



Financial Statements EMLC

For the year ended 31 March 2011



Company No. 4813638
Charity No. 1101512

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Charitable company information

Chairman:	Mr G Gyte
Trustees:	Mr D J Bateson Dr G Berwick Mr M S Eaves (retired 26 April 2010) Mrs J Liddington (appointed 11 June 2010 and retired 30 September 2010) Mrs A McCormick Dr M D Sanderson (retired 13 June 2011) Mrs V Wiseman
Company Secretary:	Mr R Bollington
The Executive:	
- Chief Executive	Jan Marshall
- Deputy Chief Executive	Rob Bollington
- Director	Jane Thomas
- Director	Kerry Batten
- Finance Director	Julie Evans
Registered office:	Bridge House Bridge Street Olney MK46 4AB
Solicitors	Bates, Wells & Braithwaite London LLP 2 - 6 Cannon Street LONDON EC4M 6YH
Auditor:	Grant Thornton UK LLP Grant Thornton House Kettering Parkway KETTERING Northants NN15 6XR
Bankers:	National Westminster Bank plc The Drapery Branch 41 The Drapery NORTHAMPTON NN1 2EY Bank of Scotland 600 Gorgie Road EDINBURGH EH11 3XP

Charitable company information

Company number: 4813638

Charity registered number: 1101512

Report of the trustees

Structure, Governance and Management

EMLC is a company limited by guarantee and governed by a Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

Appointment of trustees

The Articles of Association provide that

- There shall be at least three and up to ten Trustees including an Independent Chair
- Trustees shall be appointed by resolution of the Board of Trustees for an initial term of three years renewable by resolution of the Trustees
- In selecting Trustees, the Trustees shall seek a balance of skills and experience on the Board with an emphasis on individuals who have a national standing in their field. At least two Trustees should have particular knowledge and/or experience in the field of education
- The maximum continuous period of office for all Trustees will be six consecutive years. Any Trustee who has served for six consecutive years may serve again but only after a break of one year unless the board resolves to waive the requirement for such a break to retain a Trustee who brings expertise that will notably enhance the work of the charitable company. The notice of a meeting at which a person is proposed to be first appointed a Trustee shall give the particulars of that person which would, if he or she were so appointed be required to be included in the charitable company's register of Trustees

Trustee induction and training

New Trustees are briefed on their legal obligations under charity law and the contents of the Memorandum and Articles of Association. They are also introduced to the committee system and are given an outline of the financial situation of the charitable company. In addition, each new Trustee is supplied with key documents relating to the charitable company.

Trustees take part in meetings, charitable company events and strategic workshops.

Organisation

The Board of Trustees administers the charitable company. The Board meets quarterly and there is a sub-committee covering finance and human resource issues. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charitable company. To facilitate effective operations the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and contract identification and negotiation.

Risk management

A risk management policy is in place which incorporates an annual review of the risks facing the charitable company. Both financial and non-financial key risks have been considered by the Trustees and in their opinion adequate systems are in place to mitigate those risks.

Objectives and activities

EMLC is an independent charitable company designed to promote leadership in education. The charitable company works closely with schools, local authorities and other organisations involved in school leadership matters. During the period covered by this report, these included the National College and the Training and Development Agency.

EMLC's objects are 'the advancement of education, in particular (without prejudice to the generality) by promoting, improving and developing education leadership in schools, local education authorities and other organisations supporting or providing education regionally, nationally or internationally'.

These objects reflect the critical importance of education to the success and health of society and the crucial role effective leadership plays in the life chances of children and young people. The charitable company is determined to achieve public benefit by making a difference to these life chances through promoting and developing effective leadership and providing support within the education system. In pursuing its goals, EMLC aims to assist succession planning and close the achievement gap by developing the skills of existing and future leaders.

The charitable company continues to develop its own leadership programmes and activities and manage relevant contracts. We are committed to a process of research and needs identification, design and delivery. We are committed to a proactive approach that is responsive to the changing education agenda.

Our values

EMLC is committed to making a difference to leaders in education and, ultimately, children and young people. Through the charitable company's work to support teachers, head teachers, support staff and the wider education community, EMLC aims to provide forward-looking services that constantly reflect the changing education landscape.

EMLC's approach is characterised by the following words:

- Development
- Motivation
- Growth
- Belief
- Moral Purpose
- Courage
- Partnership
- Making a difference
- Inspire
- Influence

Performance against plans

In 2010/11 the charitable company had four key goals designed to ensure it met its objects. These were:

- achieve a wider range of contracts and services for the delivery of leadership development and assessment
- achieve the regular use of Bridge House as a training and meeting venue
- be seen as a respected and influential voice in the world of educational leadership
- play a proactive role in the emerging educational agenda

Achieve a wider range of contracts and services for the delivery of leadership development and assessment

The charitable company submitted a successful tender to the National College to join a new framework arrangement for the provision of services relating to design, development and delivery of leadership and training programmes for schools and children's services. This will provide a vehicle for tendering for future contracts. Alongside this, the charitable company continued to provide and extend its range of leadership programmes and assessment services. An important aspect of this work was the continued and developing national provision of graduation assessment for the National Professional Qualification for Headship (NPQH) on behalf of the National College. This work involved the assessment of future head teachers, ensuring that those assessed are ready for the role of head teacher, which is critical to the life chances of children and young people. Two members of the charitable company's staff worked on the team responsible for training NPQH assessors. During 2011-12 EMLC bid for the new LP contract as part of the new framework. This will increase the pipeline of senior leaders in the system who will be able to apply for NPQH and become head teachers. Other provision included the Certificate of School Administration, an entry level qualification for administrative staff, and development of the use of local collaborative groups in the delivery of programmes for school business managers. These programmes reflect the charitable company's commitment to achieve public benefit by supporting leaders at all levels in order to improve the life chances of the children in their schools.

Achieve the regular use of Bridge House as a training and meeting venue

The charitable company moved to its present headquarters at Bridge House, Olney in December 2009. The aim was to create a progressive and contemporary environment within a traditional old building. Bridge House provides efficient office accommodation alongside meeting spaces where leaders in education and others with an interest in education can come and have the space and environment in which to learn and reflect. The premises were used for a variety of purposes during the year covered by this report. These included a range of meetings of school leadership teams and training events for school leaders.

Be seen as a respected and influential voice in the world of educational leadership

The charitable company continued to have an influence and gain respect as a major provider of a range of leadership programmes and services for the National College, the Training and Development Agency, Manchester Metropolitan University and City and Guilds.

The feedback we collected during the year showed that 93% of those surveyed rated the impact on their learning of programmes attended as very good or good and 96% rated the facilitation of programmes as very good or good.

Play a proactive role in the emerging educational agenda

The charitable company took part in a range of key conferences and strategic meetings linked to the new and emerging education agenda. Through these, the charitable company has positioned itself to respond to the new agenda. The charitable company used its website to share information about key developments and their implications for schools and supported head teachers and other stakeholders on issues such as academy conversion, staff development and succession planning, as they engaged with the new agenda. One example of this support, which illustrates an increasing focus on individual schools, was help provided to a number of schools with applications to become accredited school providers.

Financial review

Total incoming resources amounted to £3,416,060 (2010/11 - £3,726,273) with costs expended of £2,927,655 (2010/11 - £3,551,670)

Whilst the charitable company operated profitably, generating an operating surplus of £488,405, there was a deficit of £74,000 in the FRS 17 disclosure calculations

The charitable company is not required to pay the deficit directly but will, and is able, to pay into the fund the required contributions. The pension scheme, the Local Government Pension Scheme (LGPS) is administered, as a multi-employer scheme by a local authority

Investment policy and returns

Under the Memorandum and Articles of Association the Trustees have the power to invest monies not immediately required for the purposes of the charitable company in such investments as may be thought fit. Bridge House, Olney continues to be a significant investment, serving both as a base for the charitable company and as a meeting point for leaders. Surplus funds are also currently held in interest bearing accounts in order to ensure liquidity

Reserves policy

It is the long term policy of the charitable company to work towards unrestricted funds which are the free reserves of the charitable company which equate to not less than approximately 12 months expenditure. The interim target is to have free reserves of not less than approximately 9 months expenditure. This provides sufficient funds to cover management and administration and support costs and to respond to emergency applications for grants which arise from time to time

At 31 March 2011 free reserves stood at £694,275 (unrestricted funds excluding fixed assets and pension liability)

Future plans

The Trustees continue to recognise the changing education agenda and the context provided by the national drive towards structural solutions. With the increase in numbers of academies and free schools and the advent of teaching schools, there is an increasing emphasis on school based approaches to leadership development

EMLC continues to embrace these changes and has positioned itself to build on past success to move on to the next stage of its development and respond positively to the new agenda. Increasingly the charitable company will be working directly with individual schools to support them as they respond to the new agenda

EMLC will meet its charitable objects and achieve public benefit through the following strategic goals

- deliver high quality leadership development and assessment services
- work proactively with schools on the emerging educational agenda including supporting poorly performing schools
- utilise Bridge House as a centre for leaders to meet and reflect
- be seen as a respected and influential voice in the world of educational leadership

Related parties

The charitable company enters into transactions with Third Wave Enterprises Limited, a company of which EMLC owns 12% of the ordinary share capital

Statement of trustees' responsibilities

The Trustees (who are also directors of EMLC for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 are sufficient to show and explain the charitable company's transactions and 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 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of 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 also responsible for ensuring that the assets are properly applied in accordance with charity law.

Statement of trustees' responsibilities (continued)

The Trustees are responsible for the maintenance and integrity of the corporate and financial information 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.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities for the year.

Donations

Donations to charitable organisations amounted to £nil (2010 - £3,046)

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Exemption statement

In preparing this report the Trustees have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

This report was approved by the Board on 2 December 2010 and signed on its behalf by



G Gyte
Chairman



Independent auditor's report to the members of EMLC (registered number 4813638)

We have audited the financial statements of EMLC for the year ended 31 March 2011 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

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



Independent auditor's report to the members of EMLC

(registered number 4813638)

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Steve Robinson

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Kettering

2 December 2011

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). In addition, the financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable UK accounting standards and the Companies Act 2006.

Company status

EMLC is a company limited by guarantee. The members of the charitable company are the Trustees named on page 2. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

Cash flow statement

The charitable company is entitled to the exemption from preparing a cash flow statement.

Fund accounting

The charitable funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Incoming resources

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

Income received in advance is held within the balance sheet until candidates have completed the appropriate stage of the course. This is required as there is an obligation to repay the relevant proportions of income or provide the services at a later date if the candidate does not complete the course.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Governance costs comprise all costs incurred in Trustees' meetings, statutory audit and staff time spent on these categories.

Tangible fixed assets and depreciation

Tangible fixed assets are included at cost

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

Computer equipment	3 - 8 years straight line
Fixtures and fittings	10 years straight line
Freehold property	50 years straight line
Freehold improvements	20 years straight line

Retirement benefits

Defined Contribution Pension Scheme

The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period

Defined Benefit Pension Scheme

The charitable group has applied the amendment to FRS 17 'Retirement Benefits' which is effective for accounting periods commencing on or after 6 April 2007. The amendment to FRS 17 primarily affects disclosures in relation to defined benefit pension schemes. However, for quoted securities the fair value is now taken to be the current bid price rather than the mid-market value. The change has affected disclosure only and has not led to any prior period adjustment.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at the appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is only recognised to the extent that it is recoverable by the charitable company.

The current service cost and costs from settlements and curtailments are charged to resources expended. Post service costs are spread over the period until the benefit increases vest. Interest charged on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in the Statement of Financial Activities.

Statement of financial activities (including income and expenditure account)

	Note	Unrestricted funds total 2011 £	Unrestricted funds total 2010 £
Incoming resources			
Incoming resources from charitable activities	1	3,407,289	3,716,789
Activities for generating funds			
Investment income	2	8,771	9,484
Total incoming resources		<u>3,416,060</u>	<u>3,726,273</u>
Resources expended			
Costs of generating funds			
Charitable activities		2,823,116	3,454,938
Governance costs		95,539	96,732
Finance costs		9,000	-
Total resources expended	3	<u>2,927,655</u>	<u>3,551,670</u>
Net incoming resources before other recognised gains and losses and net income and expenditure		488,405	174,603
Other recognised gains and losses			
Actuarial losses on defined benefit pension scheme		<u>(74,000)</u>	<u>(85,000)</u>
Net movement in funds		<u>414,405</u>	<u>89,603</u>
Balance at 1 April 2010		<u>1,217,317</u>	<u>1,127,714</u>
Balance at 31 March 2011		<u><u>1,631,722</u></u>	<u><u>1,217,317</u></u>

All of the activities of the charitable company are classed as continuing

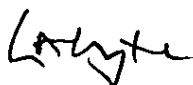
There were no other recognised gains or losses in the year

Balance sheet

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	6		2,009,452		2,055,191
Investments	7		10		10
			<u>2,009,462</u>		<u>2,055,201</u>
Current assets					
Debtors	8	394,333		559,614	
Cash at bank and in hand		<u>2,298,726</u>		<u>2,038,996</u>	
			2,693,059		2,598,610
Creditors, amounts falling due within one year	9	<u>(1,998,784)</u>		<u>(2,103,306)</u>	
Net current assets			<u>694,275</u>		<u>495,304</u>
Total assets less current liabilities			<u>2,703,737</u>		<u>2,550,505</u>
Creditors amounts falling due after more than one year	10		<u>(700,015)</u>		<u>(735,188)</u>
			2,003,722		1,815,317
Pension deficit	14		<u>(372,000)</u>		<u>(598,000)</u>
Total assets after pension deficit			<u><u>1,631,722</u></u>		<u><u>1,217,317</u></u>
Funds					
Unrestricted funds					
Other charitable funds			<u>1,631,722</u>		<u>1,217,317</u>

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the companies regime in Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Trustees and authorised for issue on 2 December 2011 and are signed on their behalf by



G Gyte
Chairman

Registration number 4813638

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Activities in furtherance of the charitable company's objects

	Unrestricted funds 2011 £	Unrestricted funds 2010 £
Incoming resources from charitable activities		
Programmes and activities	<u>3,407,289</u>	<u>3,716,789</u>

2 Investment income

	Unrestricted funds 2011 £	Unrestricted funds 2010 £
Bank interest receivable	<u>8,771</u>	<u>9,484</u>

3 Analysis of total resources expended

	Charitable activities		Governance costs	Finance costs	Unrestricted funds 2011 £	Unrestricted funds 2010 £
	Direct £	Support £	£	£		
Delivery of services	1,483,165	-	-	-	1,483,165	1,724,359
Travel	18,129	10,584	-	-	28,713	40,653
Staff	490,842	403,040	48,346	-	942,228	1,212,823
Training and welfare	1,935	19,520	-	-	21,455	15,914
Rent, rates and insurance	34,292	40,098	-	-	74,390	98,212
Printing, stationery and communication	82,736	18,164	-	-	100,900	89,939
Legal and professional	-	59,056	-	-	59,056	80,118
Audit	-	-	12,032	-	12,032	10,710
Research, marketing and advertising	25	19,064	-	-	19,089	104,284
Office	15,444	44,384	14,185	9,000	83,013	69,433
Bank charges	-	2,363	-	-	2,363	3,817
Trustees' costs	-	-	20,976	-	20,976	26,048
Depreciation	52,681	27,594	-	-	80,275	75,360
	<u>2,179,249</u>	<u>643,867</u>	<u>95,539</u>	<u>9,000</u>	<u>2,927,655</u>	<u>3,551,670</u>

Support costs have been allocated either on a usage or per-capita basis

Analysis of total resources expended (continued)

	Unrestricted funds 2011 £	Unrestricted funds 2010 £
Auditor's remuneration		
Audit fee	9,900	9,600
Depreciation and impairment	<u>83,620</u>	<u>200,936</u>

4 Trustees' remuneration

The Chair of Trustees received remuneration, as permitted by the memorandum of association, in respect of professional services amounting in total to £19,491 (2010 - £19,078). In addition, the Chair of the Finance - Human Resources Committee also received remuneration of £(414) (2010 - £6,246). No other Trustees either received or waived any emoluments during the year. No pension contributions were paid for any Trustees.

No (2010 - three) Trustees received reimbursement for their travel expenses amounting to £nil (2010 - £8,726).

5 Staff costs

	Unrestricted funds 2011 £	Unrestricted funds 2010 £
Wages and salaries	1,163,141	1,102,565
Social security costs	118,322	120,711
Pension costs		
- current service cost	79,000	52,000
- contributions	21,197	35,243
- past service costs/settlements	<u>(249,000)</u>	<u>-</u>
	<u>1,132,660</u>	<u>1,310,519</u>

The average number of employees during the period was

	2011 Number	2010 Number
Charitable activities	10	12
Management and administration	<u>12</u>	<u>11</u>
	<u>22</u>	<u>23</u>

Staff costs (continued)

The emoluments of higher paid employees fell within the following ranges

	2011 Number	2010 Number
£80,001 to £90,000	-	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
£120,001 to £130,000	1	-
£130,001 to £140,000	-	2
£140,001 to £150,000	1	-
£150,001 to £160,000	1	-
£180,001 to £190,000	1	-

During the year the following amounts were paid to higher paid employees as shown above

	2011 £	2010 £
Pension contributions to defined benefit scheme	122,600	103,808
Pension contributions to defined contribution scheme	6,524	2,768
	129,124	106,576

During the year, 3 (2010 - 4) higher paid employees participated in the defined benefit scheme and 2 (2010 - 1) higher paid employee participated in the defined contribution scheme

6 Tangible fixed assets

	Freehold property £	Fixtures, fittings and equipment £	Total
Cost			
At 1 April 2010	1,847,803	408,324	2,256,127
Additions	13,608	24,273	37,881
At 31 March 2011	1,861,411	432,597	2,294,008
Depreciation			
At 1 April 2010	9,676	191,260	200,936
Charge for the year	38,891	44,729	83,620
At 31 March 2011	48,567	235,989	284,556
Net book amount at 31 March 2011	1,812,844	196,608	2,009,452
Net book amount at 31 March 2010	1,838,127	217,064	2,055,191

Financial statements for the year ended 31 March 2011

7 Investments

	Investment to related company £
Cost	
At 31 March 2011 and at 1 April 2010	<u>10</u>

8 Debtors

	2011 £	2010 £
Trade debtors	354,599	448,064
Other debtors	-	48,445
Prepayments and accrued income	<u>39,734</u>	<u>63,105</u>
	<u>394,333</u>	<u>559,614</u>

9 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank loans	40,428	41,049
Trade creditors	159,774	299,992
Taxation and social security	36,846	110,676
Other creditors	39,440	63,148
Pension contributions	16,672	16,054
Accruals	453,580	290,045
Deferred income (see below)	<u>1,252,044</u>	<u>1,282,342</u>
	<u>1,998,784</u>	<u>2,103,306</u>

Deferred income

Balance at 1 April 2010	1,282,342	997,409
Amount released to incoming resources	(3,050,777)	(3,238,921)
Amount deferred in the year	<u>3,020,479</u>	<u>3,523,854</u>
Balance at 31 March 2011	<u>1,252,044</u>	<u>1,282,342</u>

The bank loans are secured by way of a charge over the freehold property and assets

10 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Bank loans	<u>700,015</u>	<u>735,188</u>

The bank loans are secured by way of a charge over the freehold property and assets

11 Borrowings

Borrowings are repayable as follows

	2011 £	2010 £
Within one year		
Bank loans	40,428	41,049
After one and within two years		
Bank loans	40,064	38,338
After two and within five years		
Bank loans	137,617	140,792
After five years		
Bank loans	<u>522,334</u>	<u>556,058</u>
	<u>740,443</u>	<u>776,237</u>

12 Financial commitments

At 31 March 2011 the charitable company has annual commitments under non-cancellable leases as follows

	Land and buildings 2011 £	Other 2011 £	Land and buildings 2010 £	Other 2010 £
Expiry date				
Less than one year	-	-	-	-
Two to five years	-	48,122	-	48,122

The charitable company had no capital commitments as at 31 March 2011 or at 31 March 2010

13 Related parties

EMLC owns 12% of the ordinary share capital of Third Wave Enterprises Limited. The following transactions were noted during the year

	2011 £	2010 £
Income from Master trading Agreement	9,587	8,648
Dividend income from 'B' ordinary share held	17,870	9,253
Salaries and overheads recharged to Third Wave Enterprises Limited	<u>204,225</u>	<u>211,052</u>

14 Pensions

Defined contribution scheme

The charitable company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charitable company. Pension costs in the year amounted to £21,197 (2010 - £35,243).

Defined benefit scheme

The charitable company operates a funded defined benefit pension scheme for the benefit of the employees in conjunction with a local government defined benefit pension scheme. The assets of the scheme are administered by Trustees in a fund independent from those of the charitable company. In 2010/2011 the charitable company paid an employer's contribution of £139,000 (2010 - £105,000) representing 26% of employees' pensionable pay into Northamptonshire County Council's Superannuation Fund, which provides members with defined benefits related to pay and service.

Pension costs are assessed in accordance with the advice of a qualified actuary using the projected unit method. The most recent actuarial valuation of the scheme was at 31 March 2007 which showed that the value of those assets was sufficient to cover 76% of the benefits that had accrued to members, after allowing for expected future increases in earnings. This has resulted in an increased employers' contribution from 11.94% to 14.9%, 18% and 21% respectively for the three years from April 2008.

The valuation has been updated to 31 March 2011 by a qualified independent actuary using revised assumptions that are consistent with the requirements of FRS 17.

The principal actuarial assumptions used by the actuary were as follows:

	2011	2010
	%	%
Discount rate	5.5	5.5
Expected return on plan assets at 31 March	6.8	7.2
Rate of increase in pensionable salaries	5.1	4.3
Rate of increase in pensions in payment	2.8	3.3
Inflation assumption	2.8	3.3

The expected return on plan assets is 6.8% (2010 - 7.2%) which is based on Trustees' best estimate of overall rate of return. Major categories of plan assets were as under:

	2011	2010
	%	%
Equities	7.5	7.8
Bonds	4.9	5.0
Property	5.5	5.8
Cash	4.6	4.8

Mortality assumptions: In relation to life expectancy it is assumed that for a man who has reached pensionable age that life expectancy is age 86.4 and for females, age 88.3. For scheme members who have not reached pensionable age, the rates are adjusted to reflect changes in mortality rates that are expected to arise over the period to pensionable age.

Financial statements for the year ended 31 March 2011

Pensions (continued)

Defined benefit scheme (continued)

The amounts charged of (credited) in Statement of Financial Activities are as follows

	2011 £'000	2010 £'000
Current service cost less employee contribution	79	52
Interest on obligation	142	126
Expected return on plan assets	(133)	(85)
Past service cost	(249)	-
Total	<u>(161)</u>	<u>93</u>

The amounts charged or credited in the wages and salaries charge were £300,000 (2010 - £12,000)

The amounts recognised in the balance sheet are as follows

	2011 £'000	2010 £'000
Fair value of plan assets	1,905	1,855
Present value of funded retirement benefit obligations	<u>(2,277)</u>	<u>(2,453)</u>
Deficit at 31 March	<u>(372)</u>	<u>(598)</u>

The major categories of plan assets as a percentage of the total plan assets, are as follows

	2011 %	2010 %
Equities	72	76
Bonds	20	16
Property	6	6
Cash	2	2

The actual return on plan assets was as follows

	2011 £'000	2010 £'000
Actual return on plan assets	126	484

Changes in the present value of the defined benefit obligation are as follows

	2011 £'000	2010 £'000
Opening defined benefit liabilities at 1 April	2,453	1,806
Contribution by members	19	19
Current service cost	79	52
Interest cost	142	126
Actuarial gains/(losses)	10	484
Past service costs	(249)	-
Benefits paid	<u>(177)</u>	<u>(34)</u>
Closing defined benefit liabilities at 31 March	<u>2,277</u>	<u>2,453</u>

Financial statements for the year ended 31 March 2011

Pensions (continued)

Defined benefit scheme (continued)

Changes in the fair value of plan assets are as follows

	2011 £'000	2010 £'000
Opening fair value of plan assets at 1 April	1,855	1,281
Expected return	133	85
Actuarial gains/losses	(64)	399
Contributions by employer	139	105
Contributions by plan participants	19	19
Benefits paid	(177)	(34)
Closing fair value of plan assets at 31 March	<u>1,905</u>	<u>1,855</u>

Amounts for the current and previous four periods are as follows

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Fair value of plan assets at 31 March	1,905	1,855	1,281	1,576	1,086
Present value of defined benefits obligation at 31 March	(2,277)	(2,453)	(1,806)	(2,036)	(1,059)
Deficit in the plan	(372)	(598)	(525)	(460)	27
Experience adjustments arising on plan assets	(64)	399	(472)	380	(12)
Experience adjustments arising on plan liabilities	111	-	-	(768)	(42)