u>8,010</u>	
Creditors: amounts falling due within one year	9	<u>(13,508)</u>		<u>(6,190)</u>	
Net current assets			1,580		1,820
Net assets excluding pension scheme liability			<u>3,065</u>		<u>2,351</u>
Defined benefit pension scheme liability	14		(4,810)		(2,353)
Net liabilities including pension scheme liability			<u>(1,745)</u>		<u>(2)</u>
Funds:					
Restricted funds	11		144		938
Unrestricted funds:					
- Designated funds	11	644		647	
- General funds	11	<u>(2,533)</u>		<u>(1,587)</u>	
			(1,889)		(940)
			<u>(1,745)</u>		<u>(2)</u>

The figures for 2007-08 have been restated to reflect a revision of the allocation of Grant-in-aid between Restricted and Unrestricted funds and that pension provision has been moved to creditors due to the introduction of new financial instrument standards.

The financial statements (on pages 24 to 44) were approved by the board on 16 July 2009 and signed on its behalf by:

Graham Badman - Chairman

The financial statements were also approved by:

Stephen Crowne - Chief Executive

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
CASH FLOW STATEMENT
for the year ended 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
Net cash inflow from operating activities	16	8,495	3,486
Returns on investment and servicing of finance			
Interest received		60	86
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(1,180)	-
Increase in cash	15	<u>7,375</u>	<u>3,572</u>

1 Accounting Policies

Basis of accounting

The financial statements have been prepared under the historic cost convention, applicable accounting standards and in accordance with the provisions of the Financial Reporting Manual, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) issued in March 2005 and the Companies Act 1985.

Going concern

Grant-in-aid for 2009-10, taking into account the amount required to meet Becta's liabilities falling due in that year, has already been included in the department's estimates for that year, which have been approved by Parliament, and there is no reason to believe that the department's future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Tangible fixed assets

Where assets are purchased from grants received, the full cost of the asset is included in fixed assets, with the grant received being accounted for immediately as a restricted fund. The restricted fund is reduced by transfers of amounts equivalent to any depreciation over the expected useful life of the related asset.

Tangible fixed assets are stated at cost. Expenditure on the acquisition of tangible fixed assets is capitalised where these costs exceed £2,500 or where an asset forms part of a larger group that in total is more than £2,500.

Depreciation is provided on all tangible fixed assets, other than assets under construction, at rates calculated to write off the cost of the assets evenly over their expected useful lives which are as follows:

Leasehold improvements	over period of lease
Furniture	over 10 years
Office equipment	over 3 years
IT equipment and software	over 3 years

Depreciation is not charged on assets under construction until completion.

Incoming resources

Grant-in-Aid received from DCSF in respect of revenue expenditure is recognised in the income and expenditure account in the year it is received. Grant-in-Aid relating to specific capital expenditure is credited to the Government Capital Reserve and released to the income and expenditure account over the estimated useful economic life of the assets to which it relates, matching the depreciation charged on these assets.

Incoming resources (continued)

Income from other grants and miscellaneous income, including capital grants, are included in incoming resources when these are receivable, except as follows:

- When donors specify that grants or other income given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that grants or other income including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Where incoming resources have related expenditure (as with fundraising and contract income) the incoming resources and related expenditure are reported gross in the Statement of Financial Activities.

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Liabilities which are contingent on future events are treated as contingent liabilities until a legal or constructive obligation occurs.

Resources expended

Expenditure is included on an accruals basis.

Charitable activities

Charitable activities include expenditure associated in the provision of educational projects. Due to the nature of the educational projects they are classed as one function.

Grants payable

Grants payable are charged to the Statement of Financial Activities as expenditure in the year the offer is conveyed to the recipient except in those cases where the offer is conditional. Where the offer is conditional such grants are charged 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.

Support costs

Support costs include central functions and are allocated according to the direct costs of the department plus attributable overheads.

Governance costs

Governance costs include costs of the preparation and examination of statutory financial statements, the costs of trustee meetings and costs of any legal advice to trustees on governance or constitutional matters.

Funds accounting

Funds held by the charity are either:

Unrestricted funds

These are funds that can be used in accordance with the charitable objects at the discretion of Becta. Included within unrestricted funds are surpluses relating to Revenue Grant-in-Aid from DCSF and DBIS (formally DIUS) and designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity that have been specified by the donor.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Lease and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Pension schemes

The company contributes to two defined benefit pension schemes, the Teachers Pension Scheme and the London Pension Funds Authority (LPFA) Scheme.

Under the definitions set out in Financial Reporting Standard FRS 17 (Retirement Benefits), the Teachers' Pension Scheme is a multi-employer pension scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme and has therefore taken advantage of the exemption under FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme i.e. premiums being charged to the Statement of Financial Activities as they become due for payment. For the LPFA defined benefit scheme the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within pension finance costs.

The LPFA actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Financial Activities.

The LPFA defined benefit scheme is funded, with the assets held separately from the charity in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the charity has a legal or constructive obligation to settle the liability.

Financial instruments

Financial Reporting Standards (FRS) 25, 26 and 29, relating to financial instruments, have been applied for the first time in these financial statements in accordance with the 2008-09 Government Financial Reporting Manual. There are no prior year adjustments to reserves resulting from the adoption of these standards.

Foreign currencies

The charity has limited foreign currency exposure in the form of Euro transactions and balances but does not hedge against it because the risk is considered minimal.

Notional cost of capital

This represents the opportunity cost to the Exchequer of assets used by the charitable company. The rate applied to calculate the cost of capital charge is 3.5%.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

2 Members

The company is limited by guarantee not having a share capital. The liability of each member is limited to a sum not exceeding one pound.

The company is prohibited under the terms of its Memorandum and Articles of Association from distributing any reserves.

3 Incoming resources

	2008-09	2007-08
	£'000	(restated)
		£'000
Unrestricted income		
Grant –in-aid : revenue	53,605	10,459
Grant –in-aid : capital	1,180	-
Other grants	31	27,064
Other income	-	124
Investment income	60	86
	<u>54,876</u>	<u>37,733</u>
Restricted income		
Grant-in-aid : revenue	6,500	-
Other grants	234	973
	<u>6,734</u>	<u>973</u>
	<u>61,610</u>	<u>38,706</u>
Investment income is represent by:	2008-09	2007-08
	£'000	£'000
Bank deposit interest receivable	<u>60</u>	<u>86</u>

Other grants includes £23,000 (2007-08: £nil) received from European Union funding.

The figures for 2007-08 have been restated to reflect a revision of the allocation of Grant-in-aid between Restricted and Unrestricted income.

4 Resources expended

	2008-09	2007-08
	£'000	(restated)
		£'000
Resources expended on charitable activities		
Costs directly allocated to educational projects		
Staff costs (see note 5)	13,940	14,262
Projects and programme costs	25,085	15,331
Revenue grants (see note 6)	7,743	3,957
Capital grants (see note 6)	6,162	-
	<u>52,930</u>	<u>33,550</u>
Support costs allocated to activities		
Staff costs (see note 5)	4,126	2,364
Corporate overheads	3,125	2,532
Depreciation	226	297
	<u>7,477</u>	<u>5,193</u>
Educational projects	<u>60,407</u>	<u>38,743</u>

Becta accounts for its resources expended by the one charitable objective, education projects.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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4 Resources expended (continued)

Governance costs	2008-09	2007-08
	£'000	(restated*)
	£'000	£'000
Board Costs		
Chairman's remuneration	38	33
Chairman of the Audit Committee's remuneration	5	10
Travel & subsistence	12	16
Consultants	64	35
Agency staff	1	-
Post & courier	4	1
Room hire	22	3
Promotional items	-	2
Others	3	2
	<u>149</u>	<u>102</u>
Audit		
Auditors' remuneration for		
- Audit	55	20
- Other services	-	7
Internal auditors' remuneration	37	23
	<u>92</u>	<u>50</u>
Governance costs	<u>241</u>	<u>152</u>
The net movement in funds is after charging:	2008-09	2007-08
	£'000	£'000
Operating leases:		
Motor vehicle	2	2
Other (land and buildings)	619	664
Depreciation	226	297
Exceptional costs	389	907
	<u>366</u>	<u>1,870</u>

Exceptional costs relate to severance payments to former employees who were made redundant in the year, and pension payments made to the administering funds associated with those redundancies.

5 Staff and remuneration costs

Staff costs	2008-09	2007-08
	£'000	(restated*)
	£'000	£'000
Wages and salaries	7,220	7,474
Social security costs	624	612
Agency, temporary and contract staff	9,266	7,060
LPFA Current service pension costs and other pension costs	780	814
TPS pension contributions	176	666
	<u>18,066</u>	<u>16,626</u>
Average number of employees	2008-09	2007-08
	Number	Number
The average number of persons employed by the company (excluding members of the board) was:		
Professional staff	126	110
Administrative and technical support staff	53	70
Agency, temporary and contracted staff	100	81
	<u>279</u>	<u>261</u>

* The figures for 2007-08 have been restated to reflect a revision of the allocation of expenditure between charitable expenditure and governance costs to better represent actual governance costs.

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5 Staff and remuneration costs (continued)

Payments to the board	2008-09	2007-08
	£'000	£'000
Chairman of the board		
Andrew Pinder (retired 31 December 2008)		
Salary	26	30
Employers National Insurance Contributions	3	3
	<u>29</u>	<u>33</u>
Graham Badman (acting chairman from 01 January 2009)		
Fee (including VAT)	9	-
	<u>38</u>	<u>33</u>
Chairman of the audit committee		
John Roberts		
Fee	5	10

No other member of the board received remuneration from the company. Authority to pay the Chairman's remuneration is given under the Memorandum and Articles of Association and agreed with the Charity Commission. Expenses of £2,372 (2008: £4,567) were reimbursed to 6 (2008: 4) members of the board during the year in respect of travel and other business costs.

Chief Executive and higher paid employees	2008-09	2007-08
	£'000	£'000
The remuneration of the Chief Executive, who is not a member of the board, was:		
Salary	153	221
Employers pension contributions	23	14
	<u>176</u>	<u>235</u>

The Chief Executive is an ordinary member of the LPFA Pension Scheme.

The following numbers of higher paid employees, including the Chief Executive, received remuneration (excluding pension contributions)	2008-09	2007-08
within the ranges following:	Number	Number
£60,000 - £69,999	2	6
£70,000 - £79,999	10	1
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
£100,000 - £109,999	1	4
£110,000 - £119,999	1	1
£120,000 - £129,999	2	-
£130,000 - £139,999	1	-
£150,000 - £159,999	1	-
£220,000 - £229,999	-	1

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6 Grants made

Revenue grants	2008-09	2007-08
	£'000	£'000
Private bodies		
JISC Content Procurement Co. Limited	83	184
London Grid for Learning	128	206
NIACE	170	155
South West Grid for Learning	59	133
Other private bodies	75	446
	<u>515</u>	<u>1,124</u>
Public Bodies		
The e-Learning Foundation	566	-
Futurelab Education	1,035	-
Goldsmiths College	-	680
Janet UK	1,355	-
LSIS Coventry	100	-
Oldham MBC	367	6
Specialist Schools and Academies	626	-
Suffolk County Council	567	11
Towards Maturity Commune	267	-
Wolverhampton City Council	-	107
Other public bodies	2,345	2,029
	<u>7,228</u>	<u>2,833</u>
	<u>7,743</u>	<u>3,957</u>
Capital grants	2008-09	2007-08
	£'000	£'000
Institutions		
E Skills UK Ltd	500	-
The E Learning Foundation	1,350	-
Oldham MBC	1,141	-
Suffolk County Council	430	-
	<u>3,421</u>	<u>-</u>
Grants awarded to Home Access applicants	2,741	-
	<u>6,162</u>	<u>-</u>

Grants are disclosed individually where the amount payable was over £100,000 in either year.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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7 Tangible assets

	Leasehold improvements £'000	General IT equip't £'000	General furniture & office equip't £'000	Projects dept IT equip't & software £'000	Projects dept furniture & office equip't £'000	Assets under construction £'000	Total £'000
Cost							
31 March 2008	268	3,236	413	237	10	-	4,164
Additions	-	644	-	-	-	536	1,180
Disposals	-	(1,536)	(105)	(213)	-	-	(1,854)
31 March 2009	268	2,344	308	24	10	536	3,490
Depreciation							
31 March 2008	161	3,035	197	234	6	-	3,633
Charge for the yr	11	181	31	2	1	-	226
Disposals	-	(1,536)	(105)	(213)	-	-	(1,854)
	172	1,680	123	23	7	-	2,005
Net book value							
31 March 2009	96	664	185	1	3	536	1,485
31 March 2008	107	201	216	3	4	-	531

Assets under construction represents amounts relating to the office refurbishment and the development of the Commitment to Pay (C2P) and Customer Relationship Management (CRM) systems.

8 Debtors

	2009 £'000	2008 £'000
Trade debtors	84	374
Prepayments	232	243
Other debtors	5	1
	<u>321</u>	<u>618</u>
Balances due analysed by body:		
	2009 £'000	2008 £'000
Central government bodies (including pensions and other central government funds)	34	360
Local authorities	-	-
Bodies external to government	287	258
	<u>321</u>	<u>618</u>

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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9 Creditors: amounts falling due within one year

	2009	2008
	£'000	(restated)
		£'000
Trade creditors	7,016	4,074
Other taxation and social security	233	238
Other creditors	132	3
Accruals	5,849	1,534
Pension compensation payments	264	270
Deferred income (see note 10)	14	71
	<u>13,508</u>	<u>6,190</u>
Balances outstanding analysed by body:	2009	2008
	£'000	£'000
Central government bodies (including pensions and other central government funds)	758	654
Local authorities	361	437
Bodies external to government	12,389	5,099
	<u>13,508</u>	<u>6,190</u>

The figures for 2008 have been restated to reflect the pension compensations being reclassified as creditors rather than a provision.

Becta currently has an ongoing liability in respect of former employees, who are members of the Teachers Pension Scheme (TPS), who took early retirement.

10 Deferred income

	2009	2008
	£'000	£'000
Balance at 1 April 2008	71	77
Amount released to incoming resources	(57)	(55)
Amount deferred in the year	-	49
Balance at 31 March 2009	<u>14</u>	<u>71</u>

Deferred income comprises income in advance for projects where the charity may not have entitlement to these resources until the goods or services are provided.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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11 Statement of funds

	Movement in funds					Balance 31 March 2009 £'000
	Balance 31 March 2008 (as restated) £'000	Incoming resources £'000	Expended resources £'000	Net gains and losses £'000	Transfers between funds £'000	
Unrestricted funds						
Designated funds						
Company projects – revenue	640	-	-	-	-	640
Company project - capital	7	-	(3)	-	-	4
Total designated funds	647	-	(3)	-	-	644
General funds						
Publications fund	116	-	-	-	-	116
Projects fund	138	60	(30)	-	-	168
DCSF working capital funds	100	-	-	-	-	100
Becta working capital funds	(112)	53,636	(53,112)	-	-	412
Free reserves sub total	242	53,696	(53,142)	-	-	796
Capital reserve fund	524	1,180	(223)	-	-	1,481
Deficit on defined benefit pension	(2,353)	-	110	(2,567)	-	(4,810)
Total general funds	(1,587)	54,876	(53,255)	(2,567)	-	(2,533)
Total unrestricted funds	(940)	54,876	(53,258)	(2,567)	-	(1,889)
Restricted funds						
Becta managing agency fund	938	-	(794)	-	-	144
Universal Home Access	-	5,000	(5,000)	-	-	-
Future labs	-	1,500	(1,500)	-	-	-
Xchange Conference 2007	-	40	(40)	-	-	-
NCSL Host schools	-	17	(17)	-	-	-
Worldforum sponsorship	-	39	(39)	-	-	-
EU funding	-	23	(23)	-	-	-
SEN AAT Co-ordinator	-	81	(81)	-	-	-
ISB Secretariat SAML	-	34	(34)	-	-	-
	938	6,734	(7,528)	-	-	144
Total restricted funds	(2)	61,610	(60,786)	(2,567)	-	(1,745)

The figures as at 31 March 2008 have been restated to reflect a revision of the allocation of Grant-in-aid between restricted and unrestricted funds.

Unrestricted funds

The unrestricted funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific future purposes:

Company projects capital fund is represented by the projects department furniture and equipment.

The company projects revenue fund has been set aside to meet the refurbishment and restructuring costs, due to be spent over the next year, which are considered to be integral to the achievement of corporate plan objectives where no other funding is available.

Capital reserve fund is represented by the leasehold building and general furniture and equipment.

Deficit on defined benefit pension relates to the year end actuarial valuation of the company's share of the deficit in the LPFA scheme for staff that are funded from government grants.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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11 Statement of funds (continued)

Restricted funds

The Becta managing agency fund represents funding received from the Learning and Skills Council for specific activities.

The Universal Home Access fund represents additional funding that Becta received from DCSF through a supplemental grant specifically for the delivery of the Universal Home Access pilot.

All other restricted funds represents additional funding that Becta received either from DCSF through supplemental grants or grants from other bodies that are for specific education projects.

12 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	1,485	-	1,485
Current assets	14,930	158	15,088
Current liabilities	(13,494)	(14)	(13,508)
Pension liabilities	(4,810)	-	(4,810)
Total net liabilities	<u>(1,889)</u>	<u>144</u>	<u>(1,745)</u>

13 Financial commitments

Annual obligations under operating leases comprise:

	2009 £'000	2008 £'000
<i>Land and Buildings</i>		
Expiring after five years	<u>541</u>	<u>547</u>
<i>Other</i>		
Expiring within one year	<u>2</u>	<u>2</u>

The company occupies three office premises under varying leases. A twenty-five year lease expiring 26 August 2018 which is subject to rent reviews every fifth year and may be terminated at the company's option on 26 August 2009 on payment of an additional six months rental. A twenty-one year lease expiring 31 August 2020 subject to rent reviews every third year and a twenty-one year lease expiring 3 November 2024 subject to rent reviews every third year.

Other commitments:

The company has a pension commitment for persons who have taken early retirement and belonged to the pension schemes. The current annual charge is £59,512 (2008: £53,013).

14 Pensions

The two principal pension schemes for the charitable company's staff are the London Pension Funds Authority and the Teachers Pension Scheme (TPS). Contributions paid to the schemes during the year were based on the following rates:

	Employers	Employees
Teachers Pensions Scheme	14.1%	6.4%
London Pension Funds Authority	<u>18.2%</u>	<u>5.5-7.5%</u>

14 Pensions (continued)

Total pension cost for the year	2008-09	2007-08
	£'000	£'000
Teachers' Pension Scheme : contributions paid	176	490
London Pension Funds Authority : current service costs	560	814
London Pension Funds Authority : other costs	220	-
	<u>956</u>	<u>1,304</u>

Teachers' Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Last actuarial valuation	31 March 2004
Actuarial method	prospective benefits
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Market value of assets at date of last valuation	£162,650 million
 Proportion of members' accrued benefits covered by the actuarial value of the assets	 98.88%

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the year ended 31 March 2009 the employer contribution was 14.1%.

Becta makes compensation payments to TPS in respect of former employees who took early retirement without any loss of retirement benefits. In 2009 the amount paid was £30,267 (2008: £26,781).

This compensatory payment is funded from Grant-in-Aid received from DCSF, and whilst it is anticipated that funding will continue to be received in respect of the ongoing cost to Becta, a provision has been made in the balance sheet to reflect this liability.

FRS17

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charitable company has taken advantage of the exemption under FRS17 and has accounted for its contributions as if it were a defined contribution scheme. The charitable company has set out above the information available on the deficit in the scheme and the implications for the charitable company in terms of anticipated contribution rates.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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14 Pensions (continued)

The London Pension Funds Authority

The London Pension Funds Authority is a funded scheme with assets held in separate trustee administered funds. The latest formal valuation of this scheme for funding purposes was as at 31 March 2007.

The main financial assumptions used in the actuarial valuation of the London Pension Funds Authority scheme were as follows:

	2008-09 % p.a.	2007-08 % p.a.	2006-07 % p.a.
Inflation/Pension Increase Rate	3.1%	3.6%	3.2%
Salary increase Rate	4.6%	5.1%	4.7%
Expected Return on Assets	6.4%	7.0%	6.8%
Discount Rate	6.9%	6.9%	5.4%

The assets of the whole of scheme and the expected rates of return were:

	Long term expected return 2008	Long term expected return 2007	Long term expected return 2006
Equities	7.0%	7.5%	7.7%
Bonds	5.5%	6.3%	6.4%
Property	6.0%	6.7%	6.8%
Cash	4.0%	4.8%	4.9%

	Fund value at 31 March 2009 £'000	Fund value at 31 March 2008 £'000	Fund value at 31 March 2007 £'000
Equities	7,259	9,066	8,244
Bonds	1,273	2,930	2,960
Property	3,184	2,728	1,678
Cash	1,019	455	355
Total	12,735	15,179	13,237

	31 March 2009 £'000	31 March 2008 £'000	31 March 2007 £'000
Net pension liability of company			
Fair Value of Employer Assets	12,735	15,179	13,237
Present Value of Funded liabilities	(17,102)	(17,059)	(16,674)
Net under funding in Funded Plans	(4,367)	(1,880)	(3,437)
Present Value of Unfunded Liabilities	(443)	(473)	(496)
Net Liability	(4,810)	(2,353)	(3,933)

Becta has fully implemented the pension disclosures under FRS17 and full provision has been made by the company for the company's share of the deficit in the LPFA scheme.

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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14 Pensions (continued)

Revenue account costs

Analysis of amount charged to statement of financial activities

	31 March 2009 £'000	31 March 2009 % of payroll	31 March 2008 £'000	31 March 2008 % of payroll
Amount charged to staff costs:				
Current Service Costs	560	11.8%	814	17.0%
Past Service Cost/(Gain)	168	3.6%	-	-
Losses/(Gains) on Curtailments and settlements	52	1.1%	-	-
	<hr/> 780	<hr/> 16.5%	<hr/> 814	<hr/> 17.0%
Amount credited to other finance income:				
Interest Cost	1,231	26.0%	947	19.8%
Expected return on Employer Assets	(1,093)	(23.1%)	(978)	(20.4%)
	<hr/> 138	<hr/> 2.9%	<hr/> (31)	<hr/> (0.6%)
Net amount charged to statement of financial activities	<hr/> 918	<hr/> 19.4%	<hr/> 783	<hr/> 16.4%

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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14 Pensions (continued)

Analysis of amount recognised in statement of financial activities (SOFA)

	2008-09 £'000	2007-08 £'000
Actuarial (losses)/gains on Fair Value of Employer Assets	(4,421)	215
Actuarial gains on Defined Benefit Obligation	1,854	1,324
	<u>(2,567)</u>	<u>1,539</u>

Movement in deficit during the year

	2008-09 £'000	2007-08 £'000
Deficit at beginning of the year	(2,353)	(3,933)
Current service cost	(560)	(814)
Employer contributions	999	796
Contribution in respect of unfunded benefits	29	28
Net return on assets and liabilities	(358)	31
Actuarial (losses)/gains	(2,567)	1,539
	<u>(4,810)</u>	<u>(2,353)</u>

Reconciliation of fair value of employer assets

	2009 £'000	2008 £'000
Opening fair value of employer assets	15,179	13,237
Expected return on assets	1,093	978
Contributions by members	336	287
Contributions by the employer	999	796
Contributions in respect of unfunded benefits	29	28
Actuarial (losses)/gains	(4,421)	215
Unfunded benefits paid	(29)	(28)
Benefits paid	(451)	(334)
	<u>12,735</u>	<u>15,179</u>

Reconciliation of defined benefit obligation

	2009 £'000	2008 £'000
Opening defined benefit obligation	17,532	17,170
Current service cost	560	814
Interest cost	1,231	947
Contributions by members	336	287
Actuarial (gains)	(1,854)	(1,324)
Past service cost	168	-
Losses on curtailments	52	-
Estimated unfunded benefits paid	(29)	(28)
Estimated benefits paid	(451)	(334)
	<u>17,545</u>	<u>17,532</u>

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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14 Pensions (continued)

Amounts for the current and previous accounting periods	2008-09 £'000	2007-08 £'000	2006-07 £'000	2005-06 £'000	2004-05 £'000
Fair value of employer assets	12,735	15,179	13,237	11,641	8,908
Present value of defined benefit obligation	(17,545)	(17,532)	(17,170)	(16,693)	(13,417)
Surplus/(deficit)	(4,810)	(2,353)	(3,933)	(5,052)	(4,509)
Experience gains/(losses) on assets	(4,421)	215	115	1,483	244
Experience gains/(losses) on liabilities	8	(1,382)	(20)	(8)	568

Amounts recognised in statement of financial activities (SOFA)	2008-09 £'000	2007-08 £'000
Actuarial gains/(losses) brought forward	664	(875)
Increase/(decrease) in irrecoverable surplus from membership	-	-
Actuarial (losses)/gains recognised in SOFA	(2,567)	1,539
Actuarial (losses)/gains carried forward	<u>(1,903)</u>	<u>664</u>

Projected amount to be charged to the statement of financial activities for the year to 31 March 2010	£'000	% of payroll
Projected current service cost	466	9.7%
Projected amount credited to other finance income		
Interest on Obligation	1,220	25.4%
Expected Return on Plan Assets	(837)	(17.4%)
Net return	<u>383</u>	<u>8.0%</u>
Projected net amount charged to statement of financial activities	<u>849</u>	<u>17.7%</u>

15 Analysis of balances and movements of cash and cash equivalents during the year

Analysis of net funds	At 01 April 2008 £'000	Cashflow £'000	At 31 March 2009 £'000
Cash at bank and in hand	<u>7,392</u>	<u>7,375</u>	<u>14,767</u>

16 Reconciliation of changes in resources to net cash inflow from operating activities

	2008-09 £'000	2007-08 £'000
Changes in resources (per SOFA)	(1,743)	1,382
Interest received	(60)	(86)
Depreciation	226	297
Decrease in debtors	297	1,605
Increase in creditors	7,318	1,868
Increase/(decrease) in defined benefit pension scheme deficit	2,457	(1,580)
Net cash inflow from operating activities	<u>8,495</u>	<u>3,486</u>

BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY
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17	Reconciliation of net cash flow to movement in net cash		
		2009	2008
		£'000	£'000
	Increase in cash in the year	7,375	3,573
	Net cash at 1 April 2008	7,392	3,819
	Net cash at 31 March 2009, being cash at bank and in hand	<u>14,767</u>	<u>7,392</u>

18 **Contingent assets and liabilities**

There were no contingent assets or liabilities at 31 March 2009 (2008:£nil).

19 **Capital commitments**

There were no capital commitments contracted and authorised as at 31 March 2009 (2008: £nil).

20 **Gifts**

There were no gifts received or made during the year ended 31 March 2009.

21 **Taxation**

There is no taxation payable as the charity's activities are covered by exemptions under Section 505 ICTA 1988.

22 **Related Party Transactions**

Becta is an NDPB deriving most of its income from DCSF, Department for Education, Northern Ireland and DBIS (formally DIUS) which are regarded as related parties.

Chairman's Remuneration and expenses of £9,793 (including irrecoverable VAT) in respect of Graham Badman CBE was paid to Nektus Ltd, a company in which he has a significant interest.

Since the balance sheet date, a member of the Chief Executive's close family has accepted an offer of employment from The Red Consultancy Limited who provide public relations services for the Universal Home Access programme and the Next Generation Learning Campaign.

Based on the declarations of interest received from members of the Board and Becta staff there are no related party transactions other than those described above.

23 **Financial Instruments**

Financial Reporting Standards (FRS) 25, 26 and 29, relating to financial instruments, have been applied for the first time in these financial statements in accordance with the 2008-09 Government Financial Reporting Manual. There are no prior year adjustments to reserves resulting from the adoption of these standards.

As the majority of cash requirements of Becta are met through Grant-in-Aid provided by DCSF and DBIS (formally DIUS), financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Becta's expected purchase and usage requirements and it is therefore exposed to little credit, liquidity or market risk.

In the ordinary course of its activities, Becta has entered into a limited number of contracts which could extend to 31 March 2011 (at the company's option) and in accordance with the relevant contract terms, costs may rise in line with increases in the Retail Price Index. In every such instance, Becta has the right not to extend its obligation under the agreement without incurring penalty.

As the Becta's policy is to convert foreign currency into sterling on receipt, the Becta's exposure to foreign currency risk is not significant.

24 Special payment

There were two cases of special payments made during the year totalling £23,000 (2007-08: No cases).

25 Authorised for issue

The financial statements were authorised for issue on 27 July 2009.



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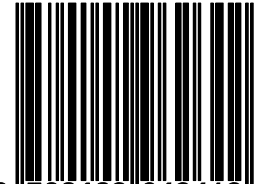
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